

ROXY-PACIFIC HOLDINGS LIMITED

**Results Announcement
3rd Quarter Ended 30 September 2019
12th November 2019**

**Driving
GROWTH AND
VALUE**



Agenda

- 1. Financial Performance**
- 2. Business Review**
- 3. Group Borrowings**
- 4. Outlook**

Financial Performance

3Q2019 & 9M2019 Overview

3Q2019 Overview

- Group's revenue increased by 130% to S\$43.1million.
- Group's net profit decreased to S\$0.3 million due to :
 - i. Delay in obtaining the interim occupancy certificate for West End Residences.
 - ii. Higher finance cost expensed off for new local development projects which were launched during the year.
 - iii. Lower share of results of associates.
 - iv. Higher depreciation expenses from Noku Maldives due to the commencement of full hotel operations in 4Q2018.

9M2019 Overview

- Group's revenue increased by 79% to S\$183.0 million.
- Excluding fair value gain from 117 Clarence Street ⁽¹⁾, pre-tax profit increased by 16% to S\$12.3million.
- Net profit attributable to shareholders was S\$10.1million in 9M2019.
- Total pre-sale revenue of S\$691.0 million (9M2018: S\$593.0million) to be recognised from 4Q2019 to FY2023, including S\$246.6 million by West End Residences to be recognised in 4Q2019.
- Good headroom with cash and bank balances of S\$216.8 million.

(1) The office building in Sydney was sold in August 2018

Financial Performance

Financial Results	3Q2019	3Q2018 (Restated) ⁽¹⁾	% change
Revenue (S\$'m)	43.1	18.8	130%
Gross Profit (S\$'m)	14.4	10.7	35%
Gross Margin (%)	33%	57% ⁽²⁾	-24ppt
Share of results of associates (net of tax) (S\$'m)	1.4	3.1	-54%
Pre-tax profit (S\$'m)	0.6	4.6	-87%
Net Profit (S\$'m)	0.3	3.8	-92%
Net Profit attributable to shareholders (S\$'m)	0.8	3.9	-80%
EPS (SGD cents)	0.06	0.30	-80%

- (1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.
- (2) Higher gross margin in 3Q2018 mainly due to write back of over-provision of property development construction cost.

Financial Performance

Financial Results	9M2019	9M2018 (Restated) ⁽¹⁾	% change
Revenue (S\$m)	183.0	102.0	79%
Gross Profit (S\$m)	52.2	38.1	37%
Gross Margin (%)	29%	37%	-8ppt
Pre-tax profit before share of results of associates and fair value gain on IP (S\$m)	8.8	2.7	226%
Fair value gain on IP (S\$m)	-	3.5	n.m.
Share of results of associates (net of tax) (S\$m)	3.5	14.3 ⁽²⁾	-75%
Pre-tax profit (S\$m)	12.3	20.5	-40%
Net Profit (S\$m)	9.1	16.6	-45%
Net Profit attributable to shareholders (S\$m)	10.1	16.6	-39%
EPS (SGD cents)	0.77	1.27	-39%

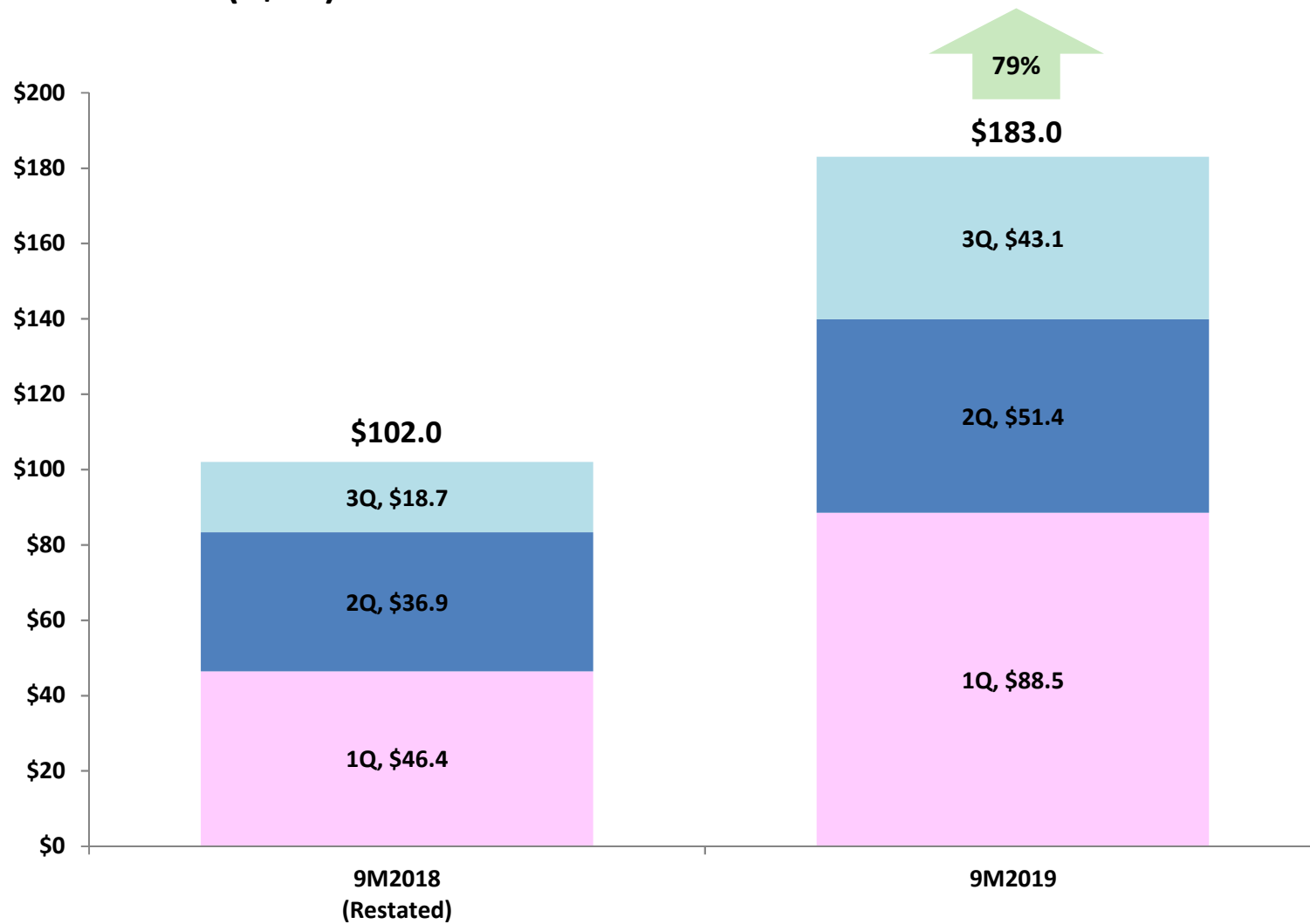
⁽¹⁾ The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.

