

NEWS RELEASE

**ROXY-PACIFIC'S REVENUE GROWS 45% TO
S\$460.9 MILLION IN FY2015**

- *Revenue lifted by growth in both Property Development and Property Investment segments*
- *Net profit impacted mainly by an absence of profit recognition from sale of strata retail floors at 8 Russell Street, Hong Kong*
- *Recurring income to be strengthened with opening of Noku Roxy Kyoto in November 2015 and recent 50% joint-venture acquisition of a commercial building in the core business district of Sydney, Australia*
- *Strong cash and cash equivalents of S\$313.0 million with low gearing at 0.54 time*
- *Proposes a final cash dividend of 1.297 SGD cents per share, bringing total dividends for FY2015 to 1.913 SGD cents per share (FY2014: 1.913 SGD cents)*

Singapore, February 22, 2016 – Roxy-Pacific Holdings Limited (“**Roxy-Pacific**”, “**乐斯太平洋控股有限公司**”, or the “**Group**”), an established property and hospitality group with an Asia-Pacific focus, announced today growth in revenue of 45% for the full year ended December 31, 2015 (“**FY2015**”), to S\$460.9 million from a year ago (“**FY2014**”).

An increase in revenue from both the Property Development and Property Investment segments, which mitigated a minor decrease in revenue from the Hotel Ownership segment, contributed to the Group’s topline growth in FY2015.

Mr Teo Hong Lim (张丰霖), Executive Chairman and CEO of Roxy-Pacific commented: “We have remained resilient and grown our topline notwithstanding challenging market conditions brought on to a large extent by macro volatilities. To further broaden our asset portfolio in both residential and commercial segments, in 4Q2015, we have announced the acquisition of four freehold properties and land in Sydney, Australia, totaling approximately AUD151.0 million. Australia’s property outlook remains promising, being a stable and well-regulated real estate market with attractive supply-demand dynamics.”

“Whilst expanding overseas, we will look for good opportunities in Singapore, which remains a key market where we have core expertise and in-depth knowledge. We have recently acquired freehold residential sites at Sea Avenue and Jalan Eunos and plan to develop a total of 57 exclusive residential units at these sites. We will continue to be selective in our land acquisitions domestically given the softer market conditions.”

“We’ve replenished our land bank, which is diversified across various markets and sectors that present good potential. We are also focused on executing these projects to enhance shareholder value and protect the Group’s long-term growth.”

Of the four freehold properties and land announced for acquisition in Sydney, Australia, three sites are for residential development – one site at No.14 Cowper Street and No.8 Elger Street, Glebe, is for the proposed development of 248 residential units; and the second located at 37-41 Bayswater Road, Potts Point, is intended for development into 46 residential units and one retail unit. The third site is freehold land at 6A and 8 Buckingham Road, Killara, to be developed into two residential flat buildings comprising 43 apartments.

To increase its source of recurring rental income, the Group acquired the fourth site; a 14-storey freehold commercial building in Sydney’s Central Business District, of which the Group owns 50% interest.

As at December 31, 2015, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S\$313.0 million and a comfortable net debt-to-ANAV ratio of 0.54 time.

Segmental Performance

Revenue from Roxy-Pacific's Property Development segment, which constituted 88% of the Group's turnover in FY2015, was lifted 54% in FY2015 mainly from revenue recognition on the completion of its commercial project, Centropod@Changi, which obtained TOP in January 2015.

Based on the units sold from its ongoing development projects, the Group has a total of S\$384.6 million in revenue to be progressively recognised from 1Q2016 to the financial year ending December 31, 2020.

Roxy-Pacific's Hotel Ownership segment, which made up 10% of the Group's turnover in FY2015, recorded a 7% slip in revenue to S\$44.5 million. The Grand Mercure Roxy Hotel managed to maintain a healthy average occupancy rate ("**AOR**"), average room rate ("**ARR**") and revenue per available room ("**RevPar**") in FY2015 of 89.6%, S\$169.2 and S\$151.6 in FY2015 respectively (*FY2014: AOR: 91.2%; ARR: S\$184.5; RevPar: S\$168.2*).

The Property Investment segment revenue that contributed 2% of the Group's turnover in FY2015 was boosted 85%, mostly due to office rental income earned from the Goulburn Street office building in Australia.

