

NEWS RELEASE

**ROXY-PACIFIC ACHIEVES REVENUE OF S\$317.8 MILLION AND
NET PROFIT OF S\$96.8 MILLION IN FY2014**

- ***10th consecutive year of record earnings¹***
- ***Recurring income from Property Investment segment increases over 4 times to S\$6.6 million***
- ***Share of profit of joint-venture projects up 5.5 times to S\$54.9 million***
- ***Completion of commercial development project, Centropod@Changi in January 2015 thereby underpinning the Group's performance for FY2015***
- ***Strong headroom with cash and cash equivalents of S\$415.3 million, a S\$200 million Multicurrency Medium Term Note Programme and low gearing of 0.58 times***
- ***Proposes a final cash dividend of 1.297 SGD cents per share, bringing total dividends for FY2014 to 1.913 SGD cents per share (2013: 1.913 SGD cents)***

¹ Since the 1st set of results for FY2004 reported in the IPO prospectus

Singapore, February 16, 2015 – Roxy-Pacific Holdings Limited (**“Roxy-Pacific” or the “Group”**), a homegrown specialty property and hospitality group, today announced that it has achieved a 5% increase in net profit to S\$96.8 million for the full year ended December 31, 2014 (**“FY2014”**), from S\$92.2 million in the previous corresponding year (**“FY2013”**). This was despite a 14% decline in revenue to S\$317.8 million, from S\$369.0 million over the same corresponding year, mainly due to lower revenue contribution from the Group’s Property Development segment. A healthy growth was recorded from the remaining two business segments – Hotel Ownership and Property Investment.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “We have remained resilient and delivered our 10th consecutive year of record earnings, amidst a very challenging property development market in Singapore.

“It’s noteworthy that our joint venture projects have continued to reap good results, namely from profit recognition on completion of sale of retail units at 8 Russell Street in Hong Kong; as well as from progressive recognition of profits from JV projects in Singapore such as Natura@Hillview, Millage and Nottinghill Suites. At the same time, Centropod@Changi, our wholly-owned commercial development project, has obtained its Temporary Occupation Permit (“TOP”) in January 2015, thereby underpinning our performance for FY2015.

“We have also broadened our recurring income stream for our Property Investment segment. Apart from Roxy Square, our strong rental income growth from S\$1.6 million to S\$6.6 million was mainly due to the office rental income from 59 Goulburn Street which we acquired in July 2014. With relatively high tenant occupancy given its strategic proximity to Sydney’s CBD area, this commercial development will provide a stable source of recurring income for the Group.”

Performance Review

For FY2014, the 14% dip in revenue to S\$317.8 million was largely due to a decline in revenue recognition from the Group's Property Development segment mitigated by growth in both Hotel Ownership and Property Investment divisions.

The Property Development segment, which comprises residential and commercial developments, contributed 83% of the Group's turnover in FY2014. Revenue from this segment decreased 18% from S\$321.0 million in FY2013 to S\$263.3 million in FY2014. The decline was mainly due to the absence of revenue recognition on completion from WIS@Changi, a commercial development project which obtained its TOP in December 2013, and lower progressive revenue recognition from Spottiswoode 18, Jupiter 18 and Treescape, partially offset by higher progressive revenue recognition from Space@Kovan, The MKZ, Jade Residences and Whitehaven. Looking ahead, Centropod@Changi, a fully sold commercial development project, has obtained its TOP in January 2015. The full recognition of revenue on completion from the project is expected to have a positive financial impact on the Group's earnings for FY2015.

The Hotel Ownership segment, which made up 15% or approximately S\$47.9 million to the Group's turnover in FY2014, rose 3% as compared to the S\$46.4 million achieved in FY2013. With recent completion of refurbishments, Grand Mercure Roxy Hotel continued to enjoy a high average occupancy rate ("AOR") of 91.2% in FY2014, which compares favourably to the AOR of 86.1% attained in FY2013. Average room rate ("ARR") for FY2014 was S\$184.5 as compared to S\$191.5 in FY2013. Overall, revenue per available room ("RevPar") was up 2%, from S\$164.9 in FY2013 to S\$168.2 in FY2014.

