

NEWS RELEASE

ROXY-PACIFIC NET PROFIT INCREASES 20% TO S\$15.7 million in H1FY2009

- Revenue increases 26% to S\$81.8 million
- 55% rise in revenue from the Group's Property Development segment
- 193 residential units sold at total sales value of S\$177.9 million in H1FY2009
- Balance pre-sale revenue of S\$340.7 million to be progressively recognised from Q3FY2009 to FY2011
- Maintains strong cash position of S\$126.2 million
- Net gearing improves by 27% to 0.35 times as at June 30, 2009

Financial Highlights:

S\$'million	H1 FY2009	H1 FY2008	% Change	Q2 FY2009	Q2 FY2008	% Change
Revenue	81.8	65.1	26%	43.7	41.7	5%
Gross Profit	30.0	27.5	9%	16.1	16.2	-
Profit before Tax	18.4	16.9	9%	10.6	11.8	-10%
Profit After Tax	15.7	13.1	20%	9.4	9.0	5%
Earnings per share (cents)	2.47	2.23	11%	1.47	1.41	4%
	Jun 09	Dec 08	% Change			
Net Asset Value per share (cents)	19.05	17.32	10%			
RNAV per share (cents)*	52.54	50.70	4%			
Net Debt to RNAV (times)*	0.35	0.48	-27%			

*After adjusting for fair value gain on property, plant and equipment (i.e. Hotel and office premise) of \$213.2 million and S\$212.4 million in H1FY2009 and FY2008 respectively.

Singapore, August 5, 2009 – Roxy-Pacific Holdings Limited (“Roxy-Pacific” or the “Group”), a homegrown specialty property and hospitality group, today announced a 20% increase in net profit to S\$15.7 million for the first half ended June 30, 2009 (“H1FY2009”) from S\$13.1 million in the previous corresponding period (“H1FY2008”). This increase was on the back of a 26% rise in revenue to S\$81.8 million in H1FY2009 from S\$65.1 million in H1FY2008.

Said Mr Teo Hong Lim, Executive Chairman and CEO of Roxy-Pacific: “We achieved strong earnings in H1FY2009 despite a challenging economic environment on the back of a recognition of more development projects, nine in total, as compared to the previous corresponding period. These developments are mainly located in the eastern region of Singapore and targeted at the middle class segment. Except for one unit at The Marque@Irrawaddy, all nine developments are fully sold, including two of our latest developments, Axis@Siglap and The Medley, which obtained TOP in January and May 2009.”

Performance Review in Q2FY2009

During the period under review, the Group registered a 5% growth in revenue to S\$43.7 million in Q2FY2009 from S\$41.7 million in Q2FY2008 as a result of a 20% rise in revenue from its Property Development segment as well as a 9% increase in revenue from its Property Investment segment. The Group’s Hotel Ownership segment reported a 31% decrease in revenue in Q2FY2009.

The 20% rise in revenue from its Property Development segment to S\$34.7 million was mainly due to the progressive recognition of revenue from nine development projects in H1FY2009 - Axis@Siglap, The Montage, The Marque@Irrawaddy, The Medley, The Azzuro, The Verte, The Adara, The Ambra and The Ambrosia. The Group obtained Temporary Occupation Permit (“TOP”) for Axis@Siglap in January 2009 and The Medley in May 2009. This segment contributed to 79% of total Group revenue in Q2FY2009.

In line with overall hotel industry performance, the Group's Hotel Ownership division recorded a 31% decrease in revenue to S\$8.7 million in Q2FY2009 from S\$12.5 million in Q2FY2008. The decline was mainly due to a decrease in Average Room Rate ("ARR"), offset by a marginal increase in Average Occupancy Rate ("AOR") at the Group's Grand Mercure Roxy Hotel. ARR declined by 31% in Q2FY2009 to S\$143.5 from S\$208.1 in Q2FY2008 whilst AOR was up marginally to 81.6% from 81.2%. As a result, Revenue Per Available Room ("RevPar") decreased 31% to S\$117.1 in Q2FY2009 from S\$169.0 in Q2FY2008.

The Group registered an improvement of 9% over Q2FY2008 in revenue from the Property Investment segment as a result of an increase in rental yield from the renewal of lease for some of the shop units at the Group's Roxy Square Shopping Centre since the second half of FY2008. In all, the Hotel Ownership and Property Investment segment accounted for 21% of total Group revenue.

Gross margin in Q2FY2009 fell by 2 percentage points to 37%. The overall decrease was mainly due to higher revenue contribution from the Group's Property Development segment which has a lower gross profit margin, as well as lower gross profit margin from its Hotel Ownership segment, during the quarter under review.

The Group maintained a strong cash and cash equivalents position of S\$126.2 million as at June 30, 2009. Net gearing improved to 0.35 times as at June 30, 2009, from 0.48 times as at December 31, 2008.

Earnings per share on a fully diluted basis grew on a year-on-year basis from 1.41 cents in Q2FY2008 to 1.47 cents in Q2FY2009, whilst net asset value per share also rose from 17.32 cents at the end of December 31, 2008 to 19.05 cents at the end of June 30, 2009.

Outlook

The Group has noted an upward revision in Singapore's GDP forecast, from a contraction of 6.0 to 9.0 % to 4.0 to 6.0 %, according to the Ministry of Trade and Industry, although any recovery would be weak due to the fragile global economy. In addition, based on the latest real estate statistics released by Urban Redevelopment Authority, developers sold 1,825 units in June 2009, up from 1,673 in May 2009 and almost 100 more than during the peak of the boom in August 2007.

In the first half of 2009, the Group sold 193 residential units at total sales value of S\$177.9 million. This is higher than the 151 units sold and valued at S\$170.1 million in the whole year of 2008.

Added Mr Teo: "As of June 30, 2009, our Group has pre-sale revenue of about S\$340.7 million, which will progressively be recognised from Q3FY2009 to FY2011. With our current favourable financial position, we will be looking to invest our funds in recurring income properties and suitable development land at the appropriate costs and time. In line with this focus, the 4-storey freehold Kovan Centre, located along Yio Chu Kang Road, was purchased on June 19, 2009 by the Group. The Property, which comprises 37 strata units with a total area of 3,806 sq m, was acquired at a collective purchase price of S\$22.2 million."

As for its Hotel Ownership segment, the Group anticipates a challenging outlook for the remainder of 2009 as visitor arrivals continue to decline. Roxy-Pacific plans to complement the efforts of international hotel operator, Accor Group, by continually evaluating, investing and implementing measures to upgrade, re-configure and improve relevant aspects of the hotel, to ensure that Grand Mercure Roxy Hotel continues to contribute positively to the Group's healthy recurring income.

Barring any unforeseen circumstances, the Group is expected to be profitable in 2009.

About Roxy-Pacific Holdings Limited

Established in May 1967, Roxy-Pacific Holdings Limited, a homegrown specialty property and hospitality group, was listed on the SGX Mainboard on March 12, 2008. The Group is principally engaged in the development and sale of residential properties ("Property Development") and the ownership of Grand Mercure Roxy Hotel and other investment properties ("Hotel Ownership and Property Investment").

The Group's 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 2008, the Group developed and / or launched sixteen freehold projects comprising 510 units of small to medium size developments with a sale value of S\$465.2 million, mainly in the eastern region of 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, the hotel enjoys high AOR averaging 87.3% and good ARR averaging S\$135.6 between 2004 and 2008. The Group also enjoyed high AOR of 87.9% and ARR of S\$200.3 in FY2008.

The Group owns 51 retail shops at The Roxy Square Shopping Centre, with one shop unit used as its offices.

The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.

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