⁽²⁾ Include S\$9.9 million fair value gain from 117 Clarence Street, the office building in Sydney was sold in August 2018.

Financial Performance

Financial Performance Turnover (S\$m)

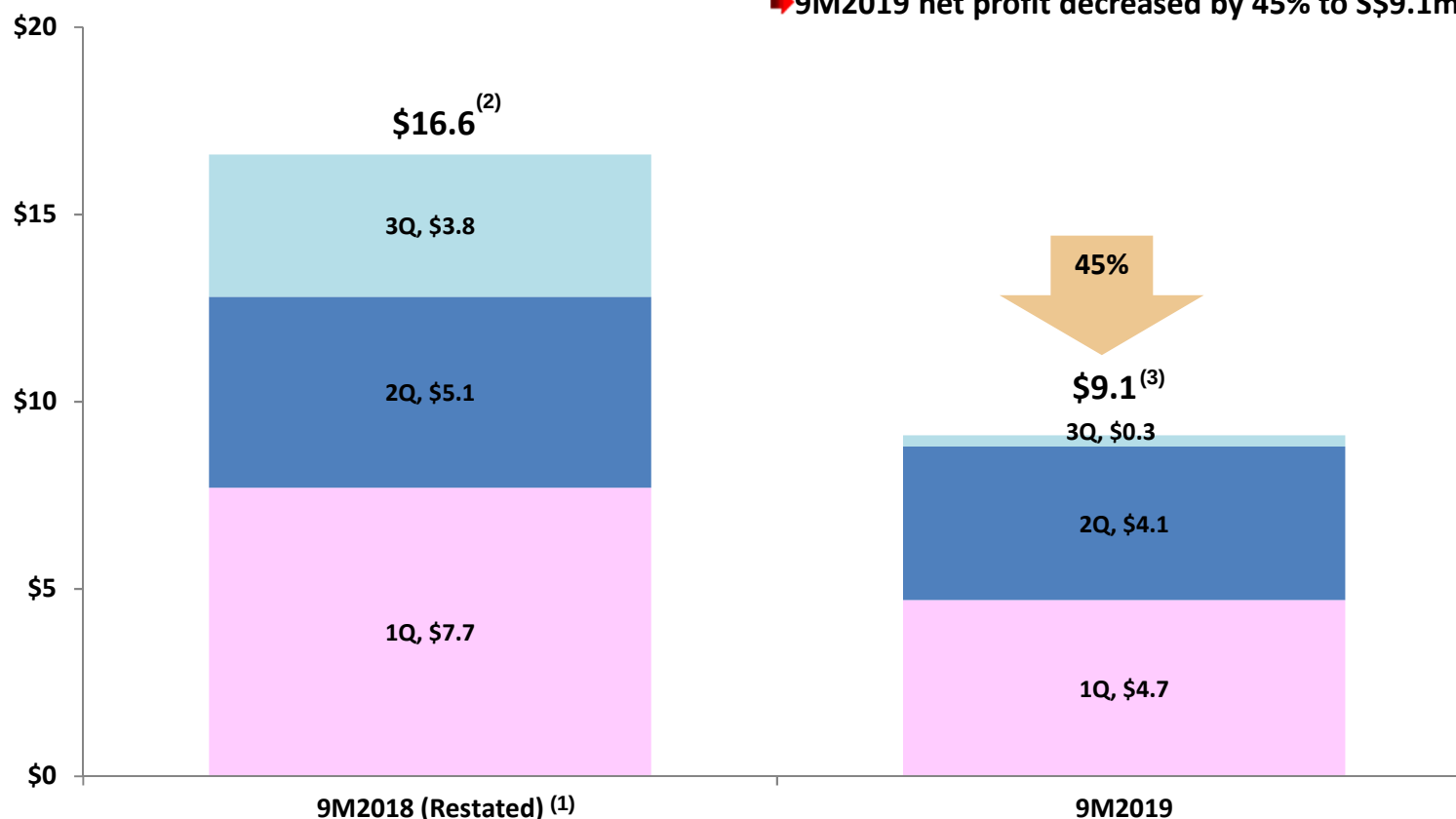
- 3Q2019 revenue increased by 130% to S\$43.1m
- 9M2019 revenue increased by 79% to S\$183.0m



Financial Performance

Financial Performance

Profit After Tax (\$\$'m)



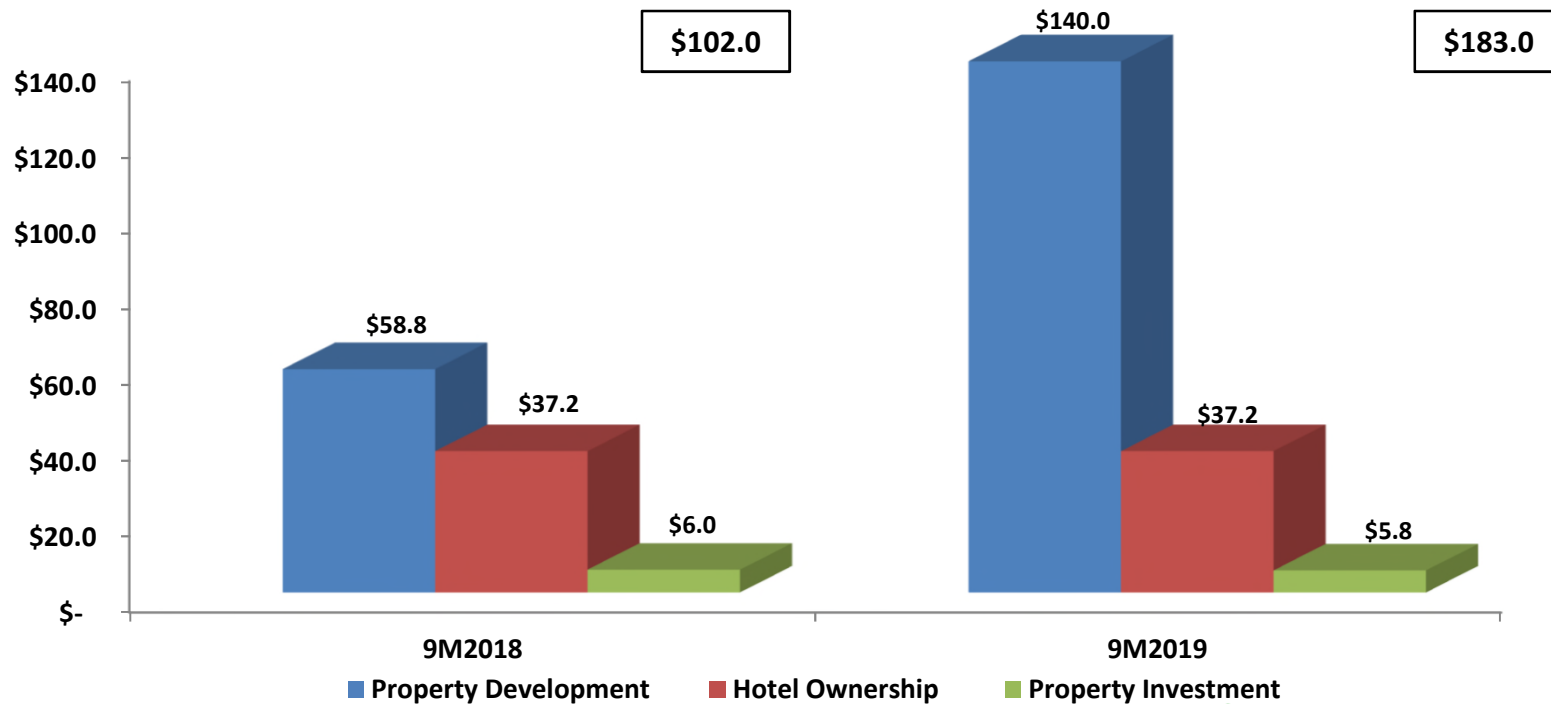
(1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.

