

NEWS RELEASE

**ROXY-PACIFIC REPORTS REVENUE OF S\$385.4 MILLION
AND NET PROFIT OF S\$49.8 MILLION IN FY2016**

- *Topline and bottomline impacted mainly by an absence of revenue recognition with the TOP of Centropod@Changi in January 2015*
- *Prudent increase in land bank with two recently proposed freehold residential land acquisitions at Grange Road and Upper Bukit Timah in Singapore*
- *Good headroom with cash and cash equivalents of S\$237.3 million and low gearing at 0.53 time*
- *Continued focus on recurring income in Singapore and the region for both Property and Hotel asset portfolio*
- *Straits Mansions fully sold within six months of sales launch*
- *Proposed special dividend of 0.622 SGD cents per share in commemoration of eighth year of listing; lifts FY2016 total dividends to 1.667 SGD cents per share*

Singapore, February 27, 2017 – 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, today announced that it registered a 16% decline in revenue to S\$385.4 million for the full year ended December 31, 2016 (“**FY2016**”), from S\$460.9 million in the same corresponding period last year (“**FY2015**”).

The decrease was largely due to an absence of revenue recognition from the completion of Centropod@Changi, a commercial development which obtained its TOP in January 2015. Net profit attributable to shareholders correspondingly slid 41% to S\$49.8 million in FY2016, from S\$85.1 million in FY2015.

For the fourth quarter ended December 31, 2016 (“**4Q2016**”), net profit dipped slightly to S\$11.9 million from S\$12.3 million a year ago (“**4Q2015**”). Revenue increased to S\$93.1 million for 4Q2016 as compared to 4Q2015. The increase in revenue was driven by both the Property Development and Property Investment segments, whilst revenue for the Hotel Ownership segment held steady.

Mr Teo Hong Lim (张丰霖), Executive Chairman and CEO of Roxy-Pacific commented, “With a balanced asset portfolio, we have remained resilient and experienced a strong fourth quarter growth notwithstanding a weaker property market and macro volatilities.

“Amidst softer market conditions, opportunities remain and we continue to be on the lookout selectively for suitable land banks for development. We have recently acquired two freehold sites at Grange Road and Upper Bukit Timah, which are slated for development in Singapore, our key market, where we have deep expertise. In addition to our previously acquired sites at Jalan Eunos, Pasir Panjang Road and Glebe, Australia, we plan to launch a total of 426 residential units in 2017. We will continue to prudently seek out suitable land acquisitions both domestically and overseas.”

“At the same time, we remain focused on operating hospitality assets and yield-accretive property investments that will provide a steady stream of recurring income.”

Of the five freehold properties, the Group's 7,125 sqm Glebe, Australia site will consist of 231 residential units with a planned launch date of March 2017. In Singapore, the 2,315 sqm site at Jalan Eunus will consist of 48 residential units; the 2,856 sqm site at 211-233A Pasir Panjang Road will be developed into 57 residential units; the 1,466 sqm site at 120 Grange Road is intended to be developed into 56 exclusive residential units; whilst the 953 sqm Upper Bukit Timah site will consist of 34 residential units.

Financial Performance

Revenue from Roxy-Pacific's Property Development segment, which constituted 85% of the Group's turnover in FY2016, declined 19% mainly due to an absence of revenue recognition with the completion of its commercial project, Centropod@Changi, which obtained TOP in January 2015. This was partially offset with revenue recognised from Trilive, Sunnyvale, LIV on Wilkie and LIV on Sophia in FY2016.

As at February 16, 2017, based on the units sold from its ongoing development projects, Roxy-Pacific has a total of S\$369.3 million in pre-sale revenue, profits of which will be progressively recognised from 1Q2017 to the financial year ending December 31, 2020.

Freehold residential project in Singapore, Straits Mansions; and residential developments, The Hensley and Octavia, in Sydney, Australia, are also expected to contribute positively to the Group's profits progressively from 4Q2017 and 2018, respectively. Straits Mansions is fully sold whereas both Sydney projects have received warm reception and are over 90% sold.

Roxy-Pacific's Hotel Ownership segment, which made up 12% of the Group's turnover in FY2016, recorded a 4% increase in revenue to S\$46.3 million mainly due to contributions from the Noku Kyoto hotel.

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 FY2016 of 88.5%, S\$156.6 and S\$138.5 in FY2016 respectively (FY2015: AOR: 89.6%; ARR: S\$169.2; RevPar: S\$151.6). The Noku Kyoto hotel, which officially opened in November 2015, recorded AOR, ARR and RevPar of 52.0%, S\$310.5 and S\$161.6, respectively, in FY2016.

Revenue for the Property Investment segment, which contributed 3% of the Group’s turnover in FY2016, held relatively steady at S\$12.5 million in FY2016, up marginally from S\$12.2 million in FY2015.

The Group’s other operating income in FY2016 jumped 86% to S\$23.0 million from S\$12.3 million in FY2015, mainly due to higher net fair value gains on investment property and interest income from fixed deposits. Share of results from associates rose 67% to S\$18.6 million in FY2016 from S\$11.1 million in FY2015 mainly due to higher profits recognised from the Group’s associate project at 70 Shenton, Eon Shenton, in Singapore and contributions from associate investment property at 117 Clarence Street in Australia.

Correspondingly, largely in line with the weaker revenue, net profit attributable to shareholders decreased by 41% to S\$49.8 million in FY2016 from S\$85.1 million in FY2015.

