

NEWS RELEASE

ROXY-PACIFIC'S NET PROFIT UP 20% TO S\$37.7 MILLION IN 1H2014

- **Turnover increased by 48% to S\$182.1 million**
- **Boosted by 59% revenue growth from Property Development segment**
- **Sustained earnings visibility with pre-sale revenue of S\$955.4 million¹, profit of which will be recognised from 3Q2014 to FY2017**
- **Sold more than 92% of strata retail floor area in 8 Russell Street, Hong Kong**
- **Successfully completed acquisition of commercial property in Sydney – first entry into Australia**
- **Strong headroom with cash and cash equivalents of S\$289.5 million and a S\$200m Multicurrency Medium Term Note Programme**
- **Continues to look for opportunities to broaden asset portfolio and geographical reach**
- **Declares interim dividend of 0.616 SGD cents per share**

Financial Highlights:

S\$'million	2Q2014	2Q2013	% Change	1H2014	1H2013	% Change
Revenue	102.6	68.9	49	182.1	122.6	48
Gross Profit	30.4	23.4	30	55.5	41.7	33
Profit before Tax	27.3	21.8	25	44.6	36.2	23
Net Profit	22.8	19.5	16	37.7	31.4	20
Earnings per Share (SGD Cents)	1.90	1.63	17	3.16	2.61	21
	Jun 2014	Dec 2013	% Change			
Net Asset Value per share (cents)	29.49	27.62	7			
Adjusted Net Asset Value per share (cents)²	66.63	64.60	3			

¹ Included Option to Purchase granted up to 22 July 2014

² The fair value of Grand Mercure Roxy Hotel and office premise was estimated to be S\$523.4 million as at 30 June 2014 (S\$522.5 million as at December 31, 2013)

Singapore, July 31, 2014 – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), an established property and hospitality group with an Asia-Pacific focus, today reported that its net profit rose 16% to S\$22.8 million in the second quarter ended June 30, 2014 (“2Q2014”), from S\$19.5 million in the previous corresponding period (“2Q2013”). This was achieved on the back of strong revenue growth of 49% to S\$102.6 million in 2Q2014, as compared to S\$68.9 million for 2Q2013.

Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific, commented: “Our strong performance continued to be led by our core Property Development segment, with 12 of 16 projects in Singapore substantially sold. We recognise that the market conditions are challenging and differentiation of our developments, coupled with innovative marketing initiatives and attractive pricing, will provide a competitive edge.

“We’ve continued to actively pursue our regional expansion strategy and remain focused on both property development and investment opportunities in the residential and commercial arena. At the same time, we do not rule out possibilities of extending our hotel presence into the region.

“Australia represents the third country that we have entered into after Malaysia and Hong Kong. We are pleased to have made good progress in Sydney with the successful completion of the acquisition of the commercial building at 59 Goulburn Street in the CBD area. Given its good location, we are optimistic that this newly acquired building will provide a stable source of recurring rental income.

“Our rebalancing strategy will include achieving a good mix between development and recurring income as we expand prudently in both Singapore and the region.”

Performance Review

In 2Q2014, Group revenue rose 49% to S\$102.6 million from S\$68.9 million in 2Q2013.

The higher Group revenue was mainly the result of stronger performance from the Property Development segment. The development of Spottiswoode 18, Space@Kovan, The MKZ and Treescape continued to progress smoothly. The development of Jade Residences, Whitehaven and LIV on Sophia, has also begun. As a result, revenue from the Property Development segment increased 59% to S\$90.7 million in 2Q2014 from S\$57.0 million in 2Q2013, and contributed the majority or 88% of Group revenue in the quarter under review.

Separately, revenue from the Group's Hotel Ownership remained stable, contributing 11% or S\$11.5 million to Group revenue in 2Q2014. The average occupancy rate ("AOR") for Grand Mercure Roxy Hotel was 89% in 2Q2014, higher than the 83.8% achieved in 2Q2013, and the average room rate ("ARR") was S\$183.4 in 2Q2014 compared to S\$196.2 in 2Q2013. Overall, revenue per available room ("RevPar") in 2Q2014 was S\$163.2 in the quarter under review.

Overall, the Group has a balance pre-sale revenue of S\$955.4 million, providing the Group with strong earnings visibility to FY2017.

The Group's share of profits of associates also continued to increase to S\$3.0 million in 2Q2014 from S\$2.3 million in 2Q2013, due to profit recognition from the joint-venture projects – Nottinghill Suites, Millage and Natura@Hillview.

The Group achieved net profit growth of 16%, from S\$19.5 million in 2Q2013 to S\$22.8 million in 2Q2014. Cumulatively for the half year ended June 30, 2014 ("1H2014"), net profit grew by 20% to S\$37.7 million.

The Group has a healthy cashflow, with project accounts, fixed deposits and cash and bank balances amounting to S\$289.5 million. At the same time, the Group has in place a S\$200 million Multicurrency Medium Term Note Programme and a comfortable net debt-to-ANAV ratio of 0.68 times.

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 an interim dividend (one-tier tax exempt) of 0.616 SGD cent per share. This is equivalent to a dividend payout ratio of 19% of the Group's net profit attributable to shareholders for 1H2014.

Industry Outlook

In Singapore, advance estimates released by the Ministry of Trade and Industry³ on July 14, 2014 revealed that the Singapore economy grew by 2.1% on a year-on-year basis in the 2nd quarter of 2014.

The latest real estate statistics released by Urban Redevelopment Authority⁴ on July 25, 2014 showed that prices of private residential properties decreased by 1.0% in the 2nd Quarter of 2014, following the 1.3% decline in 1st Quarter of 2014. This was the third straight quarter of price decline.

³ 'Singapore's GDP Growth Moderated in the Second Quarter of 2014', Ministry of Trade and Industry, July 14, 2014

⁴ 'URA releases real estate statistics of 2nd quarter 2014 private residential property price index', Urban Redevelopment Authority, July 25, 2014

Singapore Tourism Board (“STB”)⁵ continues its strategic direction towards quality tourism. Recent rankings showed that Singapore retained its spot as the World’s Top International Meeting Country and City. To date, Singapore has secured six world congresses, which will attract international delegates to Singapore over the next few years. STB has forecast tourism receipts to be in the range of S\$23.8 billion to S\$24.6 billion in 2014.

Elsewhere at Sydney in Australia⁶, average apartment prices are rising. At the same time, the office vacancy rate also continues to climb, as tenants move out of older buildings into newer ones. These phenomenon, coupled with low interest rates, drives the conversion of older office buildings into apartments.

The Group’s performance for 2Q2014 and 1H2014 has been in line with expectations. Barring unforeseen circumstances, the directors expect the Group to be profitable in FY2014.

About Roxy-Pacific Holdings Limited

Established in May 1967, Roxy-Pacific Holdings Limited, an established property and hospitality group with an Asia-Pacific focus, 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 2013, the Group developed and launched 36 small to medium size developments comprising a total of more than 2,500 residential and commercial units in Singapore.

⁵ *‘Singapore retains spot as World’s Top International Meeting Country and City’, Singapore Tourism Board, June 27, 2014*

⁶ *‘Asian developers fuelling Sydney’s office conversions’, Today, March 19, 2014*

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 in Singapore, 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 in Singapore.

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