TOWARDS
SUSTAINABLE
FUTURE

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
3rd Quarter Ended 30 September 2017

30th October 2017

Agenda

1 Financial Performance

2 Business Review

3 Group Borrowings

4 Outlook

Financial Performance

3Q2017 & 9M2017 Overview

3Q2017

- Net profit attributable to shareholders was lower at S$1.5 million in 3Q2017 (3Q2016: S$8.1 million)
- 3Q2017 Group's revenue was S$60.3 million (3Q2016: S$90.9 million)
- Gross Profit (GP) margin had increased 9 percentage points as compare to 3Q2016 mainly due to higher GP margin from property development segment

9M2017

- Net profit attributable to shareholders was lower at S$22.2 million in 9M2017 (9M2016: S$37.9 million)
- 9M2017 Group's revenue was S$203.5 million (9M2016: S$292.3 million)
- Total pre-sale revenue of S$465.6 million, which will be progressively recognised from 4Q2017 to 2020
- Good headroom with cash and cash equivalents of S$204.7 million
- Net gearing remains healthy at 0.5 times notwithstanding the completion of acquisition of properties in Singapore in 9M2017

Financial Performance

Financial Results	3Q2017	3Q2016	% change
Revenue (S$'m)	60.3	90.9	-34%
Gross Profit (S$'m)	17.5	18.5	-5%
Gross Margin (%)	29%	20%	9ppt
Share of results of associates (net of tax) (S$'m)	0.5	4.0	-87%
Pre-tax profit (S$'m)	3.4	10.9	-69%
Net Profit (S$'m)	2.3	8.8	-74%
Net Profit attributable to shareholders (S$'m)	1.5	8.1	-82%
EPS (SGD cents)	0.13	0.68	-82%

Financial Performance

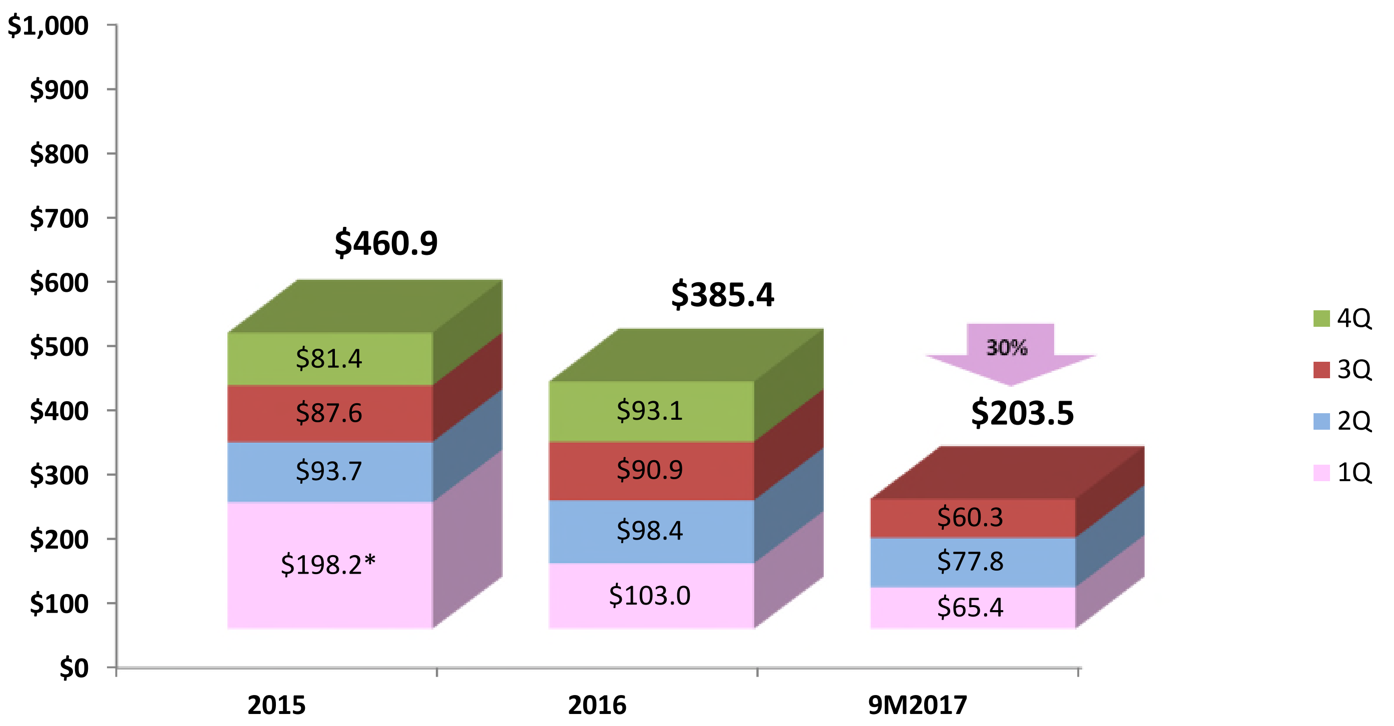
Financial Results	9M2017	9M2016	% change
Revenue (S$'m)	203.5	292.3	-30%
Gross Profit (S$'m)	47.6	61.0	-22%
Gross Margin (%)	23%	21%	2ppt
Share of results of associates (net of tax) (S$'m)	7.8	10.5	-26%
Pre-tax profit (S$'m)	38.0	51.7	-26%
Net Profit (S$'m)	23.9	40.3	-41%
Net Profit attributable to shareholders (S$'m)	22.2	37.9	-42%
EPS (SGD cents)	1.86	3.18	-42%

Financial Performance

Financial Performance

Turnover (S$'m)

- **3Q2017 revenue decreased by 34% to S$60.3m**
- **9M2017 revenue decreased by 30% to $203.5m due to lower revenue recognition from Whitehaven (TOP: 4Q2016) and Jade Residences (TOP: Jan 2017), LIV on Wilkie (TOP: Jun 2017) and absence of revenue recognition from LIV on Sophia (TOP: Dec 2016)**



