

**NEWS RELEASE**

**ROXY-PACIFIC ACHIEVES EARNINGS GROWTH ACROSS ALL BUSINESS SEGMENTS IN 3Q2012**

- *Revenue holds steady at S\$43.6 million*
- *Profit after tax, excluding fair value gains, rises 116% to S\$8.2 million*
- *Earnings from Property development, Hotel ownership and Property investment segments rise 70%, 50% and 87% respectively*
- *Progress billings of S\$844.7 million<sup>1</sup> as of 28 October 2012, to be recognised from 4Q2012 to FY2016, bring strong earnings visibility*
- *Sizeable landbank with total attributable gross floor area of approximately 296,991 square foot for development*
- *Strong financial flexibility with cash and cash equivalents amounting to S\$240.8 million as at September 30, 2012*

**Financial Highlights:**

S\$'million	3Q2012	3Q2011	% Change	9M2012	9M2011	% Change
Revenue	43.6	44.4	(2.0)	134.4	141.5	(5.0)
Gross Profit	17.3	15.8	9.0	54.4	47.4	15.0
Gross Margin (%)	39.7	35.6	4.1 ppt	40.5	33.5	7.0 ppt
Profit before Tax	10.7	16.1	(34.0)	39.5	44.6	(11.0)
Adjusted Profit before Tax*	10.7	6.6	63.0	35.1	25.5	37.6
Net Profit	8.2	13.4	(38.8)	35.0	39.9	(12.2)
Adjusted Net Profit*	8.2	3.8 <sup>2</sup>	115.8	30.6	20.8 <sup>2</sup>	47.1

\* Excluding the fair value gains

	Sep 30, 2012	Dec 31, 2011	% Change
<b>Net Asset Value per share (cents)</b>	<b>24.10</b>	<b>22.44<sup>2,3</sup></b>	<b>7.4</b>
<b>Adjusted Net Asset Value per share (cents)<sup>4</sup></b>	<b>64.14</b>	<b>58.49<sup>2,3</sup></b>	<b>9.7</b>
<b>Net Debt to ANAV (times)<sup>4</sup></b>	<b>0.31</b>	<b>0.45</b>	<b>(31.1)</b>
<b>Cash and Cash Equivalents</b>	<b>240.8</b>	<b>216.2</b>	<b>11.4</b>

<sup>1</sup> Based on Option to Purchase granted up to October 28, 2012.

<sup>2</sup> Adjusted due to the adoption of Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

<sup>3</sup> Adjusted for bonus issue of shares based on one bonus share for every two existing shares.

<sup>4</sup> The fair value of Grand Mercure Roxy Hotel was estimated to be S\$438.0 million as at September 30, 2012

**Singapore, November 2, 2012** – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), a homegrown specialty property and hospitality group, today announced net profit of S\$8.2 million for the period ended September 30, 2012 (“3Q2012”), and revenue of S\$43.6 million. Excluding fair value gains recorded for September 30, 2011 (“3Q2011”), the Group’s profit before tax surged 63% from S\$6.6 million in 3Q2011 to S\$10.7 million in 3Q2012. Corresponding, net profit was up 116% to S\$8.2 million in 3Q2012 from S\$3.8 million in 3Q2011.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “The Group’s performance for 3Q2012 is in line with expectations. We are pleased to report that the Group continues to stride forward in our three business segments, Property Development, Hotel Ownership and Property Investment, notwithstanding volatile macro economic conditions. We view our positive performance to be a result of the Group’s ongoing diversification of our property development portfolio, successful execution of marketing strategies for our residential, commercial and mixed development projects, as well as exposure to the hospitality sector through the Grand Mercure Roxy Hotel.

“Going forward, the Group will continue to enjoy a healthy cashflow, considering that the Group has a balance amount of attributable progress billings of approximately S\$844.7 million, to be recognised from 4Q2012 to FY2016. In addition, we have a sizeable landbank that comprises five attractive freehold sites with a total attributable gross floor area of approximately 296,991 square foot. Our healthy amount of cash and cash equivalents along with our net debt to ANAV of 0.31 times gives us the financial flexibility and agility to execute new projects as well as expand the hotel business, when we find suitable opportunities.”

