

NEWS RELEASE

ROXY-PACIFIC ACHIEVES RECORD NET PROFIT OF S\$92.2 MILLION IN FY2013

- **Revenue hits new record at S\$369.0 million**
- **Strong performance recorded in FY2013 and 4Q2013 largely due to higher revenue recognition from Property Development segment**
- **High earnings visibility with progress billings of approximately S\$922.4 million¹, to be recognised from 1Q2014 to FY2017**
- **Strong growth headroom with cash and cash equivalents of S\$354.2 million**
- **Proposed a final cash dividend of 1.297 SGD cents per share, bringing total dividends for FY2013 to 1.913 cents per share, 50% higher compared to prior year (2012: 1.2752 SGD cents)**

Financial Highlights:

S\$'million	4Q2013	4Q2012	% Change	FY2013	FY2012	% Change
Revenue	169.7	56.2	202	369.0	190.6	94
Gross Profit	58.4	21.4	173	125.7	75.9	66
Profit before Tax	50.7	26.3	93	106.7	65.9	62
Profit after Tax	44.8	23.3	92	92.2	58.3	58
Earnings per share (cents)	3.76	1.97	91	7.73	4.90	58
	Dec 13	Dec 12	% Change			
Net Asset Value per share (cents)	27.62	21.25 ²	30			
ANAV per share (cents) ³	64.60	53.46 ²	21			
Net Debt to ANAV (times) ³	0.68	0.56	21			
Cash and Cash Equivalents	354.2	253.2	40			

¹ Based on Option to Purchase granted up to February 6, 2014.

² Adjusted for bonus issue of shares based on one bonus share for every four existing shares.

³ The fair value of Grand Mercure Roxy Hotel and office premise was estimated to be S\$522.5 million as at December 31, 2013

Singapore, February 13, 2014 – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), a homegrown specialty property and hospitality group, achieved a record net profit of S\$92.2 million for the full year ended December 31, 2013 (“FY2013”) and a record net profit of S\$44.8 million in the fourth quarter ended December 31, 2013 (“4Q2013”), on the back of higher profit contribution from the Property Development segment.

This was achieved on the back of strong revenue growth, surging 94% to S\$369.0 million in FY2013, as compared to S\$190.6 million for the full year ended December 31, 2012 (“FY2012”). Revenue from the Property Development segment in FY2013 jumped 131% to S\$321.0 million from S\$138.7 million in FY2012 largely due to the recognition of revenue from WIS@Changi coupled with seven other development projects namely Treescape, The MKZ, Spottiswoode 18, Jupiter 18, Space@Kovan, Jade Residences and Whitehaven. Overall, this segment contributed 87% of the Group’s turnover in FY2013.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “We are delighted to have achieved a record net profit for FY2013. This is the result of a dedicated team here with a shared and strong focus on the delivery of quality developments and services.

“We remain firmly attuned to the dynamic and changing property landscape in Singapore, and will be very selective in identifying suitable sites that will appeal mainly to the mid to mass market segments.

“At the same time, we will continue to look for opportunities to work with experienced JV partners who complement our strengths and provide the relevant synergies. This is especially so as we broaden our geographical reach. After our recent entry into Malaysia, we’ve made our second move abroad, this time into a mixed-development property asset comprising predominantly serviced apartments. This property has a total gross floor area of approximately 99,076 sq ft and is located at No. 8 Russell Street, Causeway Bay, Hong Kong, opposite Times Square, a vibrant shopping and entertainment complex. Going forward, we are also looking into investment

opportunities in Sydney, Melbourne, London and Phuket as we expand our business overseas.”

Added Mr Teo, “With a healthy balance sheet and strong cash position, we will draw on our financial flexibility to prudently source for suitable projects both locally and in overseas markets. We firmly believe in geographical diversification as a good growth strategy for our asset portfolio and to enhance shareholder value.”