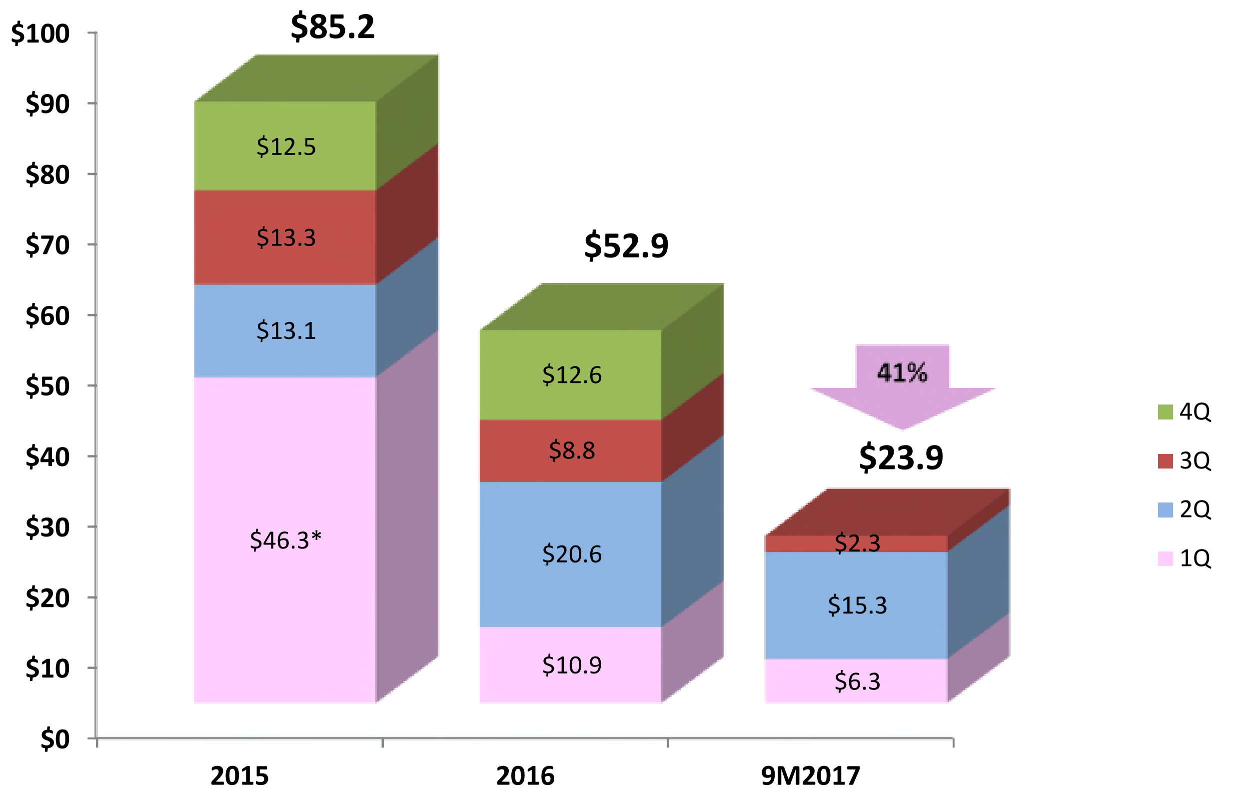
**** Includes revenue recognised from Centropod@Changi amounting to S$141.4m upon obtaining its TOP in Jan 2015***

Financial Performance

Financial Performance

Profit After Tax (S$'m)

9M2017 net profit decreased by 41% to S$23.9m

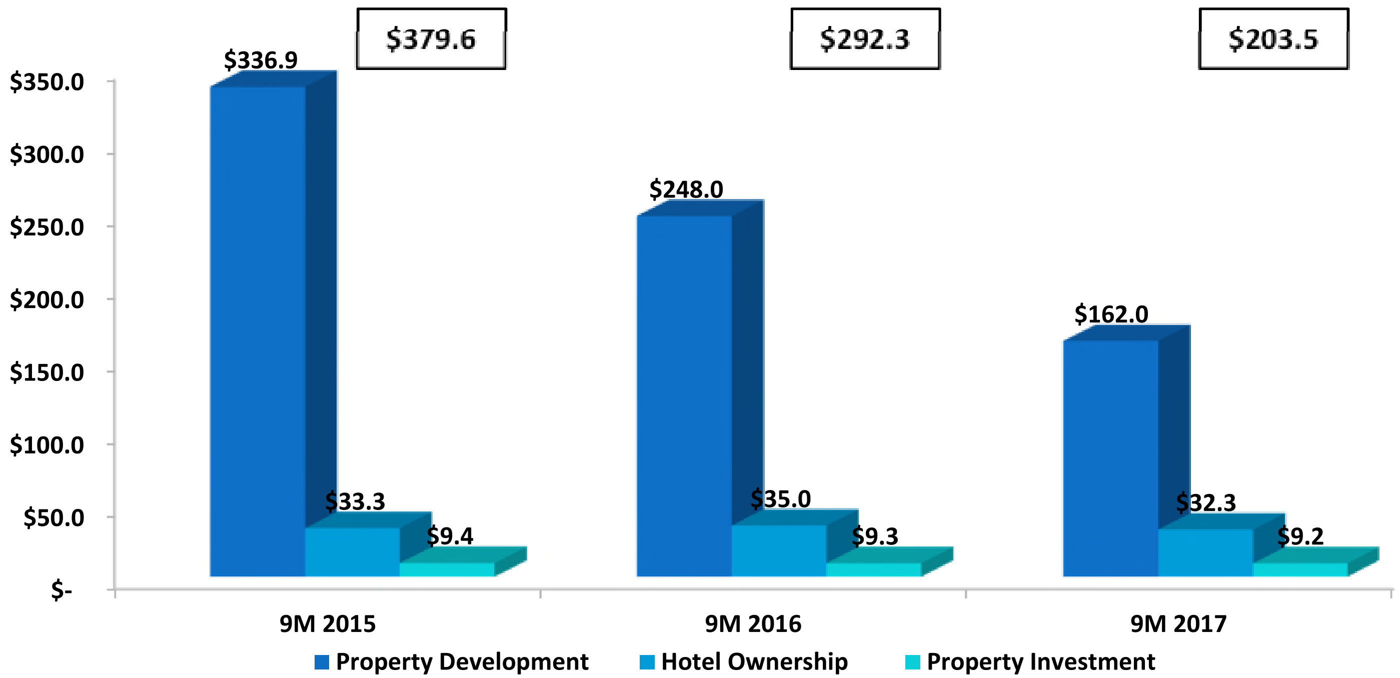


** Includes one-off contribution of profit from revenues recognised from Centropod@Changi amounting to S$43.3m upon obtaining its TOP in January 2015*

Financial Performance

Segment Results – 9M2017

Revenue (S$'m)

