Driving
GROWTH AND
VALUE

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
Full Year Ended 31 December 2019
20th February 2020



Agenda

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

Financial Performance

2019 Overview

- Net profit attributable to shareholders increase by 42% on the back of 234% surge in revenue, driven by revenue recognition from Property Development segment
- Total pre-sale revenue of S$471.2 million (FY2018: S$593.0 million) to be recognised from 1Q2020 to FY2023.
- Completion of acquisition for an investment property in 33 Argyle Street in Australia and a retail building situated at Ginza, Japan.
- Six projects launched in Singapore, comprising a total of 604 residential units and 2 commercial units.
- Net gearing remains healthy at 0.58 time notwithstanding the above acquisitions.
- Good headroom with cash and bank balances of S$331.0 million.
- Proposed final dividend of 1.09 SGD cents per share, 55% higher compared to 2018.

Financial Performance

Financial Results	FY2019	FY2018	% change
Revenue (S$'m)	444.0	132.9	234%
Gross Profit (S$'m)	106.2	50.8	109%
Gross Margin (%)	24%	38%	-14ppt (1)
Share of results of associates (net of tax) (S$'m)	8.5	20.1 (2)	-58%
Pre-tax profit (S$'m)	44.6	25.2	77%
Net Profit (S$'m)	29.1	21.1	38%
Net Profit attributable to shareholders (S$'m)	30.3	21.3	42%
EPS (SGD cents)	2.32	1.63	43%

(1) The decrease in gross margin in 2019 was mainly due to higher contribution from Property Development segment which has a lower profit margin.

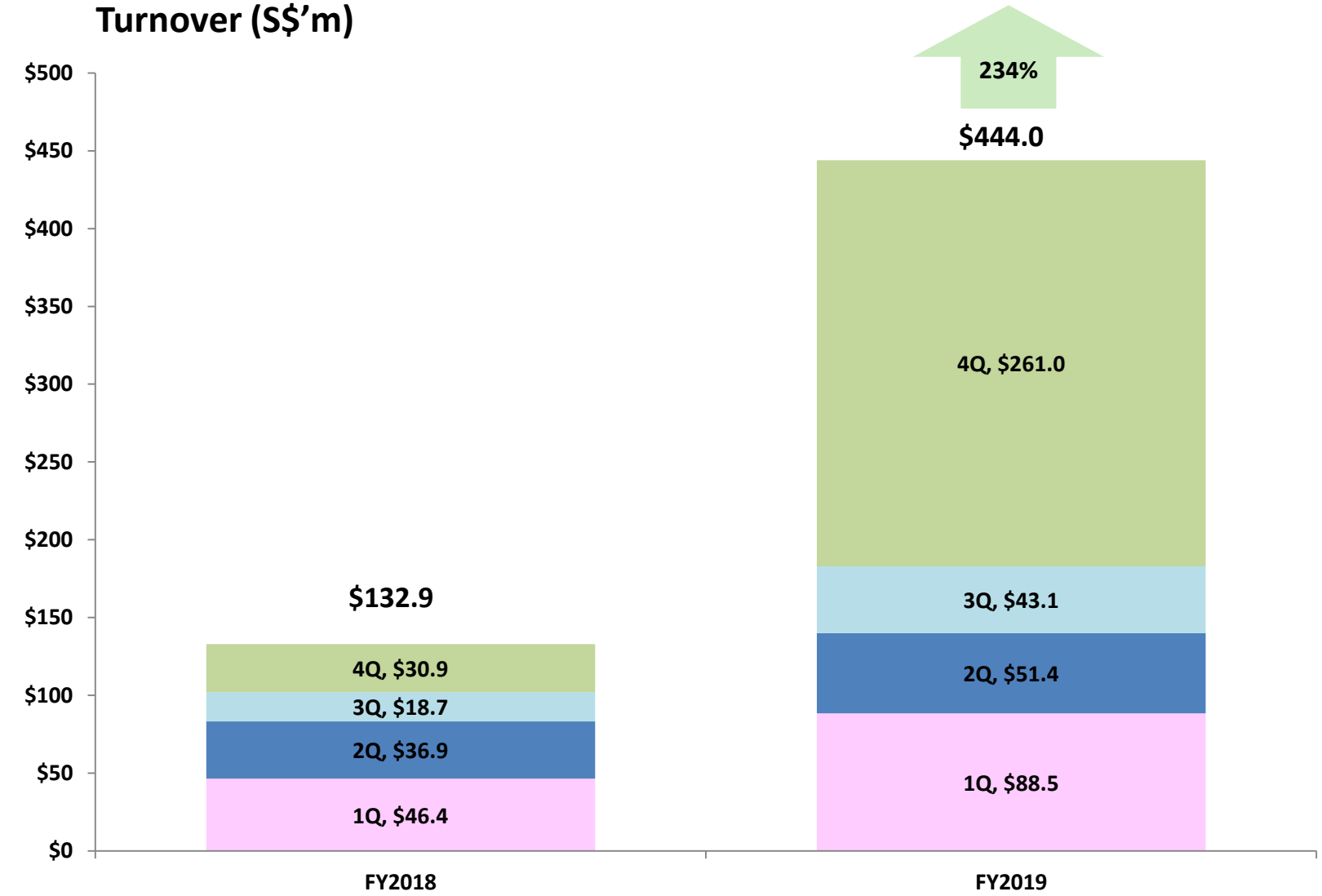
(2) Include S$9.9 million gain on disposal from 117 Clarence Street, the office building in Sydney was sold in August 2018.

Financial Performance

Financial Performance

Turnover (S$'m)

