NEWS RELEASE

ROXY-PACIFIC ACHIEVES S$20.7 MILLION PROFIT ON S$143.2 MILLION REVENUE FOR 1H2017

- ***AUD158 million sale of 59 Goulburn Street office building in Sydney***
- ***Total attributable pre-sale revenue of S$469.3 million to be progressively recognised from 3Q2017 to FY2020***
- ***Replenished land bank with acquisition of 120 Grange Road and 211-233A Pasir Panjang Road in Singapore***
- ***Good headroom with cash and cash equivalents of S$223.9 million and low gearing at 0.49 time***

Singapore, July 31, 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 revenue of S$77.8 million and net profit attributable to shareholders of S$14.7 million for the financial quarter ended June 30, 2017 ("**2Q2017**").

Due mainly to lower revenue recognition from the property development segment, the Group's 2Q2017 revenue was a 21% decrease from S$98.4 million recorded in the equivalent period last year ("**2Q2016**"), while net profit was a 26% decrease from S$19.9 million in 2Q2016.

Mr Teo Hong Lim (张 丰 霖), Executive Chairman and CEO of Roxy-Pacific, said, "While the operating environment has been challenging for property developers, we take comfort in our resilient performance brought about by our sustained efforts to balance our asset portfolio."

50 East Coast Road, #B1-18 Roxy Square Shopping Centre, Singapore 428769
Tel: (65) 6440 9878 Fax: (65) 6440 9123 RCB: 196700135Z
Email: info@roxypacific.com.sg Website: www.roxypacific.com.sg
A member of Roxy-Pacific Group

Financial Highlights

Property Development continues to be Roxy-Pacific's largest revenue driver, contributing 82% of the Group's 2Q2017 turnover. The segment reported a 24% dip in revenue due to lower revenue recognition compared to 2Q2016, offset by revenue recognised on construction progress of Trilive in 1H2017.

The Group's recent launches – Straits Mansions in Singapore, as well as The Hensley and Octavia in Australia – received warm reception. Straits Mansions has since been fully sold while The Hensley and Octavia are 93% and 95%-sold, respectively.

Roxy-Pacific's latest launch in West End, Glebe, Australia, received overwhelming response in March 2017, selling 70% of the launched units within a few hours. Phase One, named The Foundry, consists 140 units featuring New York-style SoHo apartments and a distinctive warehouse style with brick and concrete detailing. The Foundry is currently 84% sold, with Phase Two planned for launch in 2H2017.

While the three Australian projects will only contribute positively to the Group upon their expected completions in 2018/2019, Roxy-Pacific will progressively recognise percentage-of-completion earnings from Straits Mansions.

Including Straits Mansions, Roxy-Pacific has accumulated total attributable pre-sale revenue of S$469.3 million. Profits from the Singapore residential projects will be progressively recognised from 3Q2017 to FY2020.

Recurring revenue streams from the Hotel Ownership and Property Investment segments contributed 14% and 4% of Group revenue in 2Q2017. While the Hotel Ownership segment posted an 8% decline in 2Q2017 due to lower Revenue Per Available Room ("**RevPar**") from Grand Mercure Singapore Roxy hotel, the Property Investment segment recorded a 3% growth due to higher rental rate achieved at the 59 Goulburn Street office building in Sydney.

Subsequent to 2Q2017, the Group announced on July 14, 2017 that it has entered into a definitive sale and purchase agreement to sell 59 Goulburn Street for AUD158 million. The Group intends to recycle the capital into other yield-accretive investments.

The Group's share of results of associates registered a 29% increase in 2Q2017 due to fair value gain from its commercial building at 117 Clarence Street.

For the six-months period ended June 30, 2017, the Group recorded a 29% decline in revenue to S$143.2 million from S$201.4 million a year ago, while net profit declined 31% to S$20.7 million from S$29.8 million across the same comparative periods.

Roxy-Pacific's balance sheet remained healthy with cash and cash equivalents of S$223.9 million and a comfortable net debt-to-adjusted Net Asset Value ratio of 0.49 time.