(2) Included S\$9.9 million fair value gain from 117 Clarence Street, the office building in Sydney was sold in August 2018.

(3) Profit derived after taking into consideration of show flat expenses amounting S\$3.9 million (net of tax) and borrowing cost expense off for property development amounting S\$5.6 million (net of tax).

Financial Performance

Segment Results – 9M2019 Revenue (\$\$'m)

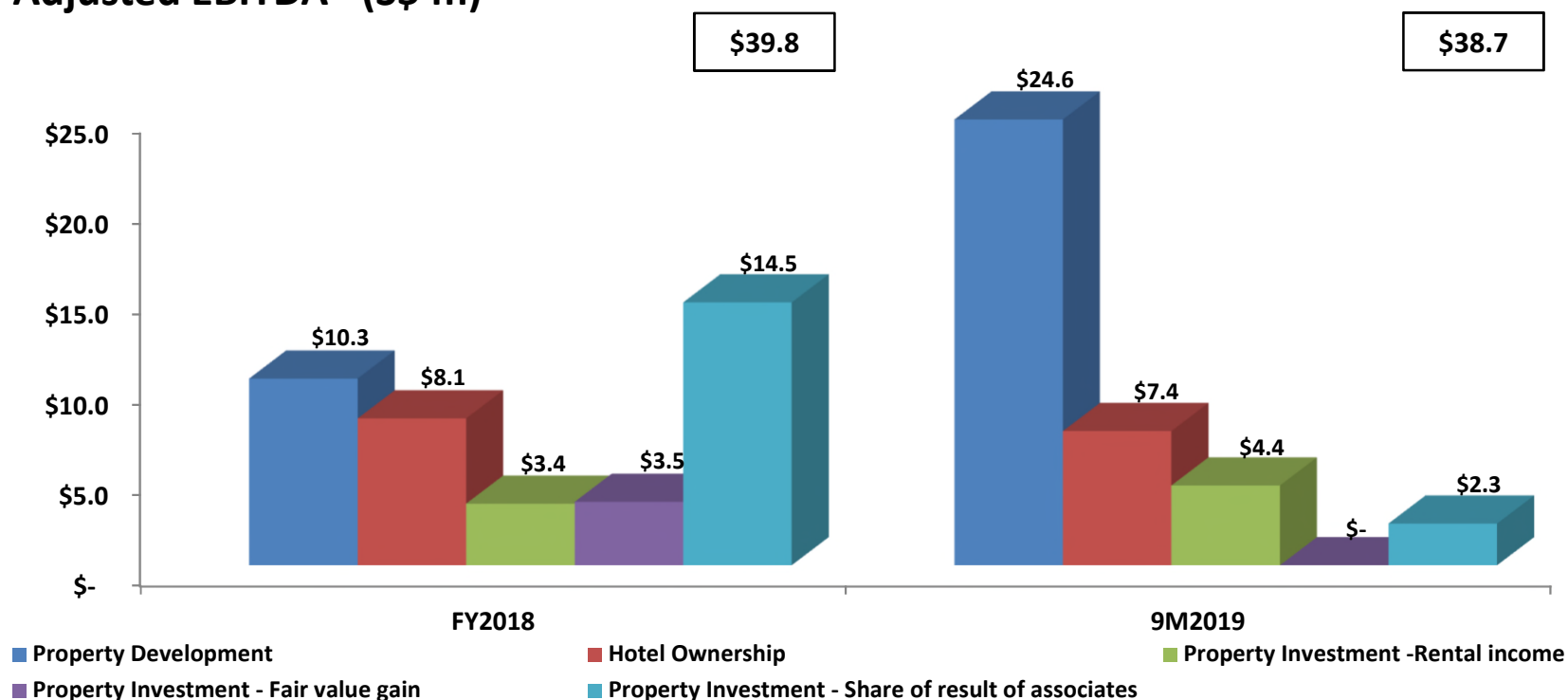


	9M2018	9M2019
Property Development	58%	77%
Hotel Ownership	36%	20%
Property Investment	6%	3%
	100%	100%

Financial Performance

Segment Results – 9M2019

Adjusted EBITDA* (\$S'm)