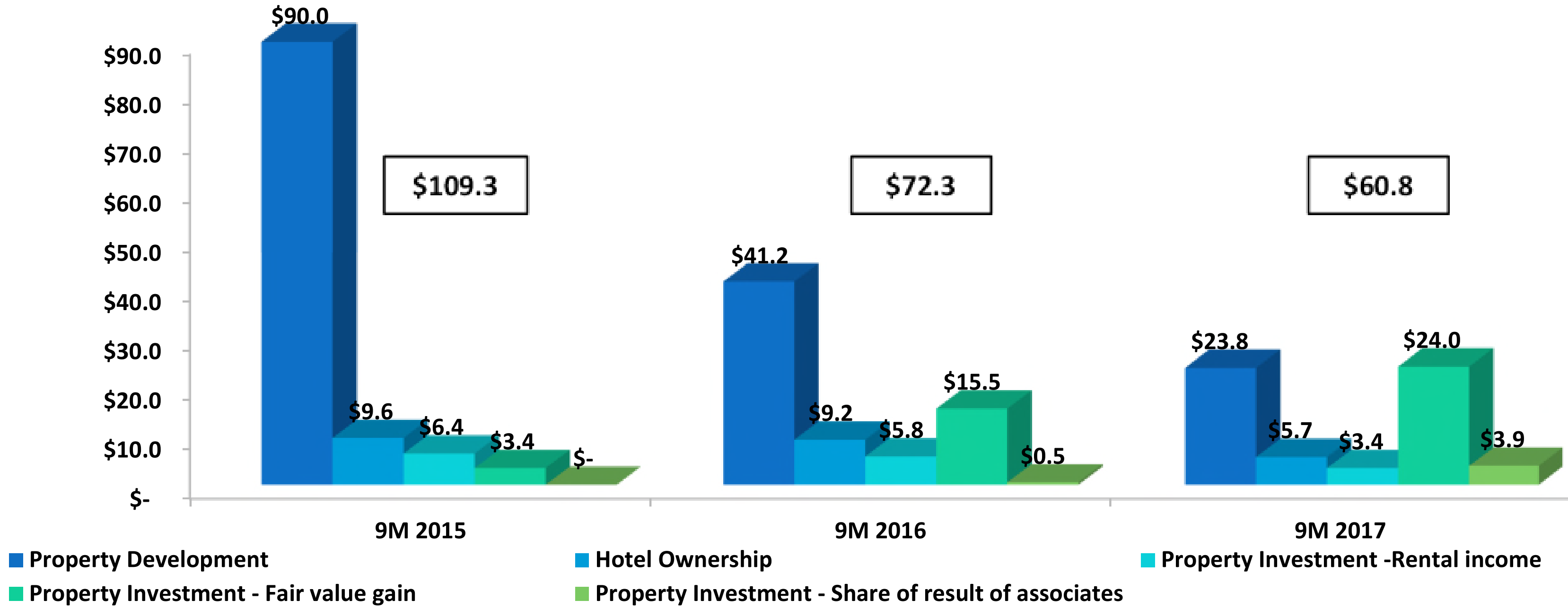


	9M 2015	9M 2016	9M 2017
Property Development	89%	85%	80%
Hotel Ownership	9%	12%	16%
Property Investment	2%	3%	4%
	100%	100%	100%

Financial Performance

Segment Results – 9M2017

Adjusted EBITDA* (S$'m)

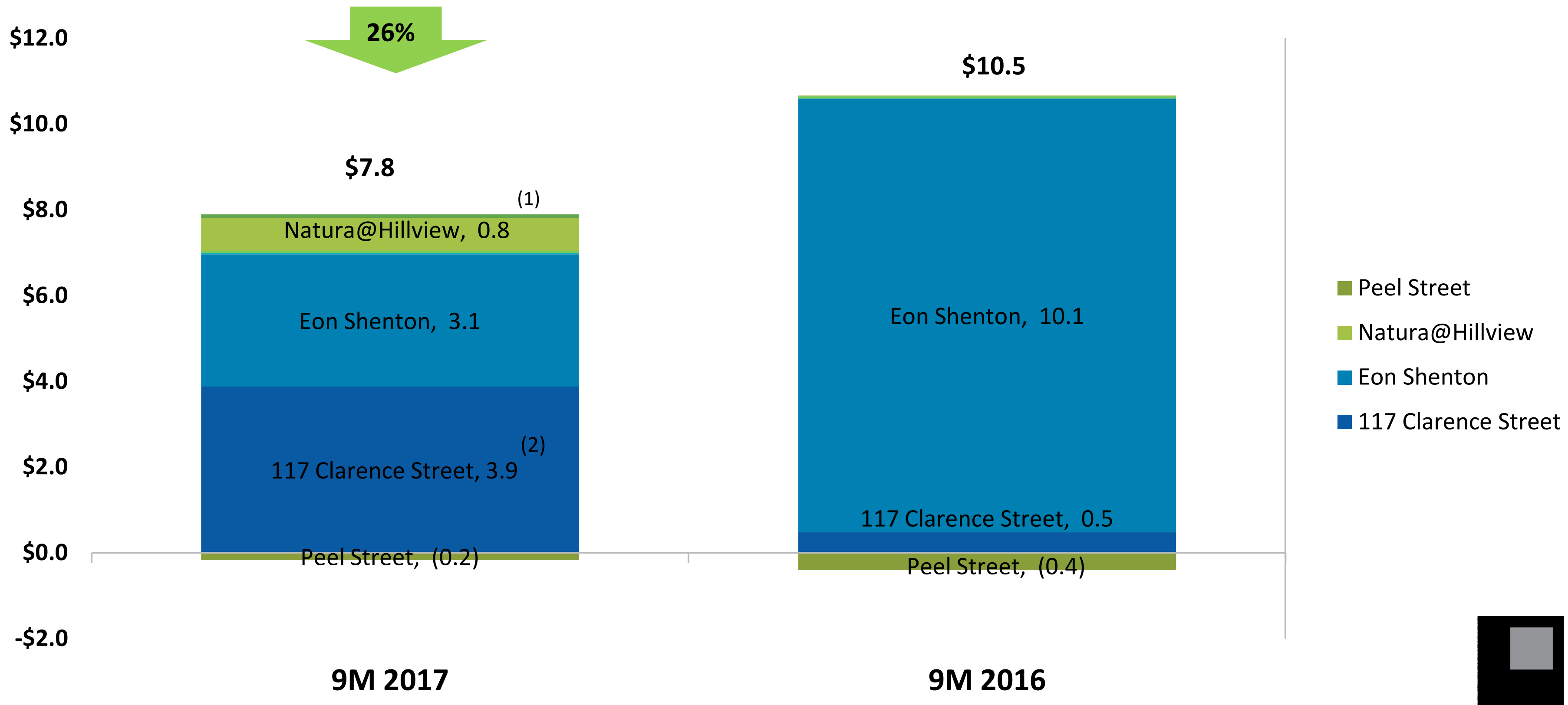


	9M 2015	9M 2016	9M 2017
Property Development	82%	57%	39%
Hotel Ownership	9%	13%	9%
Property Investment -Rental income	6%	8%	6%
Property Investment - Fair value gain	3%	21%	40%
Property Investment - Share of result of associates	0%	1%	6%
	100%	100%	100%

