

**NEWS RELEASE**

## **ROXY-PACIFIC ACHIEVES RECORD NET PROFIT OF S\$58.3 MILLION IN FY2012**

- *Strong performance recorded in FY2012 and 4Q2012 largely due to higher revenue recognition from Property Development segment*
- *Gross Profit Margin rose 6 percentage points from previous corresponding period to 40% in FY2012*
- *High earnings visibility with progress billings of approximately S\$861.7<sup>1</sup> million, to be recognised from 1Q2013 to FY2016*
- *Strong financial flexibility with cash and cash equivalents of S\$253.2<sup>2</sup> million*
- *Proposed a final cash dividend of 0.92 SGD cents per share. Total dividends paid and proposed of 1.59 cents (2011: 1.33 SGD cents) per share, 20% higher compared to prior year*

**Financial Highlights:**

S\$'million	4Q2012	4Q2011	% Change	FY2012	FY2011	% Change
Revenue	56.2	42.1	33	190.6	183.7	4
Gross Profit	21.4	15.8	35	75.9	63.3	20
Profit before Tax	26.3	13.9	89	65.9	58.5	13
Profit after Tax	23.3	11.9	96	58.3	51.8	13
Earnings per share (cents)	2.44	1.25	95	6.11	5.43	13
	Dec 12	Dec 11	% Change			
Net Asset Value per share (cents)	26.56	22.44 <sup>2,3</sup>	18.4			
ANAV per share (cents) <sup>4</sup>	66.83	58.49 <sup>2,3</sup>	14.3			
Net Debt to ANAV (times) <sup>4</sup>	0.56	0.45	24.4			
Cash and Cash Equivalents	253.2	228.2	11.0			

<sup>1</sup> Based on Option to Purchase granted up to February 7, 2013.

<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\$440.0 million as at December 31, 2012

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**Singapore, February 19, 2013** – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), a homegrown specialty property and hospitality group, achieved a record net profit of S\$58.3 million for the full year ended December 31, 2012 (“FY2012”) and a record net profit of S\$23.3 million in the fourth quarter ended December 31, 2012 (“4Q2012”), on the back of higher revenue contribution from the Property Development segment.

The Group achieved revenue of S\$56.2 million in 4Q2012, 33% higher as compared to S\$42.1 million for the fourth quarter ended December 31, 2011 (“4Q2011”). Revenue from the Property Development segment in 4Q2012 increased 50% from S\$29.4 million in the fourth quarter ended December 31, 2011 (“4Q2011”) to S\$44.2 million in 4Q2012, largely due to higher revenue from Spottiswoode 18, Jupiter 18, Space@Kovan, Treescap and The MKZ. Overall, this segment contributed 79% of the Group’s turnover in 4Q2012.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “Our strong financial performance was achieved through our focus on a good mix of property portfolio comprising residential, commercial and mixed-use developments. We continue to enjoy high earnings visibility, with progress billings of S\$861.7 million to be recognised from 1Q2013 to FY2016. This is more than five times the attributable revenue achieved by our Property Development segment in FY2012, reflective of the successful execution of marketing strategies for our residential, commercial and mixed development projects.

“With the good performance in FY2012 and to reward our shareholders for their confidence and support in Roxy, we will be proposing a final cash dividend of 0.92 SGD cent per share at the next Annual General Meeting.”

Together with the Group’s first interim dividend since IPO in 2008 of 0.67 SGD cent per share in 2Q2012, the Group’s total dividend payout for FY2012 is 1.59 SGD cents, per share 20% higher compared to prior year.

## **Performance Review**

The Group's turnover for FY2012 increased to S\$190.6 million from S\$183.7 million for the full year ended December 31, 2011 ("FY2011"). The increase was due to higher revenue contribution from the Property Development segment and the Hotel Ownership segment.