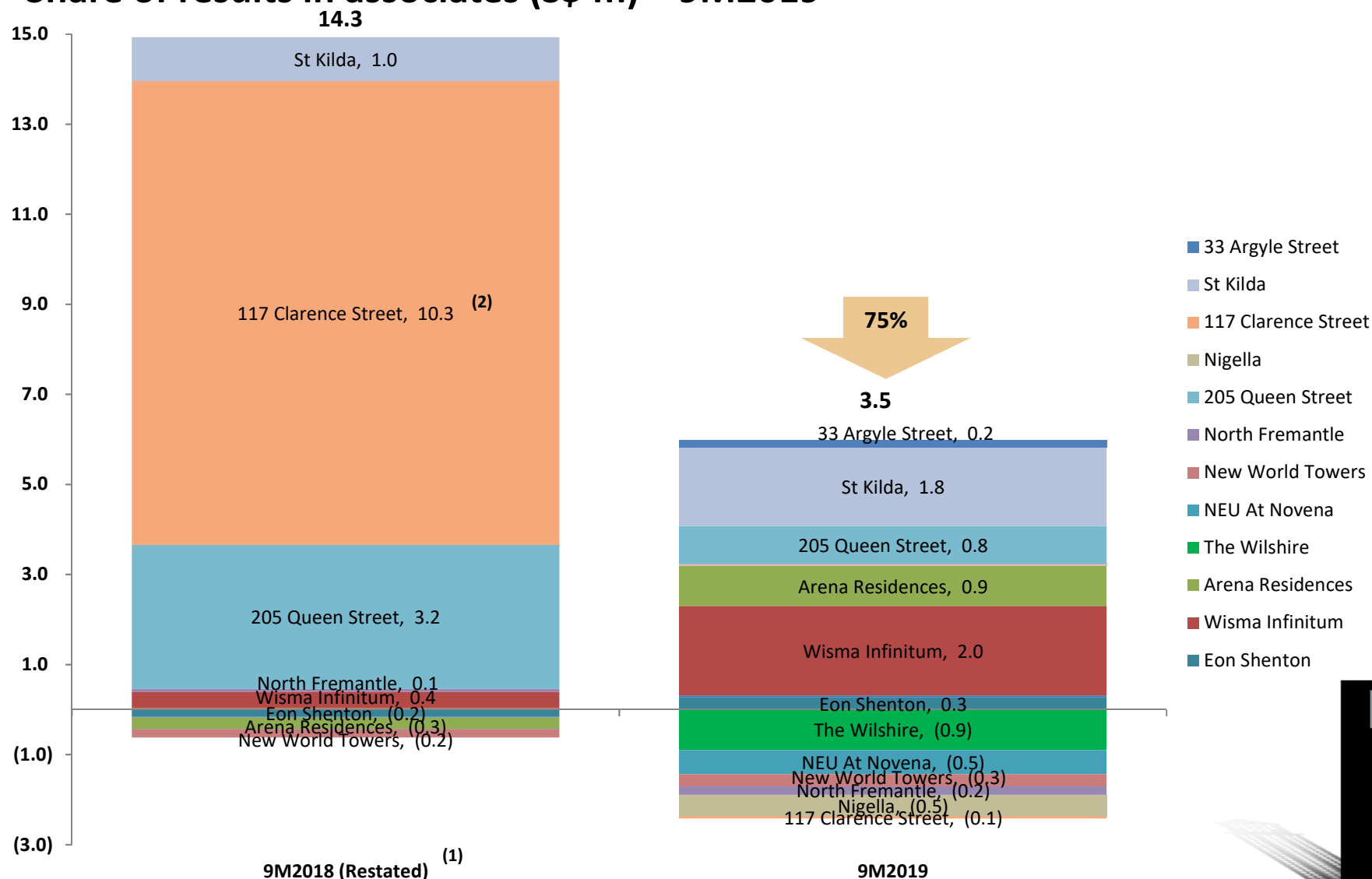


	9M2018	9M2019
Property Development	26%	64%
Hotel Ownership	21%	19%
Property Investment - Rental income	8%	11%
Property Investment - Fair value gain	9%	0%
Property Investment - Share of result of associates	36%	6%
	100%	100%

* Adjusted EBITDA excludes corporate expenses, depreciation of property, plant and equipment, finance cost (net) and unrealised foreign exchange gain/(loss) (net).

Financial Performance

Share of results in associates (S\$m) – 9M2019



(1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.

(2) The Group has sold the investment property in August 2018.

Financial Performance

Financial Position	30 Sep 2019 (S\$m)	31 Dec 2018 ⁽¹⁾ (S\$m)
Total assets	1,695.5	1,707.4
Total debt	1,041.9	1,042.9
Cash & bank balances ^{(2) (3)}	216.8	291.6
Net debt ⁽³⁾	825.1	751.3
Net asset value ("NAV")	488.3	496.3
Revaluation surplus ⁽⁴⁾	489.2	485.2
Adjusted net asset value ("ANAV")	977.5	981.5

- (1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.
- (2) Cash holdings include project account monies amounting to S\$35.4m as at 30 September 2019 (31 December 2018: S\$71.3m) and S\$81.3m (31 December 2018: S\$71.2m) pledged to banks and financial institutions. Lower cash balances due to acquisition of 33 Argyle Street, new investment property in Tokyo, payment of construction cost for Australia's development projects and investment in financial assets.
- (3) Net gearing remains healthy at 0.84 time with lower cash balances.
- (4) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, Noku Maldives and the head office premise were estimated to be S\$718.5m as at 30 September 2019 (31 December 2018: S\$692.3m) as compared to net book value of S\$229.3m (31 December 2018: S\$207.1m).

Financial Performance

Financial Ratios	30 Sep 2019	31 Dec 2018 ⁽¹⁾
NAV per share (SGD cents)	37.44	38.06
ANAV per share (SGD cents) ⁽²⁾	74.96	75.27
Cash holdings per share (SGD cents) ⁽³⁾	16.63	22.36
Net debt to ANAV (times) ⁽⁴⁾	0.84	0.77
Total debt to ANAV (times)	1.07	1.06
Return on equity (%) ⁽⁵⁾	2.8%	4.3%

- (1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.
- (2) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, Noku Maldives and the head office premise were estimated to be S\$718.5m as at 30 September 2019 (31 December 2018: S\$692.3m) as compared to net book value of S\$229.3m (31 December 2018: S\$207.1m).
- (3) Cash holdings include project account monies amounting to S\$35.4m as at 30 September 2019 (31 December 2018: S\$71.3m) and S\$81.3m (31 December 2018: S\$71.2m) pledged to banks and financial institutions.
- (4) Net gearing remains healthy at 0.84 time with lower cash balances.
- (5) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value.