*** Adjusted EBITDA excludes corporate expenses, depreciation of property, plant and equipment, finance cost (net), impairment and fair value differences of cross currency swap and available-for-sale financial assets.**

Financial Performance

Share of results in associates (S$'m)



(1) Mainly due to write-back of provision of cost
(2) Mainly due to fair value gain in 2Q2017

Financial Performance

Financial Position	30 Sep 2017 (S$m)	31 Dec 2016 (S$m)
Total assets	1,423.7	1,461.6
Total debt	793.4	832.7
Cash & cash equivalents (1)	204.7	237.3
Net debt	500.6	507.4
Net asset value ("NAV")	503.5	491.3
Revaluation surplus (2)	477.7	471.9
Adjusted net asset value ("ANAV")	981.3	963.2

(1) Cash holdings include project account monies amounting to S$62.9m as at 30 September 2017 (31 December 2016: S$112.1m) but exclude S$88.0m pledged to banks and financial institution

(2) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, hotel under development in Phuket, property in Maldives and the Head office premise were estimated to be S$635.0m as at 30 September 2017 (31 December 2016: S$636.2m)

Financial Performance

Financial Ratios	30 Sep 2017	31 Dec 2016
NAV per share (SGD cents)	42.23	41.20
ANAV per share (SGD cents) (1)	82.31	80.79
Cash holdings per share (SGD cents) (2)	17.17	19.90
Net debt to ANAV (times)	0.51	0.53
Total debt to ANAV (times)	0.81	0.86
Return on equity (%) (3)	5.9%	10.1%

(1) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, hotel under development in Phuket, property in Maldives and the Head office premise were estimated to be S$635.0m as at 30 September 2017 (31 December 2016: S$636.2m)

(2) Cash holdings include project account monies amounting to S$62.9m as at 30 September 2017 (31 December 2016: S$112.1m) but exclude S$88.0m pledged to banks and financial institution

(3) Represents annualised return on equity

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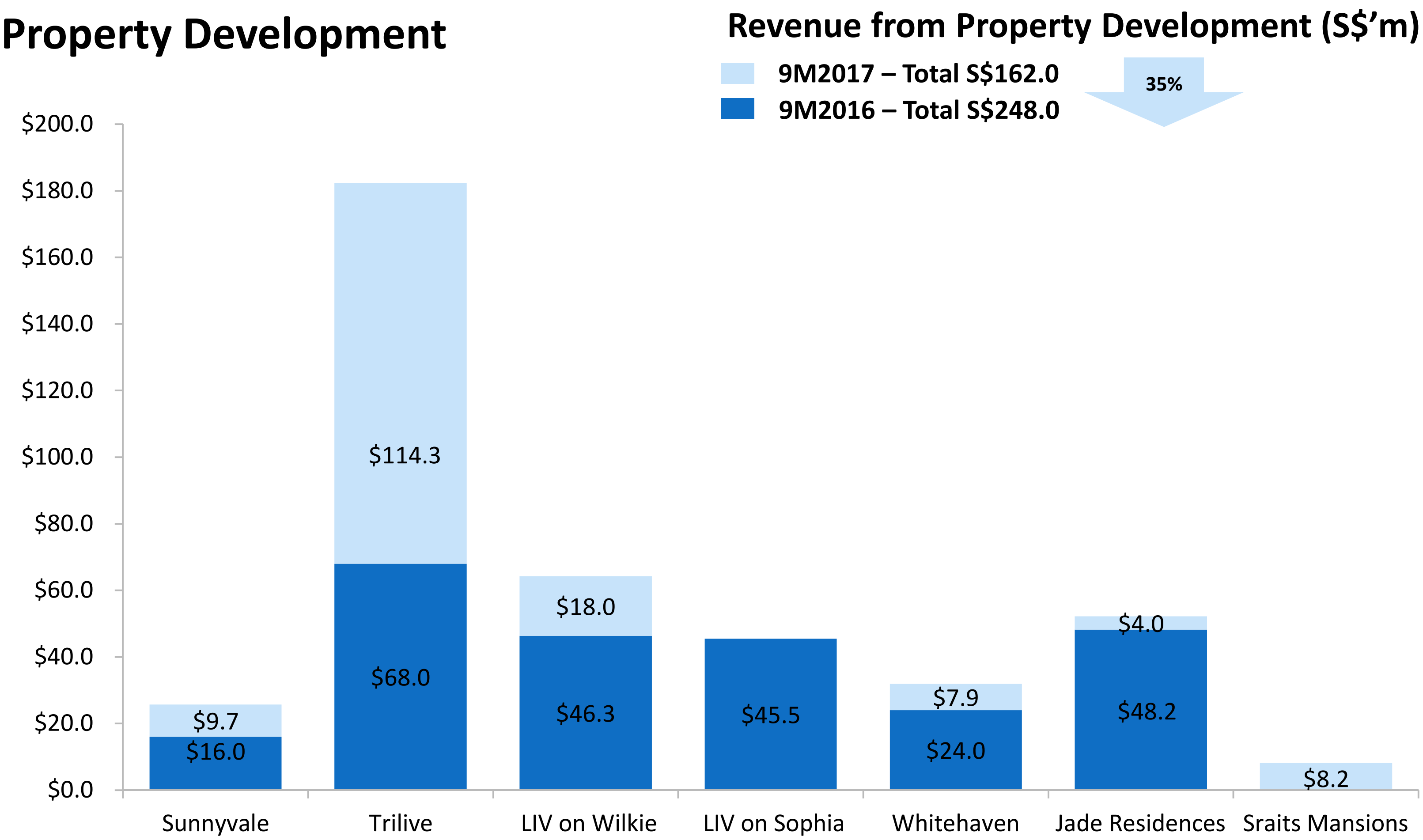
BUSINESS REVIEW
Property Development

Business Review

Property Development



- **9M2017 Property Development revenue was mainly attributable to Trilive and LIV on Wilkie. The decrease in revenue was mainly due to lower revenue recognition from Jade Residences, Whitehaven, LIV on Wilkie and absence of revenue recognition from LIV on Sophia.**