FY2019 revenue increased by 234% to S$444.0m

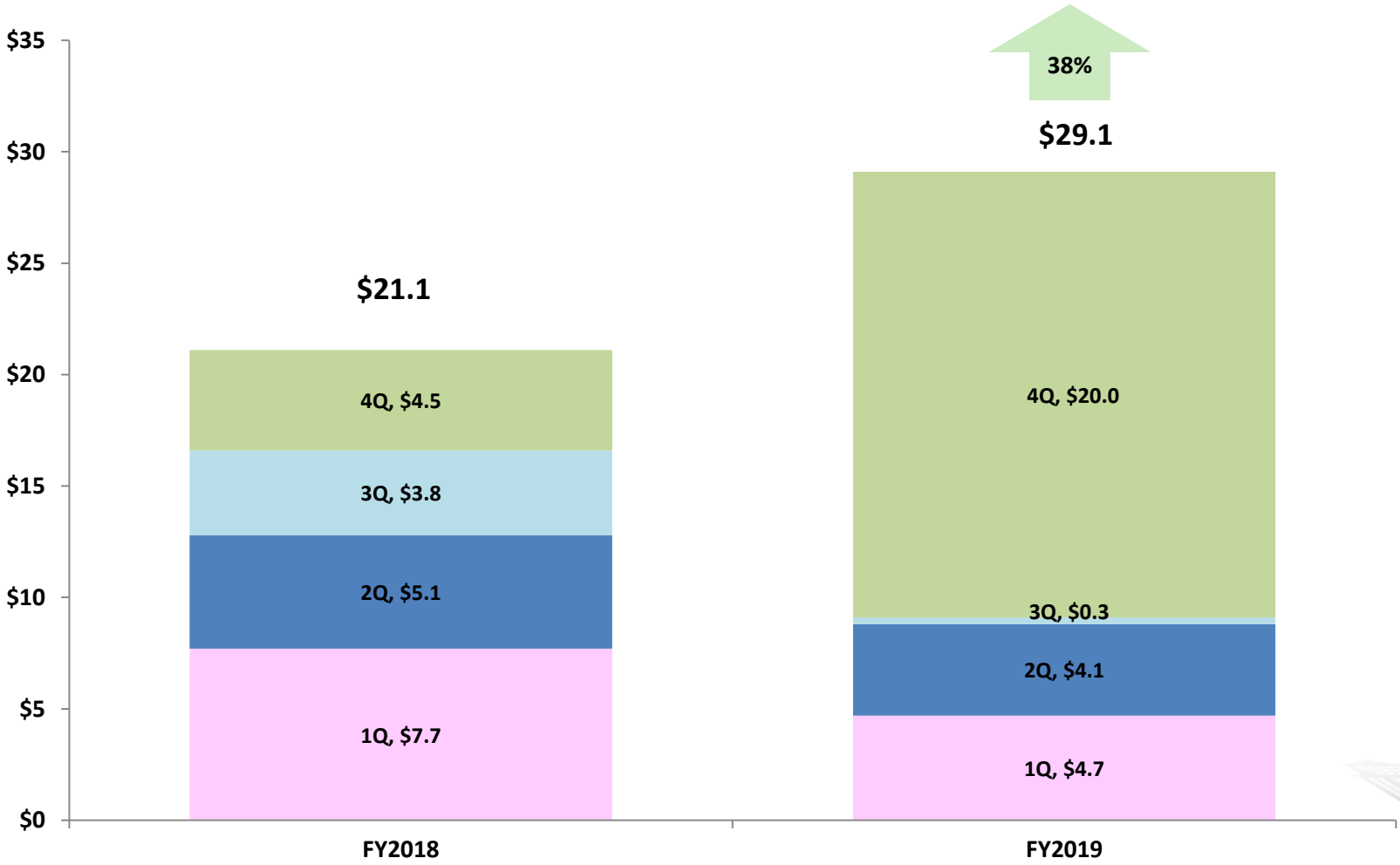


Financial Performance

Financial Performance

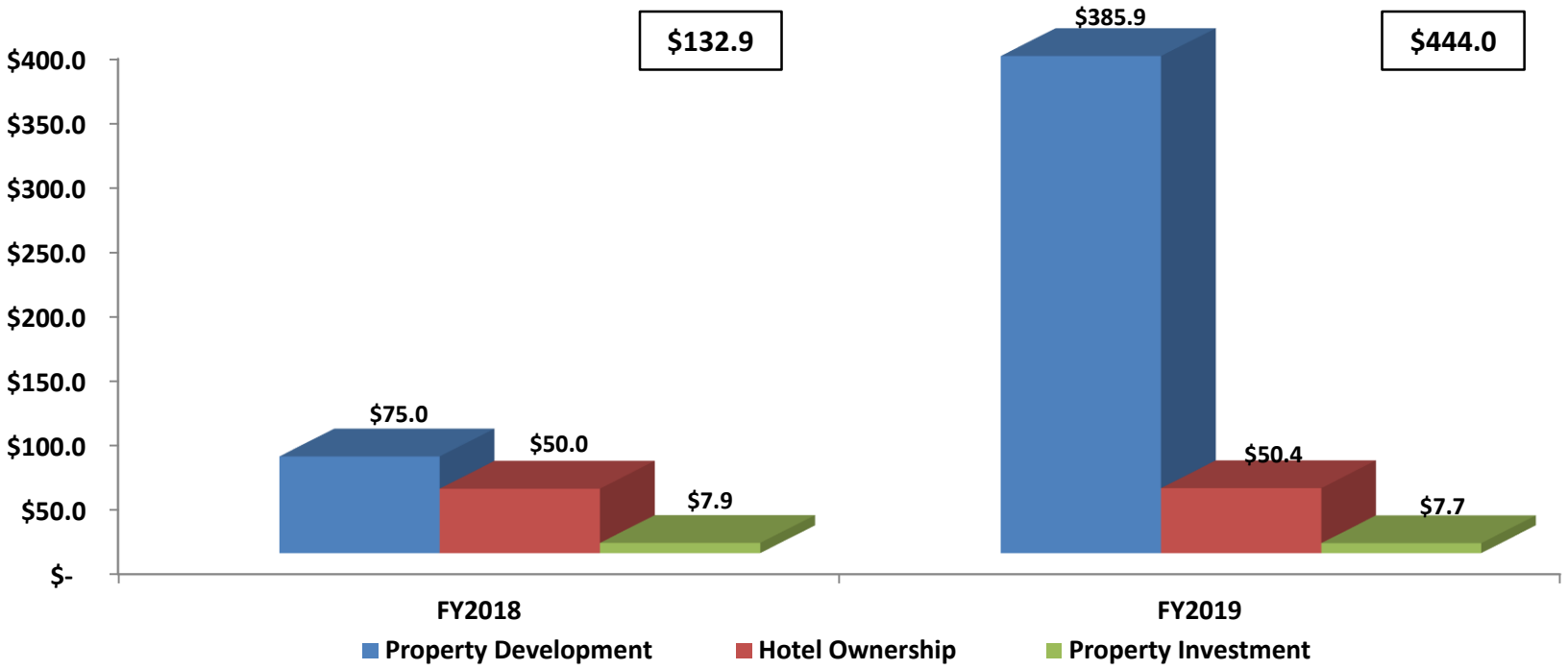
Profit After Tax (S$'m)

FY2019 net profit increased by 38% to S$29.1m



Financial Performance

Segment Results – FY2019
Revenue (S$'m)