BUSINESS REVIEW

Property Development

Results Announcement

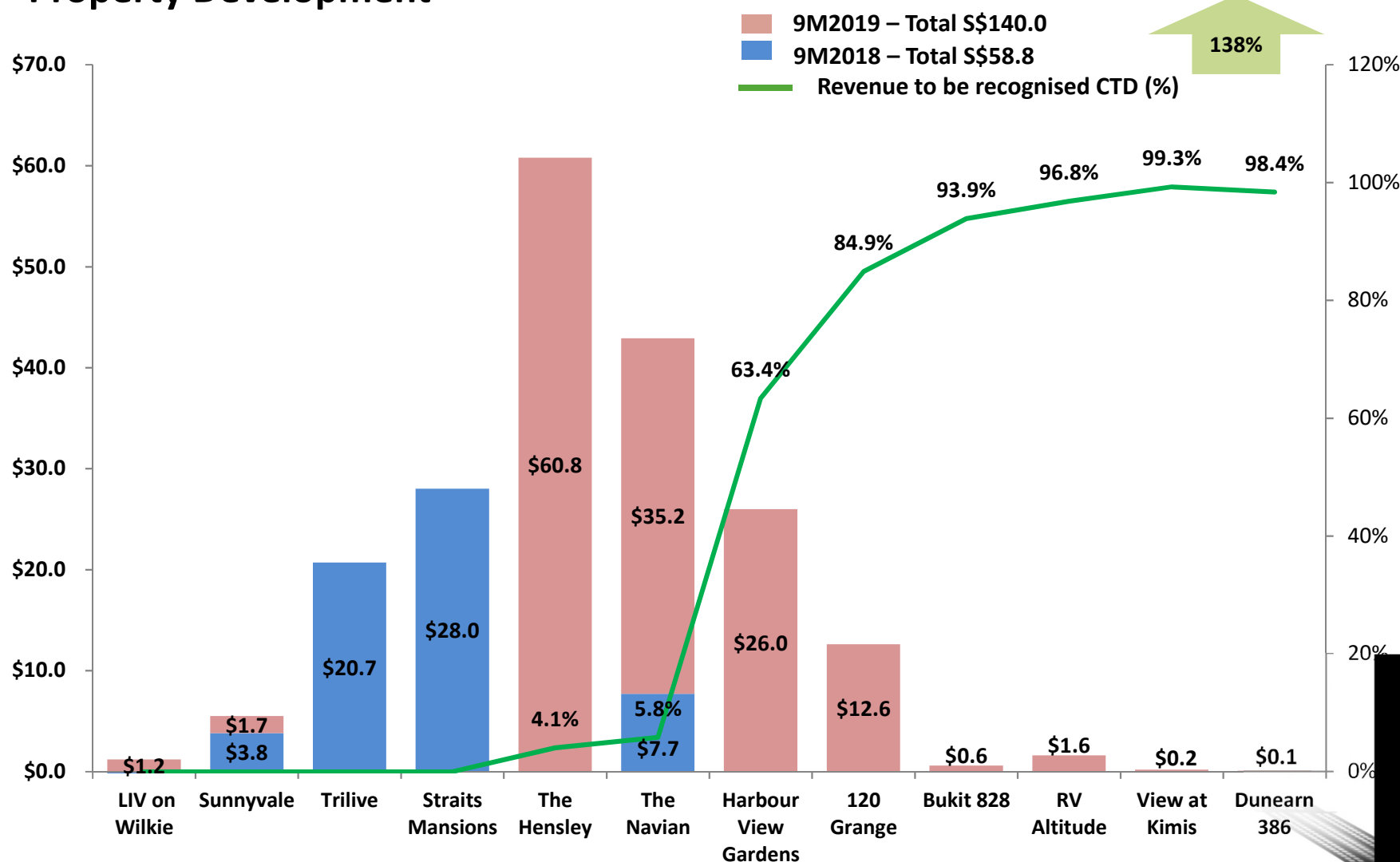
3rd Quarter Ended 30 September 2019

12th November 2019

Business Review

Property Development

Revenue from Property Development (S\$'m)



9M2019 Property Development revenue was mainly attributable to The Navian, Harbour View Gardens, 120 Grange and The Hensley. The increase in revenue was mainly due to lump sum revenue recognition for The Hensley upon settlement from purchasers.

Business Review

Pre-Sale Revenue to be recognised by projects (\$'m)

Project name	Type of development	Group stake %	Total units in project Unit	Unit sold %	Attributable total sale value ^{(i) (iii)} \$'m	Attributable revenue recognised up to 30 September 2019 \$'m	Balance attributable progress billings to be recognised from 4Q2019 \$'m
Singapore							
1 The Navian	Residential	100%	48	100%	\$ 58.7	\$ 53.9	\$ 4.8
2 Harbour View Gardens	Residential	100%	57	100%	\$ 73.7	\$ 26.9	\$ 46.8
3 120 Grange	Residential	90%	56	82%	\$ 76.8	\$ 11.3	\$ 65.5
4 Bukit 828	Residential	80%	34	44%	\$ 13.3	\$ 0.5	\$ 12.8
5 Arena Residences	Residential	50%	98	68%	\$ 43.5	\$ 7.3	\$ 36.2
6 RV Altitude	Residential	100%	140	25%	\$ 55.9	\$ 1.6	\$ 54.3
7 Fyve Derbyshire	Residential	100%	71	25%	\$ 35.0	-	\$ 35.0
8 Wilshire Residences	Residential	40%	85	9%	\$ 5.5	-	\$ 5.5
9 Dunearn 386	Residential	100%	35	9%	\$ 3.9	\$ 0.1	\$ 3.8
10 View at Kismis	Residential	60%	186	25%	\$ 34.1	\$ 0.2	\$ 33.9
11 NEU AT NOVENA	Residential	50%	87	62%	\$ 47.0	-	\$ 47.0
Malaysia							
12 Wisma Infinitum - The Colony	Residential	47%	423	78%	\$ 57.3	\$ 22.3	\$ 35.0
Wisma Infinitum - The Luxe	Residential	47%	300 ⁽ⁱⁱⁱ⁾	49%	\$ 30.9	\$ 11.7	\$ 19.2
Australia							
Sydney							
13 Octavia Killara	Residential	100%	43	98%	\$ 44.6	-	\$ 44.6
14 West End Residences, Tower 1 (Foundry)	Residential	100%	140	96%	\$ 147.4	-	\$ 147.4
West End Residences, Tower 2 (Art House)	Residential	100%	91	98%	\$ 99.2	-	\$ 99.2
Total			1,894		\$ 826.8	\$ 135.8	\$ 691.0

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 31 October 2019.

(ii) For overseas projects, sale value is based on contract signed up to 31 October 2019.

(iii) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch.

Note: Pre-sale revenue is recognised based on Percentage of Completion except for Australia projects which is recognised based on completed contract method.

