

NEWS RELEASE

**ROXY-PACIFIC'S NET PROFIT INCREASES 210% TO
S\$46.3 MILLION IN 1Q2015**

- ***Boosted by strong revenue growth of 149% to S\$198.2 million, mainly from property development and investment segments***
 - o ***Completion of commercial development project, Centropod@Changi, in January 2015 contributed positively to the Group's performance for 1Q2015***
- ***Share of profit from associates up 159% to S\$2.7 million***
- ***Surge in recurring income from investment properties by more than seven times to S\$3.0 million***
- ***Sustained earnings visibility with pre-sale revenue of S\$551.9 million¹, profit of which will be progressively recognised till FY2018***
- ***Strong cash and cash equivalents of S\$359.1 million, low gearing of 0.50 times and a S\$200 million Multicurrency Medium Term Note Programme***
- ***To prudently broaden both Property and Hotel asset portfolio in the region and Singapore***
 - o ***Increased landbank overseas with two acquisitions in Australia and one in Malaysia this year***
 - o ***Completion of acquisition in March 2015 of land parcel located at 609 Wellington Street, Perth, Australia for development of a 332-room Marriott Courtyard hotel***

¹ Based on Option to Purchase granted up to April 24, 2015

Financial Highlights:

S\$'million	1Q2015	1Q2014	% Change
Revenue	198.2	79.5	149.0
Gross Profit	70.2	25.1	180.0
Share of profit of associates	2.7	1.0	159.0
Profit before Tax	57.2	17.3	231.0
Profit after Tax	46.3	15.0	210.0
	Mar 31, 2015	Dec 31, 2014	% Change
Net Asset Value per share (cents)	37.33	33.54	11.3
Adjusted Net Asset Value per share (cents) ²	77.23	72.11	7.1
Net Debt to ANAV (times)	0.50	0.58	-13.8
Cash and Cash Equivalents	359.1	415.3	-13.5

Singapore, May 5, 2015 – Roxy-Pacific Holdings Limited (“**Roxy-Pacific**” or the “**Group**”), an established property and hospitality group with an Asia-Pacific focus, today announced that it has achieved a 210% increase in profit after tax to S\$46.3 million for the period ended March 31, 2015 (“**1Q2015**”), from S\$15.0 million in the previous corresponding period (“**1Q2014**”). This was driven by a 149% surge in revenue to S\$198.2 million in 1Q2015, from S\$79.5 million in 1Q2014, mainly from a healthy growth in Property Development and Property Investment, which more than offset a slight decline from the Hotel Ownership segment.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “We are pleased with our performance, which was mainly boosted by Centropod’s Temporary Occupation Permits in January this year; and the joint venture projects through partnerships that we have formed with reputable industry players.”

² The fair value of Grand Mercure Roxy Hotel and the office premises as at March 31, 2015 were estimated to be consistent with December 31, 2014 valuation of S\$553.4 million.

“Whilst we will prudently look for land acquisitions in Singapore, the market conditions are expected to remain relatively soft this year. To counter this, we have selectively expanded into markets in the region where we see good growth potential, including Malaysia, Hong Kong, Australia, Thailand and Japan, to build up our quality asset base in both the Property and Hotel segments. The over-riding strategy, apart from having a better geographical spread, is also to diversify beyond residential developments to include commercial and hotel assets, and at the same time, to broaden our recurring revenue stream.”

“In the first three months of this year, we have actively built-up our land banks in both Australia and Malaysia. In Australia, our 49%-owned associate has completed the acquisition of the freehold land parcel on Wellington Street, in the heart of Perth’s CBD, for development into a 332-room Marriot Courtyard hotel. In Brisbane, our 40% JV with Australia-based superannuation fund, Hostplus, has also entered the residential market through the acquisition of centrally-located freehold properties in the CBD area for commercial and residential development. In Perth, we have made a second joint venture with Hostplus to acquire a 4.4-hectare land parcel which will be rezoned for residential and commercial use. In Malaysia, our 47%-owned associate has just entered into a sale and purchase agreement to acquire a freehold site in Negeri Selangor for commercial development.”

“Notably, these acquisitions will need a ‘gestation’ period before they contribute to our financial performance. Meanwhile, we continue to be on the lookout for good acquisition and investment opportunities in the region and Singapore to enhance value for all shareholders.”

Performance Review

For 1Q2015, the 149% increase in revenue to S\$198.2 million was largely due to strong performance from the Property Development and Property Investment segments, which more than offset the slight decline from the Hotel Ownership segment.