The Group reported a strong 4Q2016, with revenue growth of 14% to S\$93.1 million, up from S\$81.4 million over 4Q2015. This was lifted mainly by higher revenue recognition from Trilive, LIV on Sophia and LIV on Wilkie. Net profit dipped slightly to S\$11.9 million in 4Q2016 as compared to the same period last year of S\$12.3 million.

The Group's balance sheet remained healthy with available cash and cash equivalents amounting to S\$237.3 million and a comfortable Net Debt-to-Adjusted Net Asset Value ratio of 0.53 time. Fully diluted earnings per share for FY2016 stood at 4.17 SGD cents, from 7.13 SGD cents in FY2015, while net asset value per share rose to 41.20 SGD cents as at December 31, 2016 from 38.34 SGD cents as at December 31, 2015.

Proposed Special Dividend

To thank shareholders for their continued support over the past eight years of the Group's listing, the Board has proposed a special dividend (one-tier tax exempt) of 0.622 SGD cent. This is in addition to a proposed final dividend (one-tier tax exempt) of 0.542 SGD cent per ordinary share.

Coupled with the interim dividend (one-tier tax exempt) of 0.503 cent per share, this brings total dividends for FY2016 to 1.667 SGD cents per share, equivalent to a dividend payout ratio of approximately 40% of the Group's net profit for FY2016.

Industry Outlook

The Ministry of Trade and Industry Singapore¹ ("**MTI**") announced on February 17, 2017 that the Singapore economy grew by 2.9% on a year-on-year basis in 4Q2016, faster than the 1.2% growth in the preceding quarter. For the whole of 2016, the Singapore economy grew 2%. For 2017, MTI has maintained the GDP growth forecast at 1.0% to 3.0%.

¹ *Ministry of Trade and Industry, February 17, 2017 – Singapore's GDP grew by 2.9 per cent in the fourth quarter of 2016*

Similarly, latest statistics from the Australian Bureau of Statistics (“**ABS**”)² showed a 1.8% year-on-year seasonally-adjusted growth in Australia’s GDP for the quarter ended September 30, 2016 albeit a 0.5% decline on a quarter-on-quarter seasonally adjusted basis. The Reserve Bank of Australia projected that GDP growth will come in between 2.5% and 3.5% for the year ended December 2016 and December 2017³.

In Singapore, based on latest statistics from the Urban Redevelopment Authority’s (“**URA**”)⁴, 4Q2016 showed a gentler 0.5% decline in private residential property prices compared to the 1.5% decline in the preceding quarter. Overall prices for 2016 slipped 3.1% compared to the 3.7% decline in 2015 – the slowest rate of decline in three years⁵. The URA data also suggested healthy demand, with developers selling 7.2% more units in 2016 at 7,972 units, compared to 7,440 units in 2015.

For Australia, the ABS also reported a 3.5% year-on-year increase in the weighted average residential property prices of eight capital cities, and 1.5% quarter-on-quarter growth for the quarter ended September 2016. On a year-on-year basis, prices rose in Sydney (3.2%), Melbourne (6.9%), Brisbane (3.1%), Adelaide (3.2%), Hobart (6.8%) and Canberra (5.5%) and declined 4% in Perth and 7.2% in Darwin⁶.

As for the hospitality sector, latest report from the Singapore Tourism Board (“**STB**”)⁷ showed a 7.7% year-on-year rise in international visitor arrivals for 2016, receiving a total of 16.4 million visitors during the year. The STB had earlier projected visitor arrivals to achieve zero to 3% growth or to receive between 15.1 million and 15.5 million tourists in 2016.

² Australian Bureau of Statistics, December 7, 2016 – *Australian National Accounts: National Income, Expenditure and Product, September 2016*

³ Reserve Bank of Australia, May 2016 – *Statement on Monetary Policy*

⁴ Urban Redevelopment Authority, January 26, 2017 – *Release of 4th Quarter 2016 real estate statistics*

⁵ *Straits Times*, January 27, 2017 – Things looking up for property market

⁶ Australian Bureau of Statistics, December 13, 2016 – *Residential Property Price Indexes: Eight Capital Cities, Sep 2016*

⁷ Singapore Tourism Board, February 14, 2017 – *Singapore Achieves Record Tourism Sector Performance in 2016*

Mr Teo added, “Overall, where feasible, our focus is to launch and market our new projects soon after acquisitions. Top on our priority is the smooth execution of all our projects to enhance shareholder value and achieve sustainable long-term growth.”

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 2016, the Group developed and launched 43 small-to-medium sized developments comprising a total of more than 4,000, residential and commercial units in Singapore, Malaysia and Australia.

Grand Mercure Roxy Hotel, a major asset of the Group, is self-managed under franchise agreement with 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 resort in Maldives and 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. For Property Investment, the Group owns 52 retail shops at The Roxy Square Shopping Centre in Singapore, of which 5 units are occupied for own-use office premises. In Australia, Roxy-Pacific owns a 28-storey freehold commercial building at 59 Goulburn Street, Sydney, which is strategically located in the CBD area. In February 2016, it has acquired 50% interest in a 14-storey, freehold, commercial building at 117 Clarence Street in Sydney’s CBD.

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

ISSUED ON BEHALF OF : Roxy-Pacific Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
Singapore 048941
CONTACT : Ms Dolores Phua / Ms Amelia Lee
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9008-6114 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com
amelia.lee@citigatedrimage.com

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