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 30 Sep 2017 $'m	Balance attributable progress billings to be recognised from 4Q2017 $'m
	Singapore							
1	Eon Shenton	Office	20%	98	100%	$ 60.1	$ 55.7	$ 4.4
		Residential	20%	132	99%	$ 39.9	$ 37.0	$ 2.9
		Shop	20%	23	100%	$ 4.8	$ 4.4	$ 0.4
2	Trilive	Residential	85%	222	100%	$ 224.1	$ 194.0	$ 30.1
		Shop	85%	2	50%	$ 0.7	$ 0.6	$ 0.1
3	Straits Mansions	Residential	100%	25	100%	$ 48.2	$ 8.2	$ 40.0
	Malaysia							
4	Wisma Infinitum - The Colony	Residential	47%	423	69%	$ 48.6	-	$ 48.6
	Wisma Infinitum - The Luxe	Residential	47%	300(iii)	19%	$ 11.2	-	$ 11.2
	Australia							
	Sydney							
5	The Hensley, Potts Point	Residential	100%	44	95%	$ 73.1	-	$ 73.1
		Shop	100%	1	100%	$ 1.2	-	$ 1.2
6	Octavia, Killara	Residential	100%	43	95%	$ 49.5	-	$ 49.5
7	West End Glebe, Block 1 (Foundry)	Residential	100%	140	85%	$ 146.0	-	$ 146.0
	West End Glebe, Block 2 (Art House)	Residential	100%	91(iv)	24%	$ 26.4	-	$ 26.4
	South Brisbane							
8	New World Towers, Peel Street	Residential	40%	195(v)	63%	$ 31.8	-	$ 31.8
	Total			**1,739**		**$ 765.5**	**$ 299.9**	**$ 465.6**

i. For Singapore projects, sale value is based on Option to Purchase granted up to 17 October 2017
ii. For overseas projects, sale value is based on contract signed up to 17 October 2017
iii. Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch
iv. Represents Block 2 of the development which was launched on 29th July 2017
v. Represents Tower 1 of the development. Tower 2 with an estimated 240 units are pending launch

Note: Pre-sale revenue of overseas projects will be recognised based on completed contract method.

Business Review

Development Land Bank (Singapore)

	Location / Description	Proposed Development	Approximate Land Area (sqm)	Approximate Gross Floor Area (sqm)	Group's stake	Approximate Attributable Gross Floor Area (sqm)	Approximate Attributable Land Cost (SGD)
1	178, 180, 180A, 182 & 184 Jalan Eunos	48 units of Residential Development	2,433	3,242	100%	3,242	S$25.2m
2	211 – 223A Pasir Panjang Road	57 units of Residential Development	2,856	3,998	100%	3,998	S$33.3m
3	120 Grange Road	56 units of Residential Development	1,466	3,079	90%	2,771	S$43.6m
4	826/A-834/A Upper Bukit Timah Road	34 units of Residential Development	953	2,382	80%	1,906	S$13.6m
5	River Valley Road	148 units of Residential Development	2,675	7,491	100%	7,491	S$110.0m
6	2, 6, 12 & 14 Guillemard Lane	97 units of Residential Development	2,378	6,658	50%	3,329	S$28.0m
7	386/A/B, 388/A/B, 390/A/B, 392/A/B Dunearn Road	36 units of Residential Development	1,784	2,498	100%	2,498	S$36.3m
	Total	**476 units**	**14,545**	**29,348**		**25,235**	**S$290.0m**

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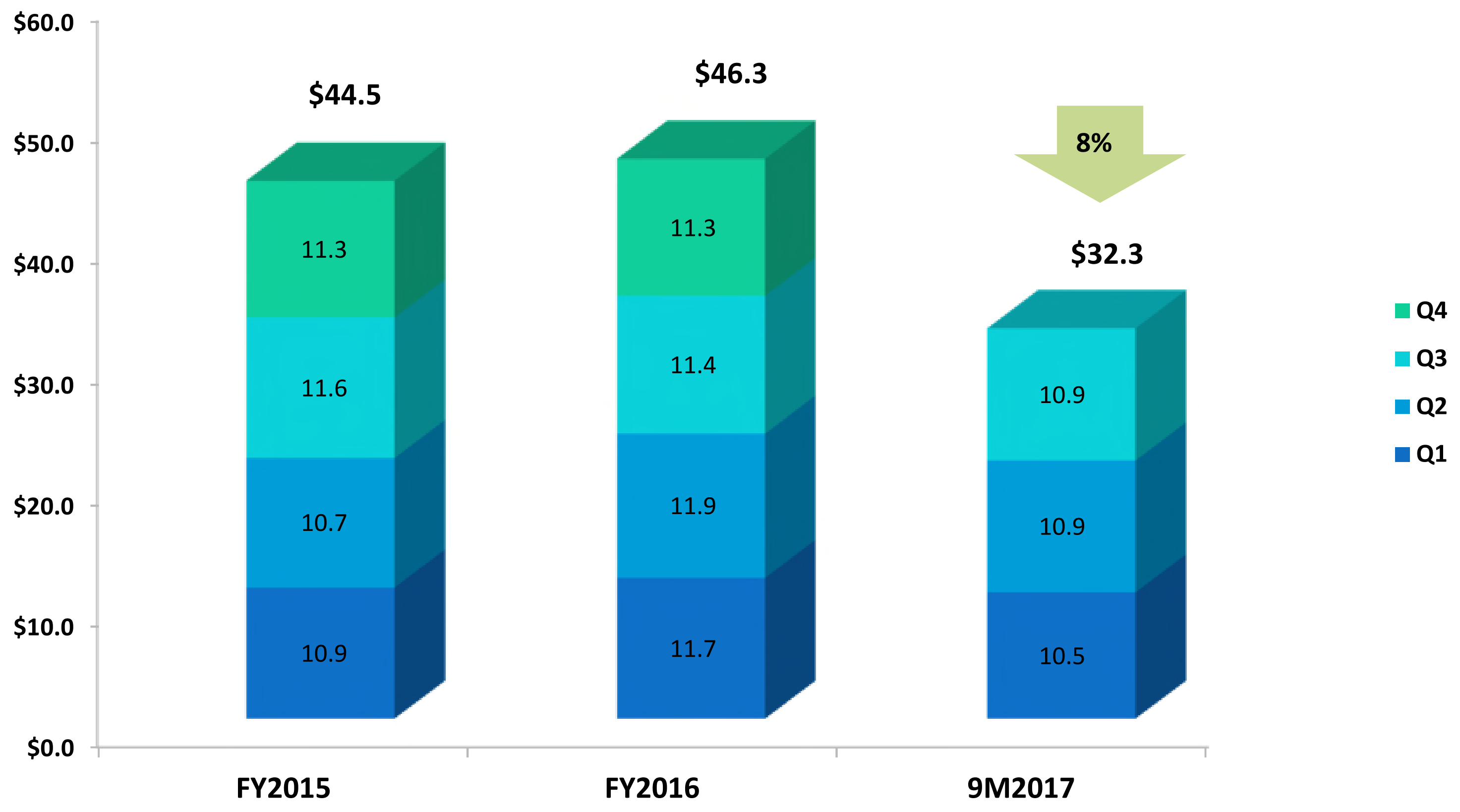
BUSINESS REVIEW
Hotel Ownership