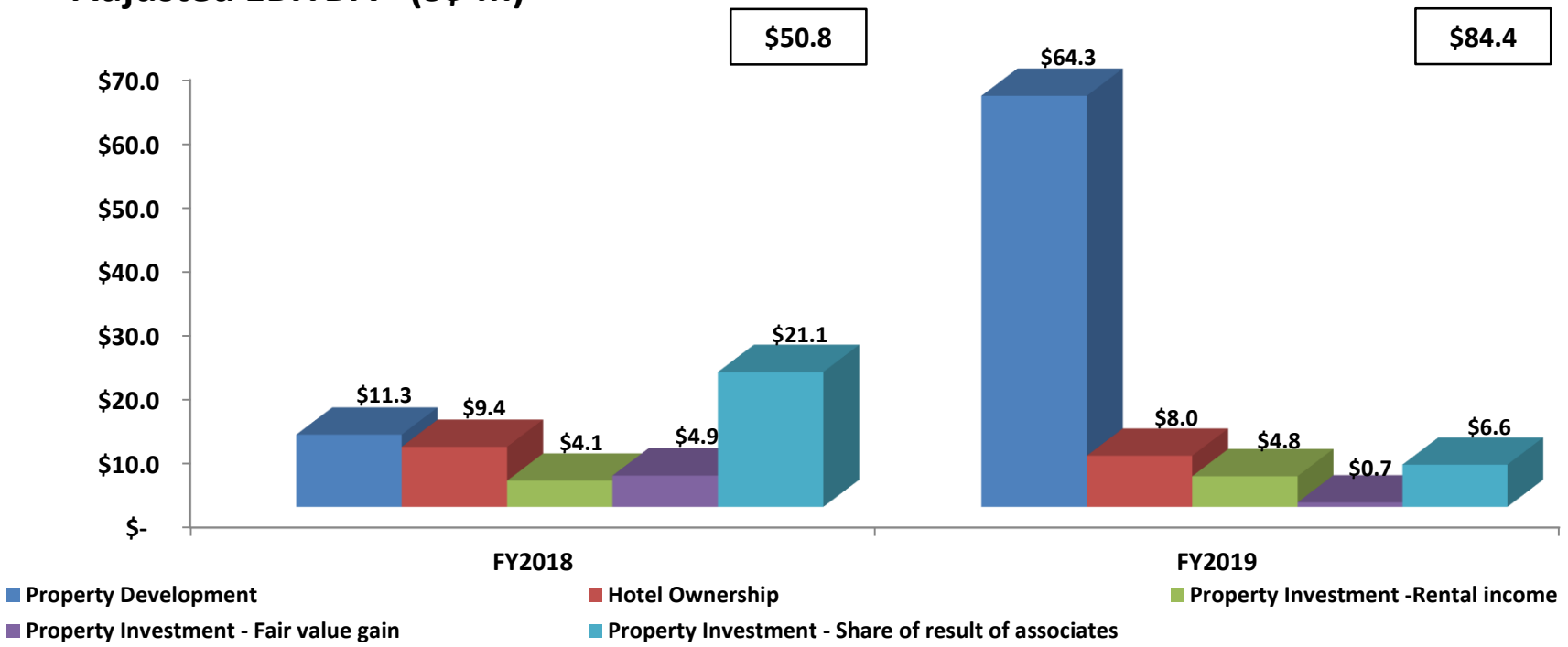


	FY2018	FY2019
Property Development	56%	87%
Hotel Ownership	38%	11%
Property Investment	6%	2%
	100%	100%

Financial Performance

Segment Results – FY2019

Adjusted EBITDA* (S$'m)