BUSINESS REVIEW

Hotel Ownership

Results Announcement

3rd Quarterly Ended 30 September 2019

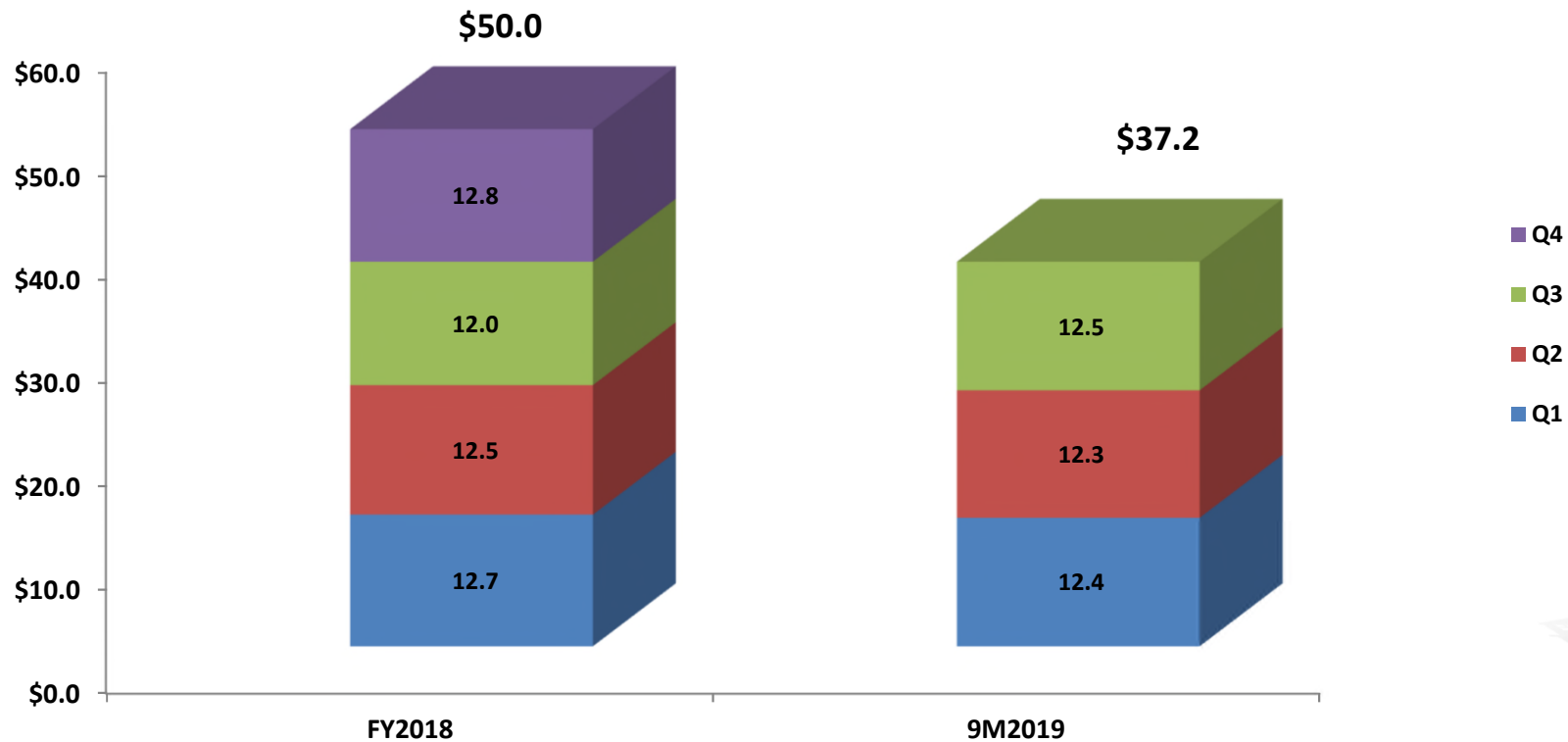
12th November 2019

noku

Business Review

Hotel Ownership – 9M2019 Hotel Revenue (\$m)

➡ Hotel revenue remain at S\$37.2m in 9M2019

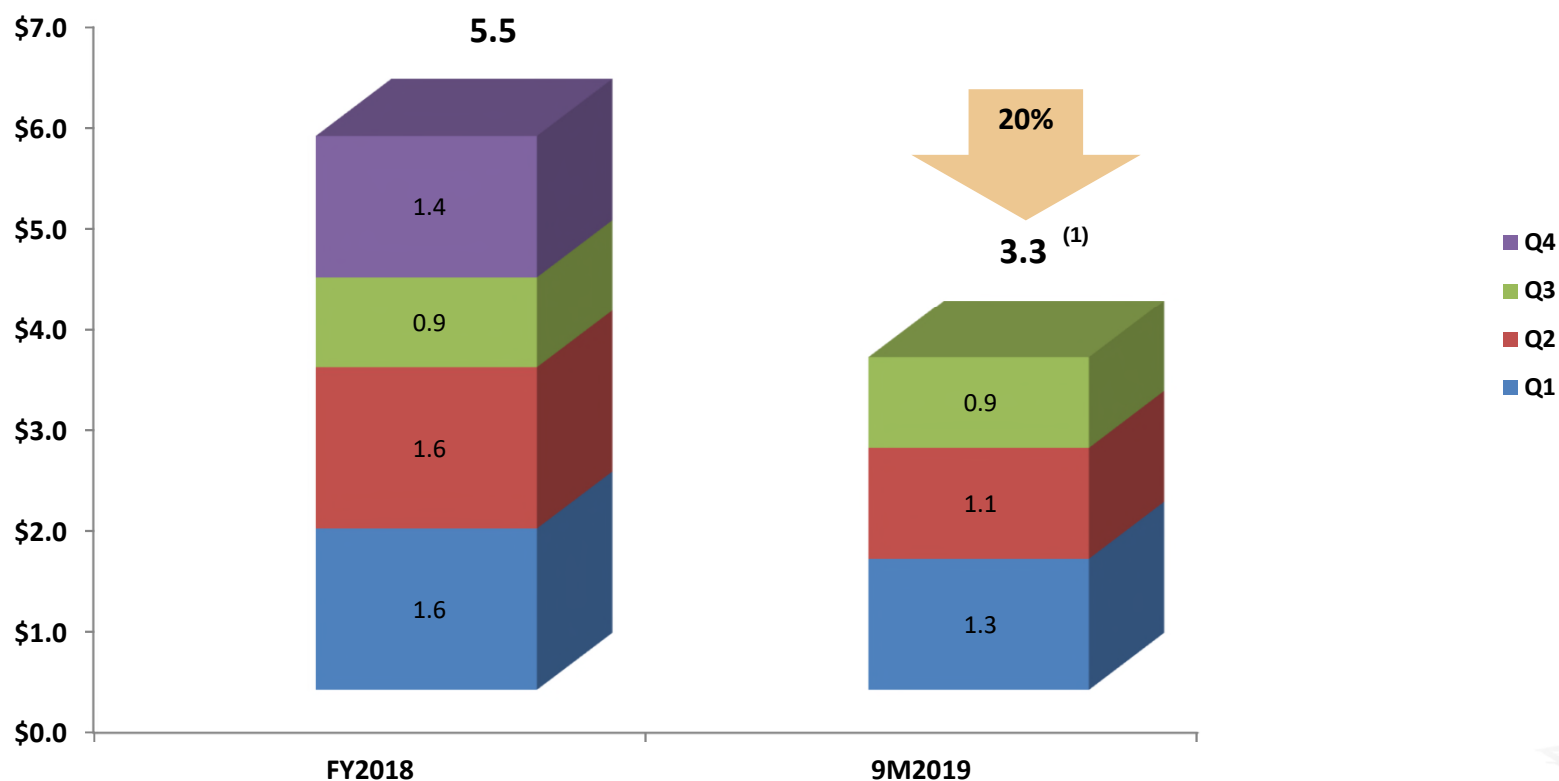


Business Review

Hotel Ownership – 9M2019

Hotel Net Operating Profits (“NOP”) (S\$m)

► Hotel net operating profit decreased 20% in 9M2019 to S\$3.3m from S\$4.1m in 9M2018



Hotel Net Operating Profits is defined as the earnings before interest, taxes, depreciation and amortisation.

(1) Net operating profit decreased mainly due to decline in revenue per available room in 1H2019.