### **Performance Review**

In 3Q2012, the Group achieved revenue of S\$43.6 million in 3Q2012, 2% lower as compared to S\$44.4 million in 3Q2011. The decline was the result of 4% and 29% decrease in revenue from Property Development segment and the Property Investment segments respectively, partly offset by a 5% increase in revenue from the hotel ownership segment in 3Q2012.

In the Property Development segment, which contributed 69% to Group revenue, the Group recognised revenue from Straits Residences, Studios@Tembeling, Jupiter 18, Spottiswoode 18, Treescape and Space@Kovan in 3Q2012. For Studios@Tembeling, the TOP status was obtained in July 2012. Overall, revenue in this segment decreased by 4% largely due to absence of revenue from The Azzuro, The Lucent, Nova 48, The Verte and Nova 88.

The remaining 31% of the Group revenue in 3Q2012 was attributable to the Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership increased 5% to S\$13.1 million in 3Q2012. The hotel's average occupancy rate (“AOR”) was 94.5% in 3Q2012 as compared to 96.4% in 3Q2011. Average room rate (“ARR”) on the other hand, increased by 4% to S\$200.2 in 3Q2012 from S\$192.9 in 3Q2011. Hence the Group's revenue per available room (“RevPar”) increased 2% from S\$185.9 in 3Q2011 to S\$189.2 in the current quarter.

The Group's overall gross profit margin improved by 4 percentage points from 36% in 3Q2011 to 40% in 3Q2012 on the back of an increase in gross profit margin from Property Development and Property Investment segments.

Largely due to the fair value gains of S\$9.6 million arising from the transfer of Kovan Centre from investment property to development property in 3Q2011, other operating income decreased from S\$10.1 million in 3Q2011 to S\$38,000 in 3Q2012.

Excluding the fair value gains, the Group's profit before tax surged 63% from S\$6.6 million in 3Q2011 to S\$10.7 million in 3Q2012 due to higher profits from all business segments. In 3Q2012, Profit before tax for the Property Development segment, Hotel Ownership segment and Property Investment segment was 70.0%, 50.5% and 86.9% higher respectively, as compared to 3Q2011.

Overall, the Group's profit after taxation declined by 39% from S\$13.4 million in the previous corresponding quarter to S\$8.2 million in the current quarter. Excluding fair value gains, profit after tax rose 116% to S\$8.2 million in 3Q2012 from S\$3.8 million in 3Q2011.

Cumulatively, the Group registered a 5% decrease in revenue to S\$134.4 million for the nine months ended September 30, 2012 ("9M2012"), from S\$141.5 million in the previous corresponding period ("9M2011"). The decrease was 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 achieved a 7% increase in revenue due to higher RevPar. Excluding fair value gains, the Group's profit before tax surged 38% from S\$25.5 million in 9M2011 to S\$35.1 million in 9M2012, as a result of higher profits across all business segments. Correspondingly, net profit excluding fair value gains was up 47.1% to S\$30.6 million in 9M2012 from S\$20.8 million in 9M2011.

## Outlook

According to the Ministry of Trade and Industry's announcement on October 12, 2012, the Singapore economy grew at a modest pace of 1.3% on a year-on-year basis in the 3rd quarter of 2012, compared to 2.3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.5%, compared to the 0.2% expansion in the 2nd quarter.

Based on latest statistics released by Urban Redevelopment Authority on October 29 2012, the overall prices of private residential properties increased by 0.6% in 3rdQuarter 2012, compared to the 0.4% increase in previous quarter.

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.

Latest projections from United Nations World Tourism Organization revealed that tourism in Asia will grow between 4% to 6% in 2012 and within Asia, Southeast Asia is poised to be the region with the fastest growth rate at 9%. The Singapore Government has also committed \$905 million to the Tourism Development Fund to build Singapore's position as an international Lifestyle and Business events hub over the next five years.

Commented Mr Teo: "We will continue to exercise prudence as we explore opportunities amidst the current challenging property environment and global economic uncertainty. Our hotel business will also benefit from the continual growth in intra-Asia leisure and business travel to Singapore, drawn by high-key business events, Gardens by the Bay and a strong pipeline of attractions such as the Giant Panda exhibit, River Safari, Sports Hub and the National Art Gallery."

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. In August 2012, the Group had acquired another site at 7/9/11 Wilkie Terrace, Singapore, which has a total land area of 13,209 sq ft and an existing plot ratio of 2.1 for residential apartment development. All five 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.

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