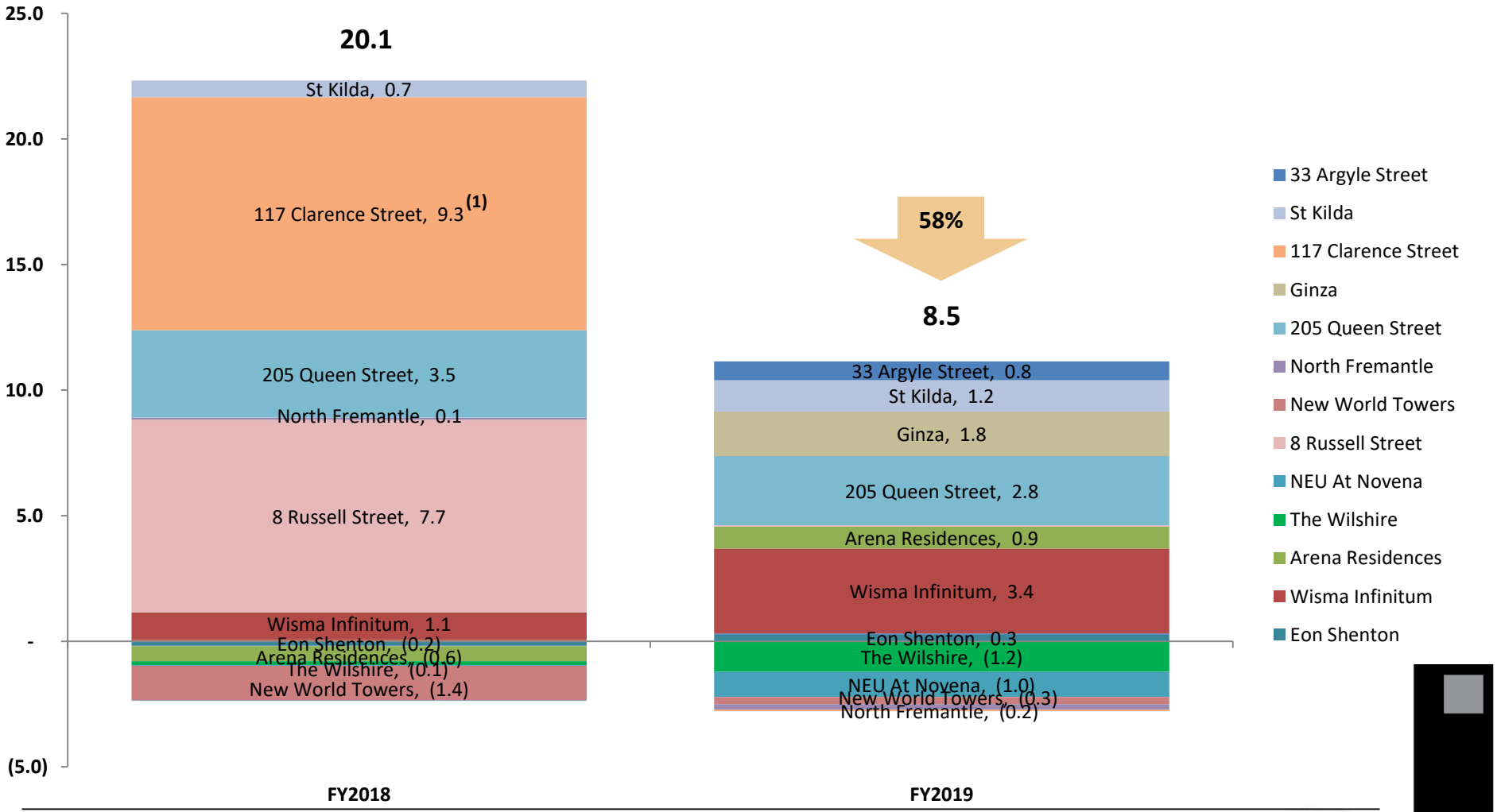


	FY2018	FY2019
Property Development	22%	76%
Hotel Ownership	19%	9%
Property Investment - Rental income	8%	6%
Property Investment - Fair value gain	10%	1%
Property Investment - Share of result of associates	41%	8%
	100%	100%

*** 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) – FY2019



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

Financial Performance

Financial Position	31 Dec 2019 (S$m)	31 Dec 2018 (S$m)
Total assets	1,597.3	1,707.4
Total debt	915.1	1,042.9
Cash & bank balances [1]	331.0	291.6
Net debt	584.1	751.3
Net asset value ("NAV")	510.6	496.3
Revaluation surplus [2]	504.3	485.2
Adjusted net asset value ("ANAV")	1,014.9	981.5

(1) Cash holdings include project account monies amounting to S$45.2m as at 31 December 2019 (31 December 2018: S$71.3m) and S$81.3m (31 December 2018: S$71.2m) pledged to banks and financial institutions.

(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$722.8m as at 31 December 2019 (31 December 2018: S$692.3m) as compared to net book value of S$218.4m (31 December 2018: S$207.1m).

Financial Performance

Financial Ratios	31 Dec 2019	31 Dec 2018
NAV per share (SGD cents)	39.16	38.06
ANAV per share (SGD cents) (1)	77.83	75.27
Cash holdings per share (SGD cents) (2)	25.38	22.36
Net debt to ANAV (times)	0.58	0.77
Total debt to ANAV (times)	0.90	1.06
Return on equity (%) (3)	5.9%	4.3%

(1) 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$722.8m as at 31 December 2019 (31 December 2018: S$692.3m) as compared to net book value of S$218.4m (31 December 2018: S$207.1m).

(2) Cash holdings include project account monies amounting to S$45.2m as at 31 December 2019 (31 December 2018: S$71.3m) and S$81.3m (31 December 2018: S$71.2m) pledged to banks and financial institutions.

(3) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value.

BUSINESS REVIEW

Property Development



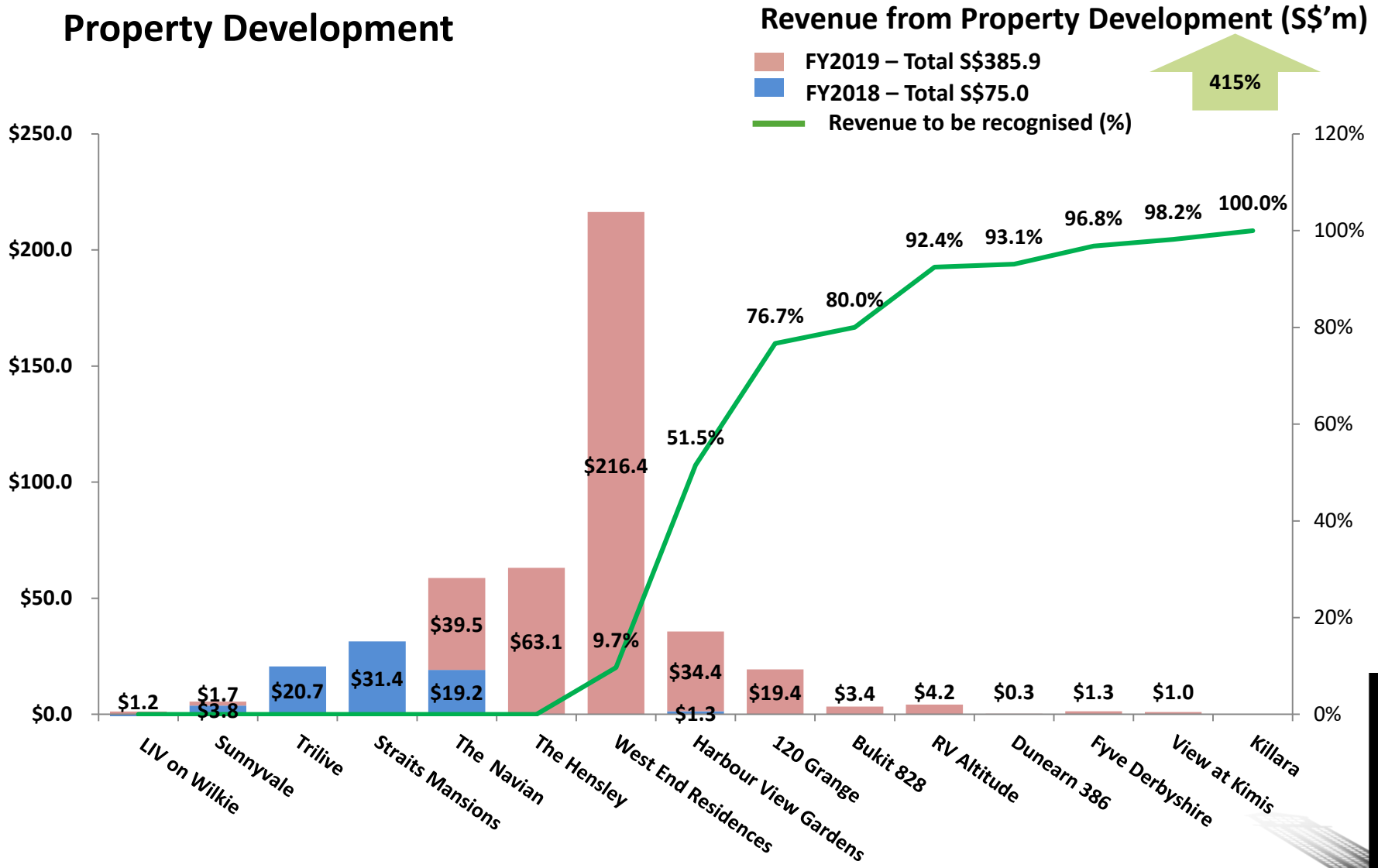
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Business Review

Property Development



- FY2019 Property Development revenue was mainly attributable to The Navian, Harbour View Gardens, 120 Grange, West End Residences and The Hensley. The increase in revenue was mainly due to lump sum revenue recognition for The Hensley and West End Residences upon settlement from purchasers.