Revenue from the Property Development segment, which made up 73% of the Group's turnover, increased 5% from S\$132.6 million to S\$138.7 million in FY2012. The increase was mostly due to recognition of higher revenue from Jupiter 18 and Spottiswoode 18 as compared to FY2011 and also recognition of new development projects such as Space@Kovan, Treescape and The MKZ in FY2012.

The remaining 27% of the Group's turnover in FY2012 was attributable to the Group's Hotel Ownership and Property Investment segments. Revenue from the Hotel Ownership segment, increased 4% to S\$50.1 million in FY2012 from S\$48.4 million in FY2011. The Group's hotel, Grand Mercure Roxy Hotel, registered an average occupancy rate ("AOR") of 89.9% in FY2012. The hotel's average room rate ("ARR") increased 6% to S\$199.9 in FY2012 from S\$188.3 in FY2011. Overall, the Group's revenue per available room ("RevPar") increased to S\$179.7 in FY2012.

Revenue from the Group's Property Investment segment in FY2012, which constituted 1% of the Group's turnover, was lower at S\$1.7 million in FY2012 as compared to S\$2.6 million in FY2011 as a result of the redevelopment of Kovan Centre.

The Group's overall gross profit margin improved by 6 percentage points from 34% in FY2011 to 40% in FY2012 on the back of an increase in gross profit margin from Property Development as a result of the recognition of profits in FY2012 from development projects such as Spottiswoode 18 and Space@Kovan which have higher profit margins.

The Group's other operating income in FY2012 decreased from S\$24.9 million in FY2011 to S\$17.1 million largely due to a lower fair value gain of S\$15.6 million as compared to S\$23.0 million in FY2011.

Despite the above, the Group achieved a record net profit of S\$58.3 million in FY2012, 13% higher compared to FY2011.

## **Outlook**

The Ministry of Trade and Industry expects the Singapore economy to grow by around 1.0% to 3.0% in 2013. The Singapore Government had also announced a comprehensive package of cooling measures for the residential property market in January 2013, to cool demand and expand supply, so as to moderate the increase in housing prices. The Singapore Tourism Board has set targets to achieve 17 million visitor arrivals by 2015<sup>1</sup> and it has forecasted a 13.5 to 14.5 million visitor arrivals in 2012. Singapore's Gardens by the Bay and new attractions such as the Marine Life Park, River Safari and the Marina Bay Cruise Centre are expected to attract the tourism dollar to Singapore. There is also a healthy line-up of quality MICE events in 2013, including a number of inaugural business events.

Added Mr Teo: "We had enjoyed good earnings growth with our well-balanced property portfolio. Whilst macro headwinds in the form of the fiscal cliff in the United States have been averted, there remains a strong political will to rein in a heated property market. Moving forward, we will leverage on our three business pillars – Property Development, Hotel Ownership and Property Investment – to grow. With our strong cash position and net debt to ANAV of 0.56 times, this will put us in a good position to tap on opportunities to grow our Hotel business, as they arise."

"In property development, we will continue to exercise prudence in managing our growth amidst uncertainties in this market. In line with this approach, we will look at joint venture opportunities with reputable and experienced developers as they arise. We note the vibrant tourism market and are optimistic that our hotel business will benefit from the continual growth in intra-Asia leisure and business travel to Singapore, buoyed by a strong pipeline of attractions in the domestic market."

Barring unforeseen circumstances, the directors expect the Group to be profitable in 2013.

1: Tourism 2015, <https://app.stb.gov.sg/asp/abo/abo08.asp>

## **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 2012, the Group developed and launched 32 small to medium size developments comprising a total of more than 2,000 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 and January 2013, the Group had acquired another two sites at 7/9/11 Wilkie Terrace and 13/15 Wilkie Terrace, Singapore, which has a total land area of 22,533 sq ft and an existing plot ratio of 2.1 for residential apartment

development. The Group intends to amalgamate these two sites 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\$153.3 between 2004 and 2012.

The Group owns 52 retail shops at The Roxy Square Shopping Centre.

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