Business Review

Hotels in operations/under development

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Noku Osaka	Noku Maldives	Noku Phuket (under development)	Total
Location	50 East Coast Road	205-1 Okuracho Kyoto, Japan	Kita-Ku, Osaka City, Japan	Island of Kudafunafaru, Noonu Atoll, Maldives	48/13 Moo 6, Chaofa Road, Phuket, Thailand	na
Managed by	Roxy under franchise with Accor Group	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	na
Rooms	576 rooms	81 rooms	154 rooms	50 villas	91 rooms/villas	952 rooms/villas
Date of TOP/acquisition	TOP in Sep 2000	2-Oct-14	17-Oct-17	11-May-16	6-Nov-14	na
Tenure	Freehold	Freehold	Freehold	Remaining 37 years leasehold	Freehold	na
Approximate Land Area (sq m)	15,172	940	886	89,896	46,878	153,772
Gross Floor area (sq m)	35,336	4,780	3,672	16,830	17,973	78,591
Net Book Value as at 30 September 2019	S\$63.5 million	S\$31.3 million (JPY2.49 billion)	S\$39.8 million (JPY3.11 billion)	S\$53.6 million (US\$38.8 million)	S\$38.5 million (THB861 million)	S\$226.7 million
Valuation as at 31 December 2018 ⁽²⁾	S\$525.6 million	S\$38.5 million (JPY3.01 billion)	S\$40.3 million (JPY3.15 billion)	S\$52.5 million (US\$38.0 million)	S\$38.5 million ⁽¹⁾ (THB861 million)	S\$695.4 million

(1) The estimate value on completion is S\$52.9m (THB 1.26b) . The estimated commencement date of hotel operation is FY2021.

(2) Based on September 2019 closing rate.





BUSINESS REVIEW

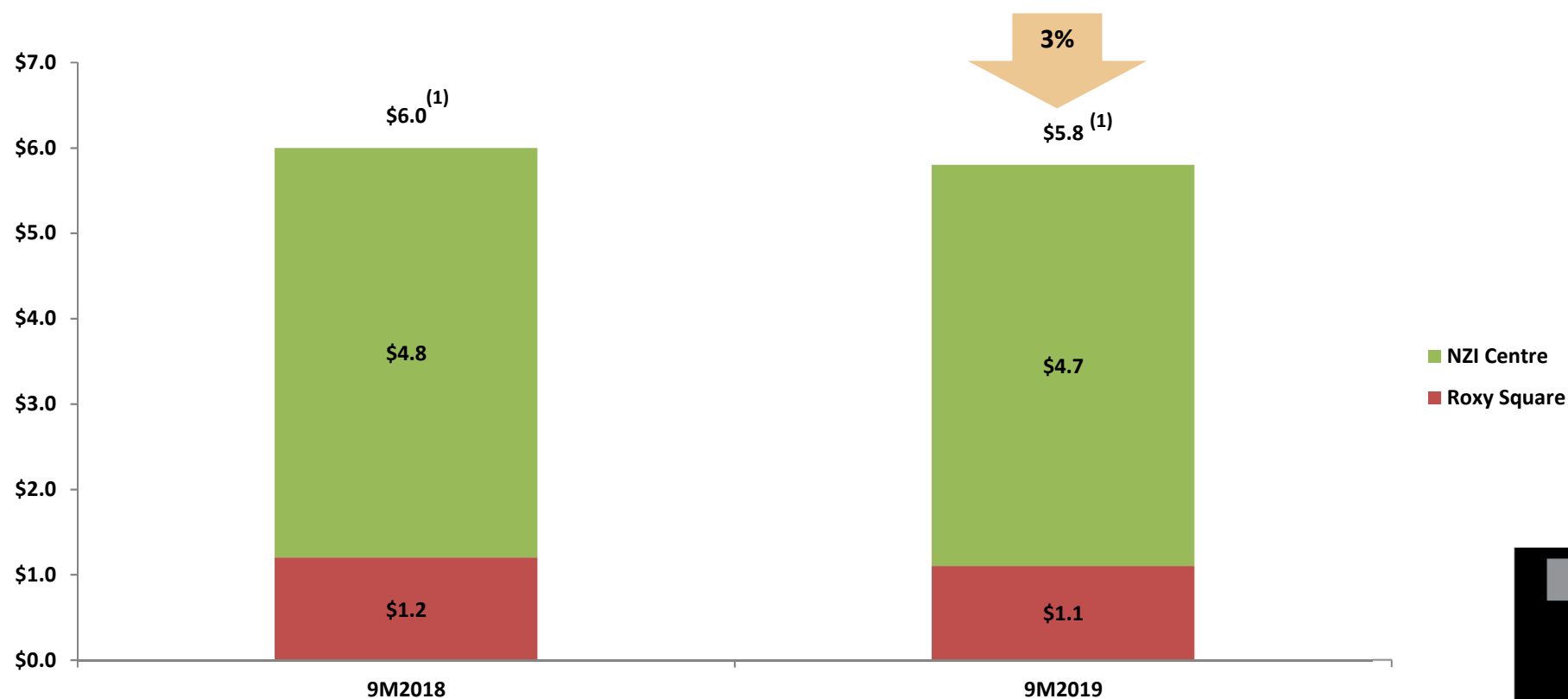
Property Investment

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Business Review

Property Investment – 9M2019 Revenue (S\$'m)

➡ Rental income decreased 3% in 9M2019 to S\$5.8m from S\$6.0m in 9M2018



(1) Excludes rental income from 205 Queen Street, 312 St Kilda Road and 33 Argyle Street as it is accounted for under share of results from associates.

Business Review

	Location	Description	Date of TOP/acquisition	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 September 2019 (on lettable area)	Valuation ⁽¹⁾ (\$)	Estimated Total Annual Gross Income ⁽³⁾ (S\$)
Held by subsidiary company								
1	50 East Coast Road, Roxy Square, Singapore	49 shop units ⁽²⁾	1984/1998	100%	2,371	90%	S\$64.8m	1.5m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S\$58.4m (NZ\$67.4m)	S\$6.0m (NZ\$6.9m)
	Total				11,817		\$ 123.2	
Held by Associate company								
3	205 Queen Street, Auckland, New Zealand	2 Office Tower with 17 and 22 Storey	20-Dec-17	50%	25,367	88%	S\$156.2m (NZ\$180.4m)	S\$12.4m (NZ\$14.4m)
4	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,887	99%	S\$78.1m (A\$83.7m)	S\$5.4m (A\$5.8m)
5	33 Argyle Street, Parramatta NSW, Australia	Office building comprising retail ground floor suite and café, 3 levels of above ground parking, 6 office levels and roof top plant rooms.	08-Jan-19	40%	5,281	100%	S\$39.7m (A\$42.5m)	S\$2.9m (A\$3.1m)
	Total				40,535		\$ 274.0	

- (1) Based on latest valuations as of 30 June 2019
 (2) Excludes 3 units which are for owner-use premises
 (3) Based on occupancy as at 30 September 2019



Roxy square



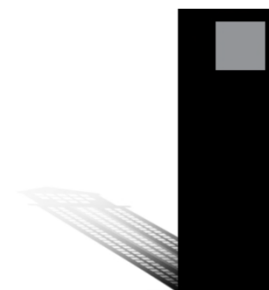
205 Queen Street



NZI Centre

Group Borrowing

Results Announcement
3rd Quarter Ended 30 September 2019
12th November 2019



Group Borrowing

Debt Profile	30 Sep 2019	31 Dec 2018 ⁽¹⁾
Total borrowings (\$m)	S\$1,041.9	S\$1,042.9
Net borrowings (\$m)	S\$825.1	S\$751.3
Fixed rate loans including IRS ⁽⁴⁾ (\$m)	S\$328.3	S\$226.0
Fixed rate loans including IRS ⁽⁴⁾ as % of total loans	32%	22%
Weighted average term for fixed rate loans including IRS ⁽⁴⁾	19 months	20 months
Weighted average interest rate (fixed rate loans including IRS ⁽⁴⁾)	3.0%	3.1%
Weighted average interest rate (floating rate loans)	2.8%	2.9%
Interest coverage ratio (times) ⁽²⁾	1.7	2.6
Cash coverage ratio (times) ⁽³⁾	9.5	18.0

(1) The figures have been adjusted due to cessation of capitalisation of borrowing cost incurred on residential development projects upon sales launch.