Business Review

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

	Project name	Type of development	Group stake %	Total units in project Unit	Unit sold %	Attributable total sale value [(i) (ii)] $'m	Attributable revenue recognised up to 31 December 2019 $'m	Balance attributable progress billings to be recognised from 1Q2020 $'m
	Singapore							
1	Harbour View Gardens	Residential	100%	57	100%	$ 73.7	$ 35.7	$ 38.0
2	120 Grange	Residential	90%	56	80%	$ 74.9	$ 17.4	$ 57.5
3	Bukit 828	Residential	80%	34	47%	$ 14.5	$ 2.7	$ 11.8
4	Arena Residences	Residential	50%	98	72%	$ 46.8	$ 8.6	$ 38.2
5	RV Altitude	Residential	100%	140	30%	$ 67.0	$ 4.2	$ 62.8
6	Fyve Derbyshire	Residential	100%	71	34%	$ 46.0	$ 1.3	$ 44.7
7	Wilshire Residences	Residential	40%	85	12%	$ 7.1	$ 0.1	$ 7.0
8	Dunearn 386	Residential	100%	35	23%	$ 12.5	$ 0.3	$ 12.2
9	VIEW AT Kismis	Residential	60%	186	37%	$ 51.6	$ 0.7	$ 50.9
10	NEU AT Novena	Residential	50%	87	77%	$ 59.3	-	$ 59.3
	Malaysia							
11	Wisma Infinitum - The Colony	Residential	47%	423	81%	$ 62.1	$ 31.7	$ 30.4
	Wisma Infinitum - The Luxe	Residential	47%	300	53%	$ 34.2	$ 16.6	$ 17.6
	Australia							
12	Octavia Killara	Residential	100%	43	98%	$ 40.8	-	$ 40.8
	Total			**1,615**		**$ 590.5**	**$ 119.3**	**$ 471.2**

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 12 February 2020.
(ii) For overseas projects, sale value is based on contract signed up 12 February 2020.

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

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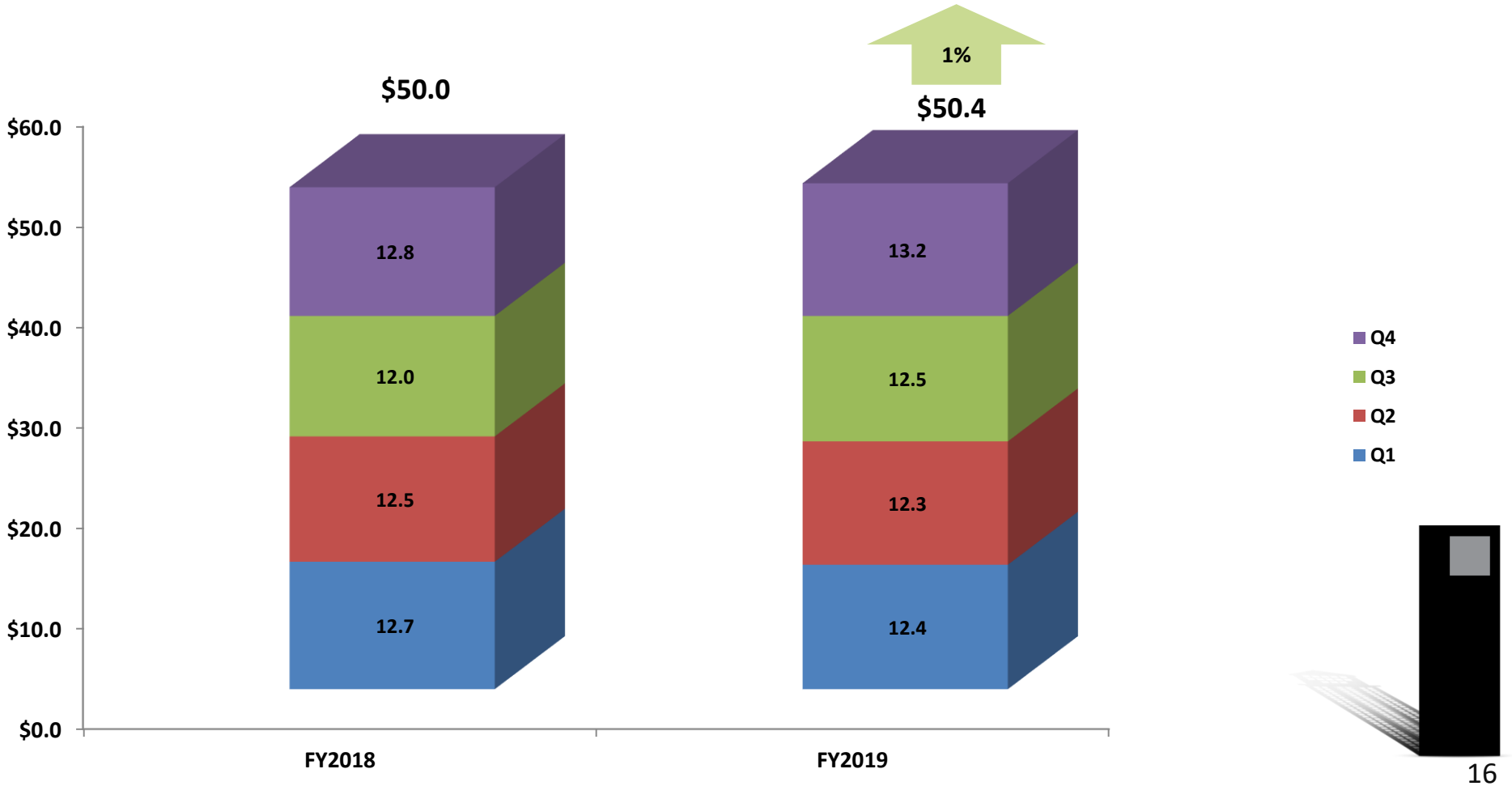


Business Review

Hotel Ownership – FY2019

Hotel Revenue (S$m)