Business Review

Hotel Ownership – 9M2017

Hotel Revenue (S$m)

- Hotel revenue decreased 8% in 9M2017 to S$32.3m from S$35.0m in 9M2016 mainly due to lower RevPar of Grand Mercure Roxy Hotel

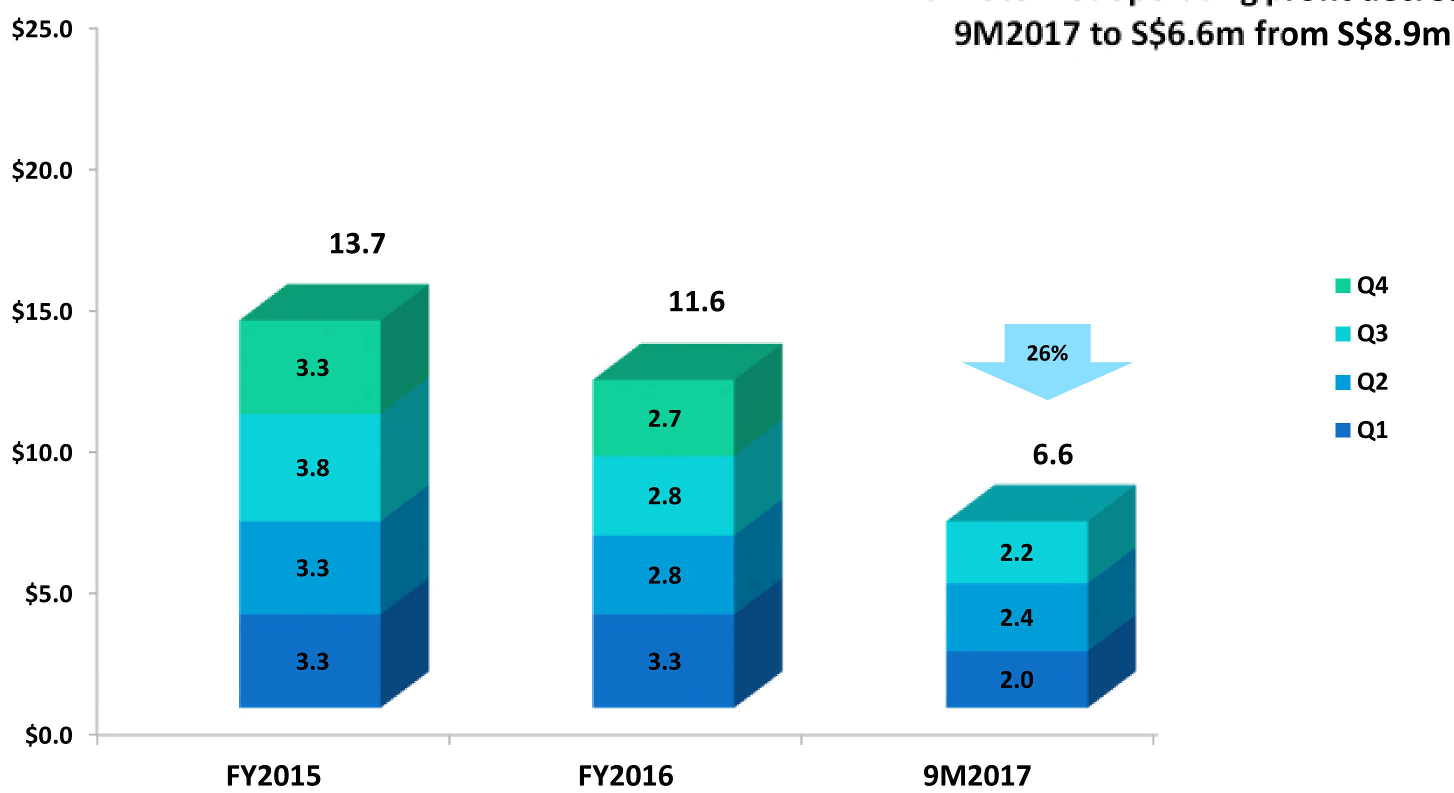


Business Review

Hotel Ownership – 9M2017

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

- Hotel net operating profit decreased 26% in 9M2017 to S$6.6m from S$8.9m in 9M2016



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

Business Review

Hotels in operations

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Tenmabashi Hotel Osaka
Location	50 East Coast Road	205-1 Okuracho Kyoto, Japan	Kita-Ku, Osaka City, Japan
Managed by	Roxy under franchise with Accor Group	Noku Roxy	Noku Roxy
Rooms	576 rooms	81 rooms	154 rooms
Date of TOP/acquisition	TOP in Sep 2000	2-Oct-14	17-Oct-17
Tenure	Freehold	Freehold	Freehold
Valuation as at 31 December 2016	S$516.0 million	S$38.9 million (JPY3.15 billion)	S$37.0 million (JPY3.0 billion[1])

[1] The Group has completed the purchase of Tenmabashi Grand Hotel in Osaka, Japan on 17 October 2017 and intends to re-brand the hotel under Noku Roxy brand. The purchase price is JPY3.0 billion.

Business Review

Noku Roxy Hotels under development/renovation

Hotel Name	Location	Date of acquisition	Tenure	No. of rooms	Commencement of hotel operation / Estimated completion date
Hotel under development in Phuket	48/13 Moo 6, Chaofa Road, Phuket, Thailand	6-Nov-14	Freehold	Approx. 91 rooms/villas	2019
Roxy Maldives Resort	Island of Kudafunafaru, Noonu Atoll, Maldives	11-May-16	Remaining 40 years leasehold	50 villas	4Q2017

