Roxy-Pacific Holdings Limited

TONG ENG GROUP

NEWS RELEASE

ROXY-PACIFIC & TONG ENG GROUP SUCCESSFULLY DIVESTS PRIME COMMERCIAL BUILDING 117 CLARENCE STREET, SYDNEY, FOR A$153 MILLION



Singapore, June 25, 2018 – Established property and hospitality group with an Asia-Pacific focus, Roxy-Pacific Holdings Limited ("**Roxy-Pacific**", 乐斯太平洋控股有限公司, or the "**Group**"), and Tong Eng Group (同荣集团) are pleased to jointly announce that the joint venture has entered into a definitive sale and purchase agreement to sell freehold property, 117 Clarence Street, in Sydney to ICPF Nominees Pty Ltd as trustee for Clarence Street Precinct Trust for A$153 million (~S$154 million).

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A member of Roxy-Pacific Group

Roxy-Pacific and Tong Eng Group had acquired the 14-storey commercial building, 117 Clarence Street, in February 2016 for A$81 million through a joint venture company, Feature-Roxy Pty Ltd, of which both parties own an equal 50% stake.

Mr Teo Hong Lim (张 丰 霖), Executive Chairman and CEO of Roxy-Pacific, said, “We entered the Sydney commercial market relatively early, seeing good potential for us to capitalise on the favourable market cycle. The divestment of 117 Clarence Street closely follows the sale of 59 Goulburn Street, both prime commercial buildings in Sydney had contributed healthy recurring income before they were divested at a good price. We hope to replicate this model and extend our investment track record in the near future, recycling the capital from the sale of 117 Clarence Street into other yield-accretive investments to enhance shareholder value.”

Roxy-Pacific’s first commercial investment in Sydney – its 100%-owned Grade-A office building, 59 Goulburn Street – was acquired for A$90.2 million in July 2014 and sold in 2017 for A$158 million.

Shortly after the divestment of 59 Goulburn Street, Roxy-Pacific had made its maiden entry into New Zealand with the acquisitions of Grade-A commercial towers at 205 Queen Street and the NZI Centre in Auckland. Both operating assets have commenced positive recurring contributions to the Group.

The sale of 117 Clarence Street is expected to contribute positively to Roxy-Pacific’s financial performance in the financial year ending December 31, 2018.

Tong Eng Group's Group Managing Director Teo Tong Lim (张东霖) said, "We are very satisfied with the sale of 117 Clarence Street in the Sydney CBD, which reflects an exceptional return on investment for the Group. This continues to showcase the strong interest in well-positioned commercial assets in Sydney and Melbourne. We continue to view the Australian property investment market as an attractive capital market, driven by a stable economy and well regulated business environment. The Group intends to continue to grow its presence and investment portfolio in Australia."

Tong Eng Group's first foray into Australia was the acquisition of the Harley Davidson building at 111-125 A'Beckett St, Melbourne in April 2015 for A$38 million and subsequently sold for A$61 million in July 2017. The Group and Mr Teo's private family office vehicle subsequently acquired other Melbourne office assets such as the Grade A office building at 5 Queens Road, 8 Lakeside Drive, Burwood and 312 St Kilda Road in its second Australian joint venture with Roxy-Pacific.

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"). The Group's recurring income streams are strengthened through its flagship hotel in the heart of historical Katong, Grand Mercure Singapore Roxy hotel, self-managed upscale boutique hotel, Noku Kyoto and Noku Osaka, Japan, and other investment properties in Asia-Pacific ("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 2017, the Group developed and launched 44 small-to-medium sized developments comprising a total of more than 4,300 residential and commercial units in Singapore, Malaysia and Australia.

Grand Mercure Singapore Roxy hotel, a major asset of the Group, is self-managed under franchise agreement with international hotel operator, Accor Group. Beyond Singapore, the Group has opened its first upscale boutique hotel under the *Noku Roxy* brand name in Kyoto, Japan, followed by Osaka, Japan, and has acquired a resort in Maldives and 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. In Australia, Roxy-Pacific owns a 45% interest in a freehold six-storey office building located at 312 St Kilda Road, Melbourne and Melbourne House, a freehold six-storey commercial and retail building in Melbourne's CBD. In Auckland, the Group owns NZI Centre and has a 50% interest in the office building at 205 Queen Street, marking Roxy-Pacific's maiden foray into New Zealand.

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

About Tong Eng Group

Tong Eng Group was incorporated in the early 1950s, and nearly 70 years on from its incorporation, the Group has established itself as a developer with a proven track record for delivering high quality projects that are a harmonious blend of form and functionality. The Group's principal activities include property development and investment in Singapore and in recent times, Australia. To date, the Group has owned and developed more than two hundred acres of land in Singapore comprising landed housing, apartments, condominiums, retail complexes and office projects .

Some of the Group's recent notable and award winning projects in Singapore range from high end residential developments such as Goodwood Grand which won the 2016 South East Asia Property Award for Best Housing Development, Landed Housing projects such as Poets Villas which won the 2016 Fiabci Singapore Property Award for Best Landed Housing Development ; and Belgravia Villas which won two awards at the 2017 Asia Property Awards namely for Best Housing Development and Best Landed Housing Development in Singapore. Belgravia Villas is one of many phases from the Group's land bank in the North-East precinct of Singapore.

On the commercial front, the newly completed 16-storey commercial development ARC 380 won the Best International Commercial High Rise Development at the 2016 International Property Awards; and the Group's upcoming Centrium Square - a 19 storey integrated mixed use development comprising retail, medical suites and offices won a Highly Commended award for Best Office Development at the 2016 South East Asia Property Awards.

The Group's property investment holdings include office holdings in Tong Eng Building, ARC380, Centrium Square in Singapore as well as its Melbourne office assets; 5 Queens Road, 8 Lakeside Drive and 312 St Kilda Road.

For more information, please visit: https://www.tongeng.com.sg/

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