Performance Review

In 4Q2013, Group revenue surged over three times to hit S\$169.7 million, up from S\$56.2 million in 4Q2012. The increase in revenue was largely due to strong performance from the Property Development segment and an improvement from the Hotel Ownership segment.

The Property Development segment, which comprises residential and commercial developments, contributed 93% of the Group’s turnover in 4Q2013. The revenue from this segment surged over 3.5 times to S\$157.5 million in 4Q2013 from S\$44.2 million in 4Q2012 largely due to 100% recognition of revenue from WIS@Changi upon completion, coupled with higher revenue recognition from Spottiswoode 18, Jupiter 18, Space@Kovan, Treescape, The MKZ, Jade Residences and Whitehaven.

“We are glad to note that overall, the revenue recognition for these seven development projects in 4Q2013 surpasses that for the whole of FY2012,” added Mr Teo.

The Hotel Ownership segment contributed 7% or S\$11.8 million to the Group's turnover in 4Q2013, up marginally by 2% from S\$11.6 million achieved in 4Q2012. With the full operation of hotel rooms from July 2013, Grand Mercure Roxy Hotel achieved an increase in the average occupancy rate ("AOR") to 90.3% in 4Q2013. Average room rate ("ARR"), on the other hand, decreased by 8% to S\$182.9 in the period under review. Overall, revenue per available room ("RevPar") increased by 2% to S\$165.2 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted less than 1% of the Group's turnover, was lower by 11% at S\$0.39 million in 4Q2013 mainly due to expiry of lease terms for some shop units in Roxy Square.

As a result of the Group's joint venture strategy, share of profit from associates increased from S\$2.6 million in 4Q2012 to S\$3.1 million in 4Q2013 mainly due to higher profit recognition from joint-venture projects such as Natura@Hillview and Millage.

Overall, the Group's profit before tax increased 93% to S\$50.7 million and profit after tax increased to S\$44.8 million in 4Q2013.

"With balanced progress billings of S\$922.4 million, we have strong earnings visibility to FY2017. At the same time we have three development plots with a total gross floor area of approximately 503,365 sq ft for development. We will look for further opportunities to acquire land plots both in Singapore and abroad and with our strong cash position, we are well placed for potential growth," concluded Mr Teo.

Industry Outlook

The Singapore Government has forecast Singapore's GDP growth for 2014 to be between 2% to 4% as compared to the estimated growth of 3.7% in 2013⁴.

⁴ '2-4% growth expected in 2014: PM Lee', *Straits Times*, Jan 1, 2014

Based on the latest statistics released by Urban Redevelopment Authority (URA) on 24th January 2014, for the year 2013 as a whole, prices of private residential properties increased by 1.1%, lower than the 2.8% increase in 2012. The various property cooling measures introduced in 2013, including the Total Debt Servicing Ratio (“TDSR”) framework have affected the overall property market’s sentiments.

For the Tourism sector in Singapore, analysts observed that Singapore, being located in the midst of the burgeoning Asia Pacific region, is increasingly popular as a transit hub for long-haul travellers, and with its modern and efficient transport infrastructure, is positioned to benefit⁵. Additionally, outbound travel from mainland China is expected to double from 100 million in 2013 to 200 million by 2020⁶, and Singapore is likely to be a beneficiary of that growth as it is viewed as a top travel destination, due to its warm climate, tax-free shopping and quality tourist attractions.

The Group’s performance for the period under review has been in line with expectations. Barring unforeseen circumstances, the directors expect the Group to be profitable in 2014.

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”).

⁵ ‘Singapore Tourism Report Q1 2014’, *Business Monitor International*, January 15, 2014

⁶ ‘Travel from mainland China to double by ‘20’, *Business Times*, January 21, 2014

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 2013, the Group developed and launched 36 small to medium size developments comprising a total of more than 2,500 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 89.0% and good ARR averaging S\$159.4 between 2004 and 2013.

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

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