Fully diluted earnings per share for 2Q2017 was 1.24 SGD cents, compared to 1.67 SGD cents in 2Q2016, and 1.73 SGD cents for 1H2017 compared to 2.50 SGD cents in 1H2016. Net Asset Value per share rose to 42.21 SGD cents as at June 30, 2017 from 41.20 SGD cents as at December 31, 2016.

Dividend

To reward its shareholders for their continuous support, the Board has decided to declare an interim dividend (one-tier tax exempt) of 0.214 SGD cent per share. This is equivalent to a dividend payout ratio of 12.4% of the Group's net profit attributable to shareholders for 1H2017.

Industry Outlook

Advanced estimates[1] showed that the Singapore economy grew 2.5% year-on-year in 2Q2017, the same pace of growth as 1Q2017. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew 0.4%, in contrast to the 1.9% contraction in the preceding quarter.

Australia's economy also posted positive growth of 1.7% on a year-on-year seasonally adjusted basis for the quarter ended in March 2017[2]. The Reserve Bank of Australia had projected that the country's GDP will grow between 2.5% and 3.5% for the year ending December 2017[3].

Singapore property prices decreased by 0.1% in 2Q2017, compared with the 0.4% decline in the preceding quarter[4]. Buying sentiments have improved, as demonstrated in the 53% year-on-year growth in developer sales to 820 units in June 2017 compared to 536 units sold last year[5].

"Recognising the market downcycle, we exercised prudence and took the opportunity to invest in our future growth by replenishing our land bank – freehold sites from the secondary market – at reasonable prices to protect our margins. We remain focused to execute these pipeline projects this year and in FY2018," commented Mr Teo.

---

[1] *Ministry of Trade and Industry Singapore, July 14, 2017 – Singapore's GDP grew by 2.5 per cent in the second quarter of 2017*

[2] *Australian Bureau of Statistics, July 6, 2017 – Australian National Accounts: National Income, Expenditure and Product, March 2017*

[3] *Reserve Bank of Australia, May 2017 – Statement on Monetary Policy, Table 6.1: Output Growth and Inflation Forecasts*

[4] *Urban Redevelopment Authority, July 28, 2017 – URA releases 2nd Quarter 2017 real estate statistics*

[5] *Business Times, July 17, 2017 – Developers' sales fall to 820 units in June from 1,039units in May: URA*

Analysts have said that developers in Singapore have been paying an average of 29% more for residential plots in the Government Land Sales programme ("**GLS**") over comparable sites sold in the last five years, driven by unprecedented optimism and transaction volumes in recent months[6]. It has also been observed that the keen competition for GLS sites has driven demand in the en-bloc market[7].

In Australia, residential property prices rose 2.2% for the March quarter in 2017, led by growth in Sydney and Melbourne of 3.0% and 3.1%, respectively[8].

For the hospitality sector, Singapore received a record number of tourists in 2016, a 7.7% growth from 2015, while tourism receipts rose 13.9%. The Singapore Tourism Board maintains a conservative outlook for 2017, forecasting international visitor arrivals to grow between 0% and 2%.

Following the launch of Roxy-Pacific's first internally-managed hotel in Kyoto, Japan, under the new Noku Roxy brand, the Group plans to launch its second self-managed hospitality asset in Maldives by end-2017 with the Phuket resort to follow in 2019.

Mr Teo said, "Since opening, Noku Kyoto has enjoyed high room rates as a result of its unique positioning and strategic location in the heart of Kyoto. Being our first internally-managed asset, we focused on stabilising the hotel's operations for its first year of operations. With that behind us, we now strive to improve and maintain high levels of occupancy to enhance the asset's yield."

"Our hospitality arm provides a stable source of recurring income, currently being driven mostly by resilient contributions from Grand Mercure Singapore Roxy hotel. With the success of Noku Kyoto, we believe we have found our niche and hope to develop this segment into a strong pillar of growth for the Group."

---

[6] *Straits Times, July 8, 2017 – Experts warn against sky-high bids for land*
[7] *NUS-Redas property sentiment index at its highest since Q1 2010*
[8] *Australian Bureau of Statistics, June 20, 2017 – Residential Property Price Indexes: Eight Capital Cities Mar 2017*

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, in Kyoto, 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 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 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, 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 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
EMAIL	:	dolores.phua@citigatedrimage.com
		amelia.lee@citigatedrimage.com