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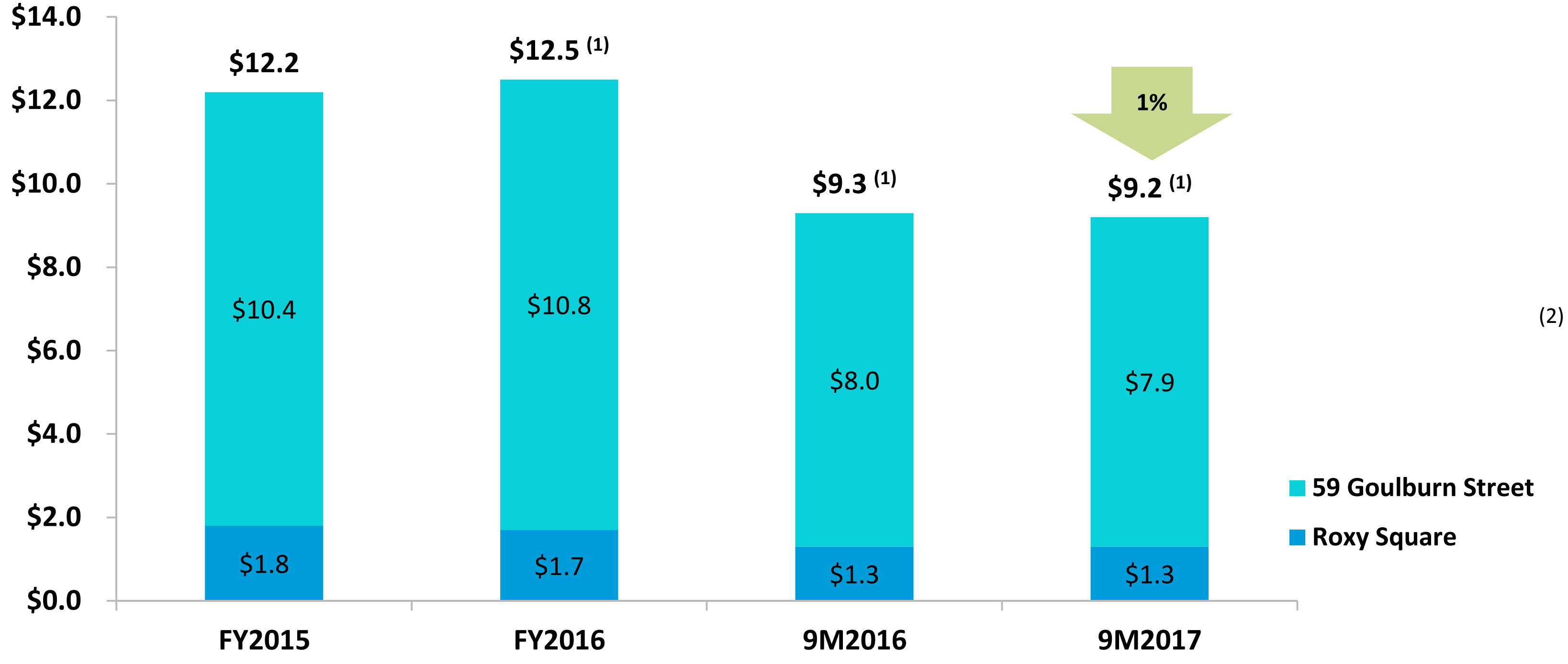
BUSINESS REVIEW
Property Investment

Business Review

Property Investment – 9M2017

Revenue (S$'m)

- Rental income increased 1% in 9M2017 to S$9.2m from S$9.3m in 9M2016



(1) Excludes rental income from 117 Clarence Street as it is accounted for under share of results from associates

(2) The Group has entered into a definitive sale and purchase agreement on 14th July 2017 to sell the office building. The sale was completed on 16th October 2017

Business Review

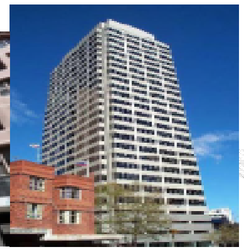
Investment Properties

	Location	Description	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 Sep 2017 (on lettable area)	Valuation[1] ($)	Estimated Total Annual Gross Income (S$)
	Held by a subsidiary company						
1	50 East Coast Road, Roxy Square, Singapore	49 shop units [2]	100%	2,403	95%	S$62.9 m	1.8m
2	59 Goulburn Street, Sydney, Australia [3]	28-Storey commercial building	100%	19,406	94%	S$162.8 m (A$152.8 m)	11.2m
	Total			**21,809**		**S$225.7 m**	
	Held by an Associate company						
3	117 Clarence Street, Sydney, Australia	14-Storey commercial building	50%	12,496	100%	S$117.2 m (A$110.0 m)	7.6m

(1) Based on latest valuations as of 30th June 2017
(2) Excludes 3 units which are for owner-use premises
(3) The Group has entered into a definitive sale and purchase agreement on 14th July 2017 to sell the office building. The sale was completed on 16th Oct 2017
(4) On 3rd Aug 2017, the Group enters into an agreement to acquire a NZ$173.4 million office building at 205 Queen Street in Auckland, New Zealand, which the Group holds 50% shareholding interest. The estimated completion date is in Nov 2017/Dec 2017
(5) On 28th Sep 2017, the Group enters into another agreement to acquire a NZ$63.0 million office building at 1 Fanshawe Street. The expected completion date is 15th Dec 2017

Roxy square


117 Clarence Street


59 Goulburn Street

Group Borrowing

Results Announcement
3rd Quarter Ended 30 September 2017

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Group Borrowing

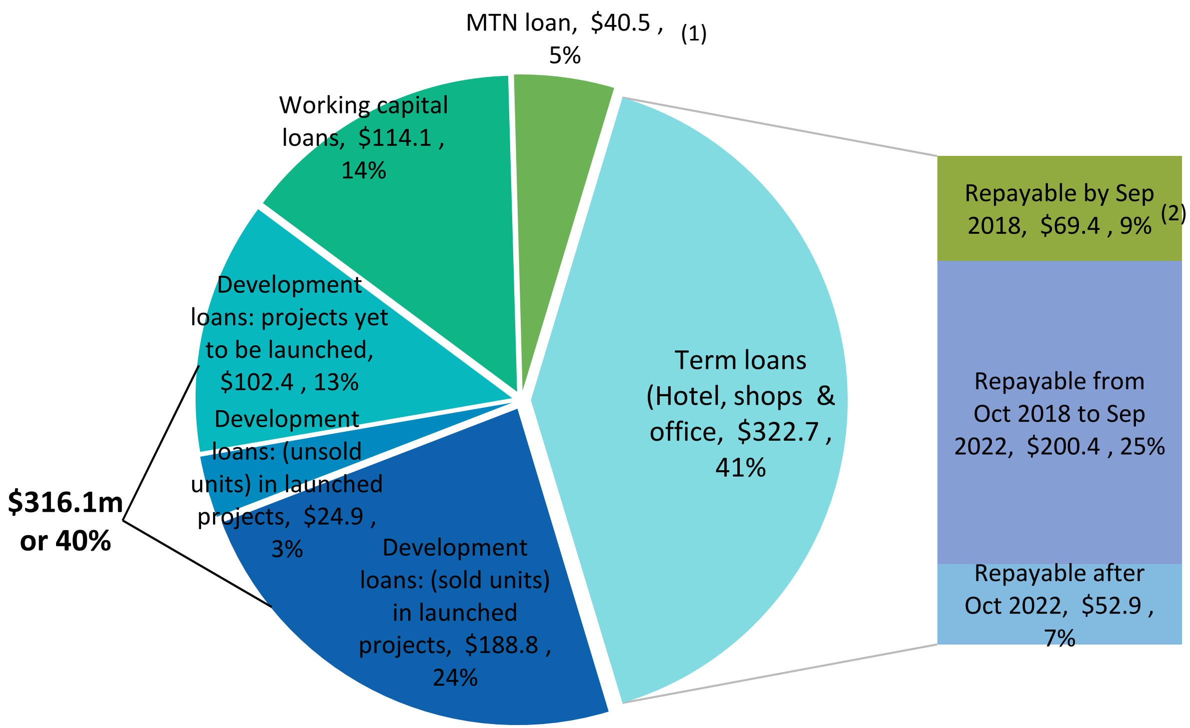
Debt Profile	30 Sep 2017	31 Dec 2016
Total borrowings (S$m)	S$793.4	S$832.7
Net borrowings (S$m)	S$500.6	S$507.4
Fixed rate loans (S$m)	S$298.6	S$357.4
Fixed rate loans as % of total loans	38%	43%
Weighted average term for fixed rate loans	29 months	14 months
Weighted average interest rate (fixed rate loans)	3.2%	2.7%
Weighted average interest rate (floating rate loans)	2.9%	2.5%
Interest coverage ratio (times) [1]	4.5	5.4