Revenue from the Group's Property Investment segment, which constituted the remaining 2% of the Group's turnover, rose over 4 times to S\$6.6 million in FY2014 as compared to S\$1.6 million in FY2013 mainly due to office rental income from 59 Goulburn Street, which was acquired in July 2014.

Share of profits from associates surged over 5.5 times to S\$54.9 million from S\$9.9 million over the same period mainly due to contribution of profits from joint-venture projects, including profit recognition on completion of sale of retail units at 8 Russell Street in Hong Kong; as well as from progressive recognition of profits from Natura@Hillview, Millage and Nottinghill Suites. Nottinghill Suites has obtained its TOP in October 2014.

As a result of the above, the Group's net profit increased by 5% from S\$92.2 million in FY2013 to S\$96.8 million in FY2014.

For the three months ended December 31, 2014 ("4Q2014"), the Group registered a 60% decline in revenue to S\$68.6 million, from S\$169.7 million in the previous corresponding period ("4Q2013"), mainly due to the absence of revenue recognition on completion from WIS@Changi which obtained its TOP in December 2013. Consequently, the Group's gross profit declined from S\$58.4 million in 4Q2013 to S\$24.0 million in 4Q2014. Notwithstanding this, the Group's profit after tax increased by 4% from S\$44.8 million in 4Q2013 to S\$46.7 million in 4Q2014 as a result of share of associates' profits which surged from S\$3.1 million in 4Q2013 to S\$42.7 million in 4Q2014 mainly due to profit recognition on completion of sale of retail units at 8 Russell Street in Hong Kong.

As at December 31, 2014, the Group has a healthy cashflow, with cash and cash equivalents amounting to S\$415.3 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 0.58 times.

Proposed Dividend

To reward all shareholders for their continuous support, the Board has proposed a final dividend (one-tier tax exempt) of 1.297 SGD cents per ordinary share, bringing total dividends for FY2014 to 1.913 SGD cents per share and is equivalent to a dividend payout ratio of approximately 24% of the Group's net profit for FY2014.

Industry Outlook

Overall, Singapore's GDP growth for 2015 is forecast to be between 2% to 4% as compared to the estimated growth of 2.8% in 2014. Based on the latest advance estimates by Ministry of Trade and Industry Singapore on January 2, 2015, the Singapore economy grew by 1.5% on a year-on-year basis in the 4th quarter of 2014, below the 2.8% level in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.6%, slower than the 3.1% expansion in the preceding quarter.

According to the latest statistics released by Urban Redevelopment Authority on January 23, 2015, prices of private residential properties decreased by 1.1% in 4th quarter 2014, higher than the 0.7% decline in the previous quarter, representing a fifth continuous quarter of price decline.

The Group recognises that Singapore remains its key market despite the property cooling measures implemented by the Singapore Government. The Group continues to be very selective in identifying suitable sites with good locations and niche positioning for continued growth in Singapore.

Mr Teo added: "We have expanded beyond Singapore into Malaysia and Australia. We see much potential in Australia, especially in key cities including Sydney and looking ahead, will focus much of our efforts in this country. For overseas projects, working closely with experienced partners for both property development and investment projects will remain our key strategy.

“We stay focused on increasing our recurring income from Property Investments and are constantly on the lookout for good acquisition and investment opportunities which offer high yield potential.”

As for the hospitality sector, based on latest statistics from Singapore Tourism Board, visitor arrivals in 2014 were 15 million, 3.1% down from 2013.

“For our Hotel segment, we’ve also made good progress with recent acquisitions in the region and are actively looking at asset enhancement opportunities. For the hotel in Kyoto, we have plans to refresh it in due course and in Phuket, we intend to re-develop the land into resort villas. Where feasible, we have plans to self-manage these hotels to develop our hotel management expertise and branding.”

Barring unforeseen circumstances, the directors expect the Group to be profitable in 2015.

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 size residential developments such as apartments and condominiums targeted at middle to upper middle income segments. Between 2004 and 2014, the Group developed and launched 38 small to medium size developments comprising a total of more than 3,000 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 in 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.

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.

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