The Property Development segment made up 93% of the Group's turnover in 1Q2015. Revenue from this segment rose 175% from S\$67.1 million in 1Q2014 to S\$184.3 million in 1Q2015 largely due to revenue recognition on completion of Centrepod@Changi, a commercial development which obtained its TOP in January 2015.

The Hotel Ownership segment, which made up 6% or approximately S\$10.9 million of the Group's turnover in 1Q2015, declined 9% as compared to the S\$12.0 million achieved in 1Q2014. Average occupancy rate ("AOR") of Grand Mercure Roxy Hotel was 87.2% in 1Q2015, a moderate decline as compared to 90.2% in 1Q2014. Average room rate ("ARR") for 1Q2015 was S\$172.5 as compared to S\$190.5 in 1Q2014. Overall, revenue per available room ("RevPar") decreased 12%, from S\$171.8 in 1Q2014 to S\$150.4 in the current quarter.

Revenue from the Group's Property Investment segment, which constituted 1% of the Group's turnover, surged over seven times to S\$3.0 million in 1Q2015 as compared to S\$0.4 million in 1Q2014, mainly due to rental income from the lease of office units at 59 Goulburn Street, Sydney, Australia, which was acquired in July 2014.

In line with above, the Group's profits before and after taxes increased to S\$57.2 million and S\$46.3 million, respectively, in 1Q2015.

The Group has a healthy cashflow, with cash and cash equivalents amounting to S\$359.1 million. At the same time, the Group has good headroom in place with its S\$200 million Multicurrency Medium Term Note Programme and a comfortable net debt-to-ANAV ratio of 0.50 times.

Industry Outlook

Singapore's GDP growth for 2015 is expected to be between 2% and 4%, consistent to the 2.9% growth last year³. Based on the latest advance estimates by Ministry of Trade and Industry Singapore released on April 14, 2015, the Singapore economy grew 2.1% on a year-on-year basis in the first quarter of 2015, unchanged from the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1%, compared to 4.9% in the preceding quarter⁴.

On the Singapore property market, overall private residential prices are expected to moderate up to 5% in 2015⁵. However, the property market is expected to improve in 2016 as buyers recalibrate their expectations with the lowered prices and attempt to time their purchases with the expected government's easing of property measures⁶. While the Singapore real estate market remains challenging, a report by Fitch Ratings expects Australian property prices to remain high, forecasting a 4% growth in residential property prices⁷.

³ *Singapore Budget, Feb 23, 2015* - http://www.singaporebudget.gov.sg/budget_2015/pa.aspx

⁴ *Ministry of Trade and Industry, April 14, 2015* - http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/advgdp1q2015.pdf

⁵ *Business Times, Mar 11, 2015* – *Frasers to start selling condos in Yishun project at end-March*

⁶ *Business Times, Jan 16, 2015* – *Poor new-home sales in December sum up placid 2014 market*

⁷ *ABC News, Jan 15, 2015* – *Australian housing near world's most expensive forecast to rise further* – <http://www.abc.net.au/news/2015-01-15/australian-housing-near-most-expensive-but-forecast-to-rise/6018696>

For 2014, visitor arrivals dipped 3.1% from 2013 to 15.1 million. Preliminary 2014 estimates from the Singapore Tourism Board indicated that visitor arrivals this year is forecast to grow between zero and 3% and the long-established 2015 target of 17 million visitor arrivals and S\$30 billion in tourism receipts will not be met⁸. Nonetheless, the Singapore hospitality sector's outlook remains fairly optimistic with several government initiatives to boost tourist numbers, such as the S\$20 million campaign by the Singapore Tourism Board expected to launch this month⁹.

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 sized residential developments such as apartments and condominiums targeted at middle-to-upper income segments. Between 2004 and 2014, the Group developed and launched 38 small-to-medium sized developments comprising a total of more than 3,000 residential and commercial units in Singapore. Apart from residential and commercial segments in Singapore, the Group has also acquired landbanks in both Kuala Lumpur and Selangor, Malaysia; and Brisbane and Perth, Australia, for commercial, hotel and residential development.

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 of Singapore, the hotel enjoys high average occupancy rate. Beyond Singapore, the Group has acquired a hotel in Kyoto, Japan and land parcels intended for development into hotels in Phuket, Thailand and Perth, Australia.

⁸ *Straits Times*, Apr 20, 2015

⁹ *Channel News Asia*, Apr 7, 2015 – STB to launch S\$20m global campaign to boost tourism numbers

For Property Investment, the Group owns 52 retail shops at The Roxy Square Shopping Centre in Singapore. In Sydney, Roxy-Pacific owns a 28-storey freehold commercial building at 59 Goulburn Street, which is strategically located in the CBD area.

For more information, please visit: <http://roxypacific.com.sg>

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