The Group's other operating income in FY2015 jumped 92% to S\$12.3 million from S\$6.4 million in FY2014, mainly due to higher interest income and net fair value gains on investment property. Share of results from associates decreased 80% to S\$11.1 million in FY2015 due to an absence of profit recognised from the sale of strata retail floors at the 8 Russell Street building in Hong Kong; the Group has successfully sold all 21 strata retail floors in 1H2015.

Correspondingly, net profit decreased by 12% to S\$85.2 million in FY2015 from S\$96.8 million in FY2014.

The Group reported stronger revenue of 19% to S\$81.4 million for the three-month period ended December 31, 2015 (“**4Q2015**”), up from S\$68.6 million over the same corresponding period (“**4Q2014**”). Net profit decreased 73% to S\$12.5 million from S\$46.7 million due to the absence of profits recognised from Roxy-Pacific’s Hong Kong associate over this same period.

Proposed Dividend

To thank shareholders for their continued support, the Board has proposed a final dividend (one-tier tax exempt) of 1.297 SGD cents per ordinary share, bringing total dividends for FY2015 to 1.913 SGD cents per share and is equivalent to a dividend payout ratio of approximately 27% of the Group’s net profit for FY2015.

Industry Outlook

Advance estimates by the Ministry of Trade and Industry (“**MTI**”) indicated that Singapore’s economy grew at a higher rate of 2.0% year-on-year in 4Q2015, reflecting an improvement in growth compared to the 1.8% growth in GDP recorded in the previous quarter¹. For the entire year of 2015, the Singapore economy grew 2.1% compared to 2.9% in 2014, in line with MTI’s earlier GDP growth forecast of “close to 2.0%”.

Based on the latest statistics released by the Urban Redevelopment Authority on January 22, 2016, the overall private residential property index fell 0.7 points to 141.6 points in 4Q2015 from 142.3 points in 3Q2015, representing a decline of 0.5% in 4Q2015, compared to the steeper 1.3% decline in 3Q2015. The index fell 3.7% for the whole of 2015 compared to 4.0% in 2014.

¹ *Singapore’s GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015 – Ministry of Trade and Industry, January 4, 2016*

In addition, the authorities have maintained that it may be too premature to lift the cooling measures, and the Government will continue to monitor factors such as interest rates and economic growth, making adjustments when necessary².

Mr Teo added: “Our focus is to launch the new projects in 2016. We will continue to strike a balance in our strategy, both geographically and in terms of our asset portfolio, for better risk management and greater recurring income. Locally, we do see opportunities for freehold developments in choice locations and will prudently acquire suitable land banks. For overseas projects where we have gained experience, we will continue to seek investments with high yield potential.”

Latest statistics from the Singapore Tourism Board (“**STB**”) released on January 19, 2016 demonstrated a 0.4% year-on-year growth in international visitor arrivals for the period between January to November, receiving a total of 13.8 million visitors for the 11-month period. STB’s chief executive had indicated on September 17, 2015 that visitor arrivals are “on target” to achieve zero to 3% growth forecast or a total of 15.1 million to 15.5 million tourists for the year³.

“We are sowing the seeds for expansion of our Hotel segment, and hope to self-manage our hospitality assets to develop our hotel management expertise and branding, starting with the launch of our first upscale boutique hotel in Kyoto, Japan, under our new *Noku Roxy* brand name in November last year. We’ve seen warm reception since its opening and look forward to bringing this branding to the rest of Asia, with Phuket scheduled next, targeting to open in 2018. We have also most recently announced the acquisition of a hotel and the leasehold interests of an island in the Maldives, which we plan to develop into a luxury resort.”

About Roxy-Pacific Holdings Limited

² *‘Too early’ to lift property curbs: Lawrence Wong – Straits Times, December 31, 2015*

³ *S’pore on target for 15m tourists despite slow start – TODAY, September 18, 2015*

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 2015, the Group developed and launched 39 small-to-medium sized developments comprising a total of more than 3,400 residential and commercial units in Singapore.

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 opened its first upscale boutique hotel under the *Noku Roxy* brand name in Kyoto, Japan and acquired other land parcels intended for development into hotels in Phuket, Thailand, and Perth, Australia.

For Property Investment, the Group owns 52 retail shops at The Roxy Square Shopping Centre in Singapore. In Australia, Roxy-Pacific owns a 28-storey freehold commercial building at 59 Goulburn Street, Sydney, which is strategically located in the CBD area. Most recently, it has acquired a 14-storey, freehold, commercial building in Sydney’s CBD.

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

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