- Hotel revenue increased by 1% to S$50.4m in FY2019

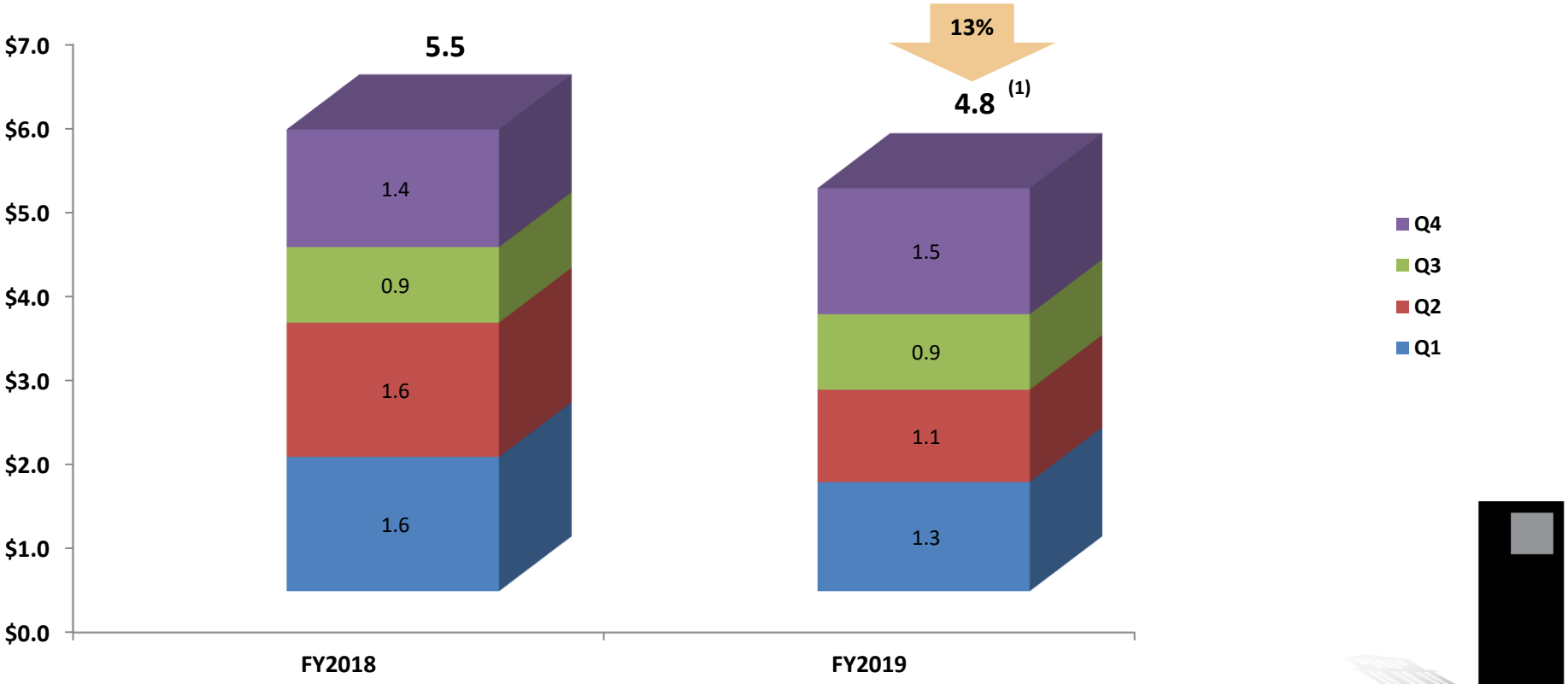


Business Review

Hotel Ownership – FY2019

Hotel Net Operating Profits ("NOP") (S$m)

- Hotel net operating profit decreased 13% in FY2019 to S$4.8m from S$5.5m in FY2018



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

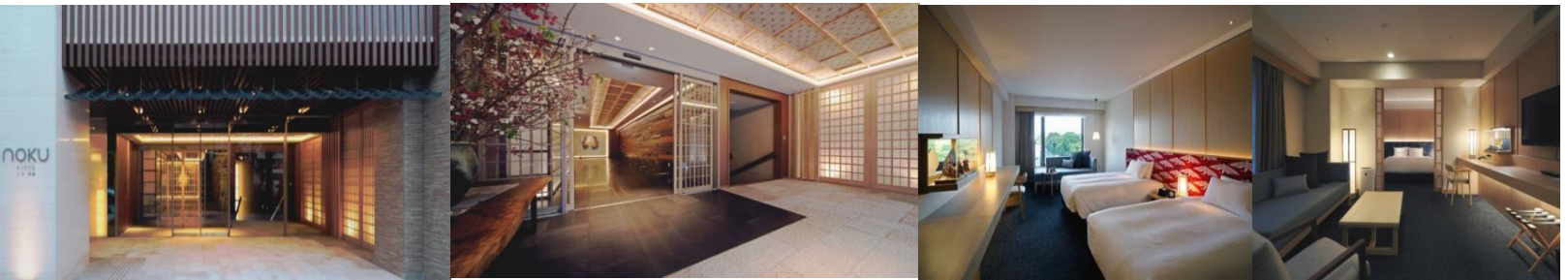
(1) FY2019 NOP decreased due to lower revenue and profit margin contributed from Grand Mercure Roxy Hotel.

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 31 December 2019	S$62.8 million	S$30.2 million (JPY2.40 billion)	S$38.4 million (JPY3.10 billion)	S$49.5 million (US$36.8 million)	S$35.0 million (THB775 million)	S$215.9 million
Valuation as at 31 December 2019	S$538.0 million	S$36.8 million (JPY2.97 billion)	S$38.7 million (JPY3.12 billion)	S$51.2 million (US$38.0 million)	S$35.0 million [(1)] (THB775 million)	S$699.7 million

(1) The estimate market value is S$56.9m (THB 1.26b) . The estimated commencement date of hotel operation is FY2021.