(2) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period.

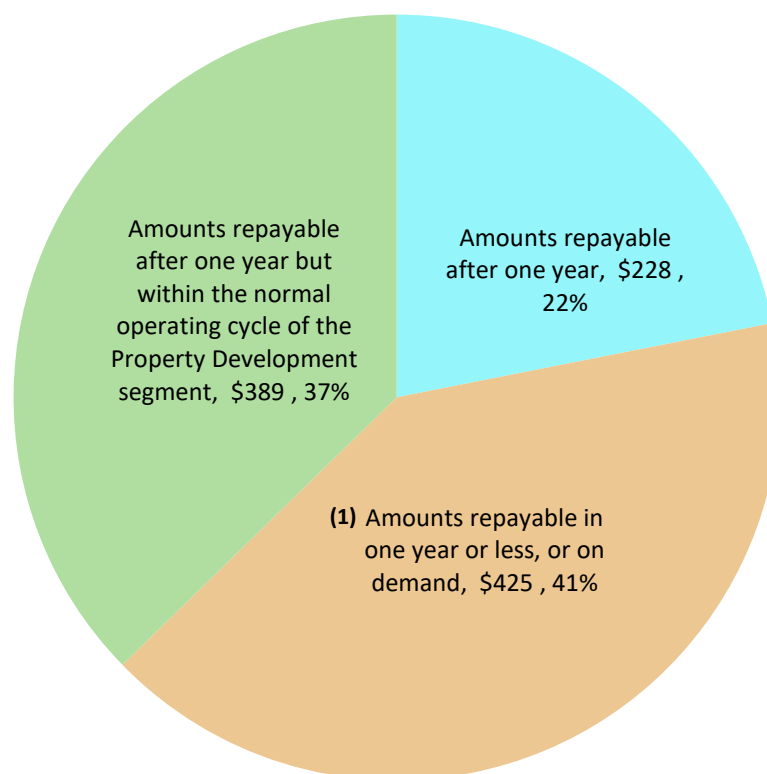
(3) calculated by dividing cash balance by the annualised interest expense for the same period.

(4) Relates to Interest Rate Swap (IRS) for a development project which is effective from 11 Sept 2019.

Group Borrowing

Debt Profile as at 30 Sep 2019 (\$m)

Total outstanding debts of S\$1,041.9m as of 30 September 2019



(1) S\$138.6m relates to loans for sold units which is expected to be repaid upon obtaining TOP and collections from buyers of the properties. S\$194.5m relates to loans for shop units and Grand Mercure Roxy Hotel, Singapore and S\$72.9m loans is secured by fixed deposits.

Outlook

1. General

- Latest statistics from MTI showed that the Singapore economy grew 0.1% y-o-y in 3Q2019. ¹
- The Reserve Bank of Australia had projected the country's GDP to grow around 2.5% for 2019. ²
- Revised Cabinet office data showed Japan's economy grew an annualised 1.3% in 2Q2019. ³

2. Property Development

- URA reported that for 3Q2019, prices of private residential prices increased by 1.3% as compared to the 1.5% increase in 2Q2019. ⁴
- In Australia, the price index for residential properties fell 0.7% q-o-q in 2Q2019, with Sydney registered decline of 9.6%. ⁵
- In Singapore, NEU AT NOVENA achieved a sales rate of 51% on the launch day.
- Octavia in Sydney are left with 1 unit for sale.
- Interim Occupation Certificate was obtained on 10 October 2019 for West End Glebe with 97% sold and the revenue expected to be recognised in 4Q2019.
- As at 31st October 2019, pre-sale revenue from the development projects was S\$691.0 million, the profit of which will be recognised from 4Q2019 to FY2023.

¹ Ministry of Trade and Industry Singapore, October 14, 2019 – Singapore's GDP Grew by 0.1 Per Cent in the Third Quarter of 2019

² Reserve Bank of Australia, August 2019 – Statement on Monetary Policy – August 2019

³ Cabinet Office, Government of Japan, September 9, 2019 – 2019 April-June GDP Report

⁴ Urban Redevelopment Authority, October 25, 2019 – Release 3rd Quarter 2019 real estate statistics

⁵ Australian Bureau of Statistics, September 17, 2019 – Residential Property Price Indexes: Eight Capital Cities Jun 2019

Outlook

3. Hotel Ownership

- Latest statistics from STB showed a 1.9% y-o-y growth in international visitor arrivals as at August 2019.⁶
- Hotel statistics also recorded growth – AOR increase 0.8%, total room revenue increase 6.4%, ARR edged up 4.0%, while revenue per available room rose 5.0%.⁷
- According to Japan National Tourism Organisation, the estimated number of international travelers to Japan as at September 2019 was about 24.4 million (+4.0% from the previous corresponding period).⁸

4. Property Investment

- For the Australian office sector, the overall sentiment in commercial property markets, as measured by the NAB Commercial Property Index increased by 9 point to +7 points in 2Q2019, with office and industrial property sectors showed highest confidence levels.⁹
- The Group acquired 53.07% ownership in a retail building situated at Ginza, which is widely known as a popular upscale shopping and entertainment district of Tokyo.

5. Healthy cash and bank balances of S\$216.8 million.

6. Net gearing remains healthy at 0.84 time.

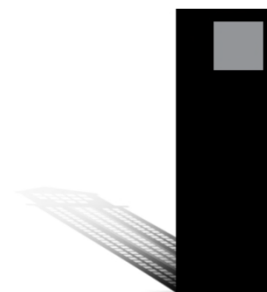
7. Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2019.

⁶ Singapore Tourism Board, October 29, 2019 – International Visitor Arrivals Statistics

⁷ Singapore Tourism Board, October 29, 2019 – Hotel Statistics

⁸ Japan National Tourism Organisation, October 2019 – Japan Tourism Statistics

⁹ National Australia Bank, August 8, 2019 – NAB Quarterly Australian Commercial Property Survey Q2 2019



**ROXY-PACIFIC
HOLDINGS LIMITED**

Results Announcement

3rd Quarter Ended 30 September 2019

12th November 2019

THANK YOU

**Driving
GROWTH AND
VALUE**