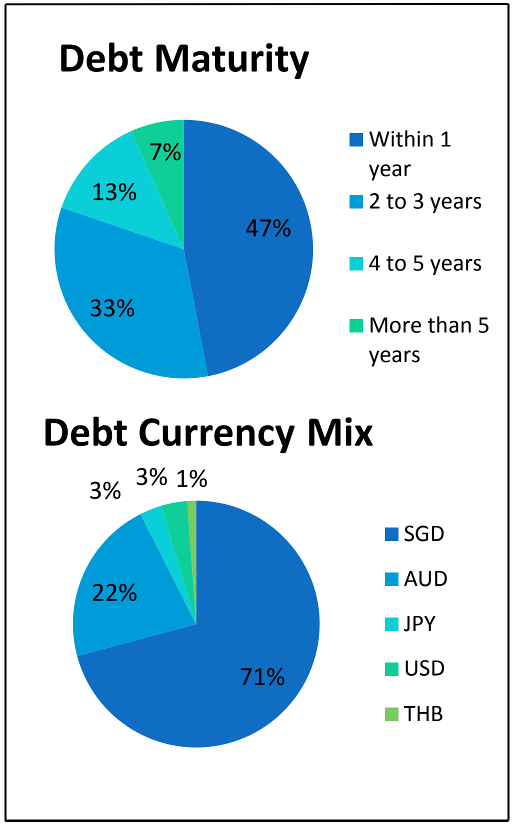
(1) *calculated by dividing profit before interest and taxes by the interest expenses for the same period*

Group Borrowing

Debt Profile as at 30 Sep 2017 (S$m)

Total outstanding debts of S$793.4m as of 30 Sep 2017





(1) S$40.5m MTN loan is repayable in July 2018

(2) Includes term loan of S$62.5m office building at 59 Goulburn Street, Australia which was paid on 16 October 2017

Outlook

1. **General**
- Advance estimates from MTI showed that the Singapore economy grew by 4.6% y-o-y in 3Q2017, higher than the 2.9% growth in 2Q2017 [1]
- Australia's economy also posted positive growth of 0.8% on a y-o-y for the quarter ended June 2017

2. **Property Development**
- Latest real estate statistics from the URA showed that prices of private residential properties increased by 0.7% in 3Q2017, compared to a 0.1% decline in 2Q2017[2],rising for the first time in nearly four years
- In Australia, residential property prices rose 1.9% for the June 2017 quarter. Key cities in Australia registered healthy growth – Sydney posted a 2.3% rise and Brisbane grew 0.6%[3]
- In Australia, the Group received warm reception for West End Glebe – The Foundry, and is currently 85% sold
- In Singapore, the Group has prudently replenished its land bank with freehold sites at reasonable prices to maximise the yield potential of these projects. It looks forward to the upcoming launch of its 48-unit Navian freehold apartment development in Jalan Eunos.
- As at 17th October 2017, pre-sale revenue from the development projects was S$465.6 million, the profit of which will be progressively recognised from 4Q2017 to 2020

3. **Hotel Ownership**
- Singapore's tourism sector saw a 4% y-on-y increase in International Visitor Arrivals in 1Q2017, receiving 4.3 million visitors, while tourism receipts grew 15% to reach S$6.4 billion. While Average Occupancy Rate grew 1.3%, gazetted hotel room revenue and Revenue Per Available Room (RevPAR) declined 1.3% and 1.2% y-o-y [4]
- The Singapore Tourism Board maintains a conservative outlook for 2017, forecasting international visitor arrivals to grow between 0% and 2% [5]
- The Group has completed the purchase of an existing hotel in Osaka, Japan on 17th October 2017 and intends to re-brand the hotel under Noku Roxy brand
- The Group looks forward to continue strengthening its recurring income streams

4. **Property Investment**
- The Group's investment in 117 Clarence Street, Sydney, Australia, has continued to contribute strong recurring income to its Property Investment segment in 9M2017
- The Group has completed the sale of its office building at 59 Goulburn Street on 16th October 2017
- To maintain its recurring income streams, the Group has recycled capital from the sale of 59 Goulburn by entering into agreements to acquire two commercial buildings in Auckland, New Zealand
- The Group will continue to explore opportunities to strengthen its income streams and enhance shareholder value

5. **Strong cash and cash equivalents of S$204.7 million**

6. **Net gearing remains healthy at 0.5 times**

7. **Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2017**

[1] Ministry of Trade and Industry Singapore, October 13, 2017 – Singapore's GDP grew by 4.6 per cent in the third quarter of 2017
[2] Urban Redevelopment Authority, October 27, 2017 – URA releases 3rd Quarter 2017 real estate statistics
[3] Australian Bureau of Statistics, September 19, 2017 – Residential Property Price Indexes: Eight Capital Cities, Jun 2017
[4] Singapore Tourism Board, July 31, 2017 – STB Q1 2017 Tourism Sector Performance
[5] Singapore Tourism Board, February 14, 2017 – Singapore achieves record tourism sector performance in 2016

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement

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TOWARDS

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