BUSINESS REVIEW

Property Investment

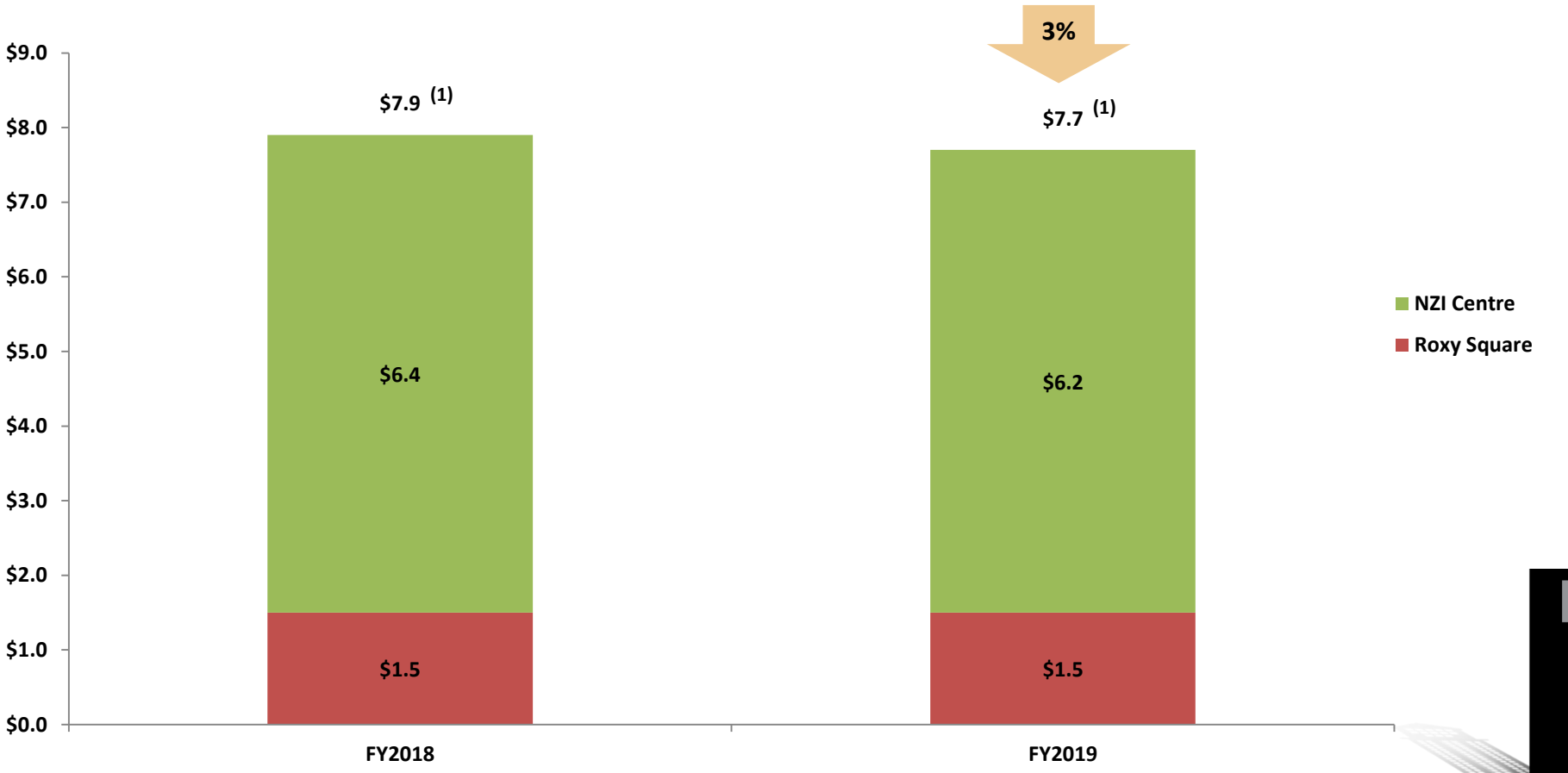
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Business Review

Property Investment – FY2019

Revenue (S$'m)

Rental income decreased 3% in FY2019 to S$7.7m from S$7.9m in FY2018



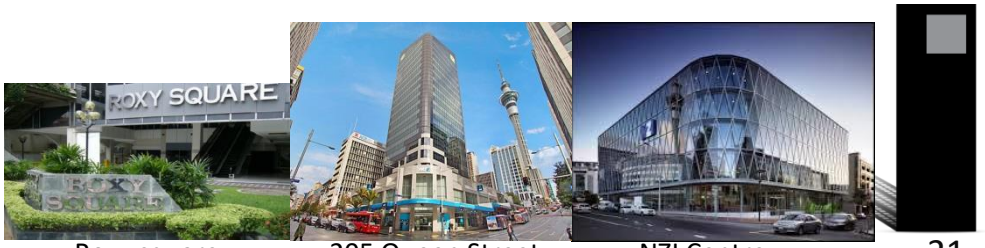
(1) Excludes rental income from investment property held by associate as it is accounted for under share of results from associates.

Business Review

Investment Properties

	Location	Description	Date of TOP/acquisition	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 31 December 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	85%	S$64.8m	S$1.5m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S$61.8m (NZ$68.2m)	S$6.3m (NZ$6.9m)
	Total				**11,817**		**$ 126.6**	
	Held by Associate company							
3	205 Queen Street, Auckland, New Zealand	2 Office Tower with 17 and 22 Storey	20-Dec-17	50%	25,368	88%	S$171.3m (NZ$189.0m)	S$13.6m (NZ$14.9m)
4	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,887	100%	S$79.2m (A$84.0m)	S$5.8m (A$6.2m)
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.	8-Jan-19	40%	5,281	100%	S$42.0m (A$44.5m)	S$2.9m (A$3.1m)
6	2-15, 7-chome, Ginza, Chuo-ku, Tokyo	6 levels retail building	27-Jun-19	53%	382	100%	S$83.1m (JPY 6.7b)	S$1.42m (JPY 114.3m)
7	23-10 Udagawacho, Shibuya-ku, Tokyo	5-storey retail building	07-Feb-20 [4]	49%	679	100% [5]	S$69.2m [5] (JPY 5.58b)	S$2.03m [5] (JPY 163.9m)
	Total				**41,597**		**$ 444.8**	

(1) Based on latest valuations as of 31 December 2019
(2) Excludes 3 units which are for owner-use premises
(3) Based on occupancy as at 31 December 2019
(4) Entered into Sales and Purchase agreement
(5) Occupancy, valuation and estimated total annual gross income are as of 7 Feb 2020.



Roxy square 205 Queen Street NZI Centre

Group Borrowing

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Group Borrowing

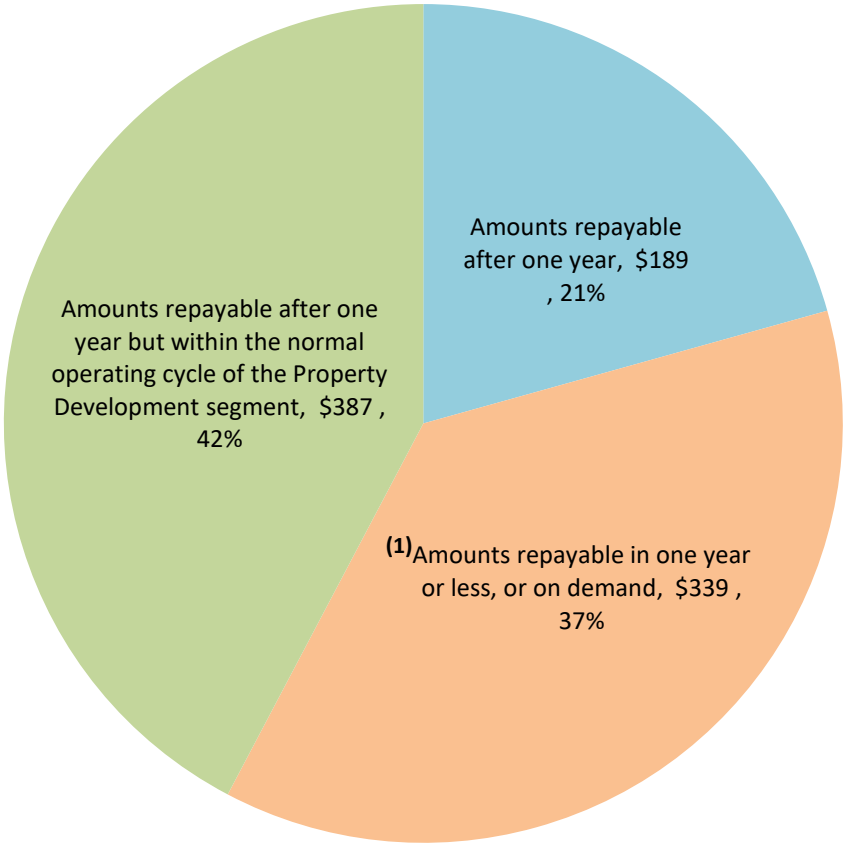
Debt Profile	31 Dec 2019	31 Dec 2018
Total borrowings (S$m)	S$915.1	S$1,042.9
Net borrowings (S$m)	S$584.1	S$751.3
Fixed rate loans including IRS[1] (S$m)	S$276.2	S$226.0
Fixed rate loans including IRS[1] as % of total loans	30%	22%
Weighted average term for fixed rate loans including IRS[4]	19 months	20 months
Weighted average interest rate (fixed rate loans including IRS [1])	2.9% [2]	3.1%
Weighted average interest rate (floating rate loans)	2.8% [3]	2.9%
Interest coverage ratio (times) [4]	2.9	2.6
Cash coverage ratio (times) [5]	14.3	18.0

(1) Relates to Interest Rate Swap (IRS) for a development project which is effective from 11 Sept 2019.
(2) Decrease due to IRS for a development project which has a lower interest rate.
(3) Decrease due to repayment of overseas loan for development projects which has a higher interest rate.
(4) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period.
(5) calculated by dividing cash balance by the annualised interest expense for the same period.

Group Borrowing

Debt Profile as at 31 Dec 2019 (S$m)

Total outstanding debts of S$915.1m as of 31 December 2019



(1) S$32.6m relates to loans for sold units which is expected to be repaid upon obtaining TOP and collections from buyers of the properties. S$193.3m relates to loans for shop units and Grand Mercure Roxy Hotel, Singapore and S$72.4m loans is secured by fixed deposits.

Outlook

1. General

- Latest statistics from MTI showed that the Singapore economy grew 1.0% y-o-y in 4Q2019. Due to outbreak of COVID-19, MTI has downgraded its 2020 gross domestic product ("**GDP**") growth forecast for Singapore to between -0.5% to 1.5%, from 0.5% to 2.5% in its previous forecast. [1]
- The Reserve Bank of Australia had projected the country's GDP to grow by 2.25% for the year ending Dec 2019. [2]
- Revised Cabinet office data showed Japan's economy contracted an annualised 6.3% in 4Q2019. [3]
- For 2020, the COVID-19 outbreak could result in a negative impact to the global economy. Currently, the Group is monitoring the situation closely and stepping up precautionary measures.

2. Property Development

- URA reported that for 4Q2019, prices of private residential prices increased by 0.5% as compared to the 1.3% increase in 3Q2019. [4]
- Interim Occupation Certificate was obtained on 10 October 2019 for West End Glebe with 97% sold and the revenue has been recognised from 4Q2019.
- Final Occupation Certificate was obtained on 17 December 2019 for Octavia Killara in Sydney with 1 unit left unsold.
- As at 12th February 2020, pre-sale revenue from the development projects was S$471.2 million, the profit of which will be recognised from 1Q2020 to FY2023.

[1] Ministry of Trade and Industry Singapore, February 17, 2020 – MTI Downgrades 2020 GDP Growth Forecast to "-0.5 to 1.5 Per Cent"

[2] Reserve Bank of Australia, November 2019 – Statement on Monetary Policy – November 2019

[3] Cabinet Office, Government of Japan, February 17, 2020 – Quarterly Estimates of GDP for Oct.-Dec. 2019 (The First Preliminary)

[4] Urban Redevelopment Authority, January 23, 2020 – Release of 4th Quarter 2019 real estate statistics

Outlook

3. Hotel Ownership

- Latest statistics from STB showed a 2.9% y-o-y growth in international visitor arrivals as at November 2019. [6]
- According to Japan National Tourism Organisation, the estimated number of international travelers to Japan for 2019 was about 31.9 million (+2.2% from the previous year).[7]
- Looking ahead, Japan's hospitality sector is expected to be impacted by the COVID-19 outbreak.

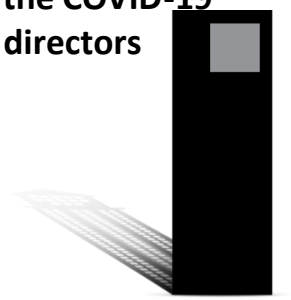
4. Property Investment

- For the Australian office sector, NAB Commercial Property Index fell by 4 point to +3 points in 3Q2019. [8]
- The Group acquired a 53.1% stake in a retail building situated at Ginza, which is widely known as a popular upscale shopping and entertainment district of Tokyo.
- With the successful acquisition of the retail building at Ginza, the Group had entered into an agreement in February 2020 to acquire a 49% stake in a retail building situated at Shibuya, which is also one of the most popular districts of Tokyo.

5. Healthy cash and bank balances of S$331.0 million.

6. Net gearing remains healthy at 0.58 time.

7. The Group will continue to monitor market developments closely, including the potential effects of the COVID-19 outbreak on the property market and hospitality sector. Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2020.



[6] Singapore Tourism Board, December 30, 2019 – International Visitor Arrivals Statistics
[7] Japan National Tourism Organization, December 2019 – Japan Tourism Statistics
[8] National Australia Bank, October 30, 2019 – NAB Quarterly Australian Commercial Property Survey Q3 2019

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THANK YOU

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