



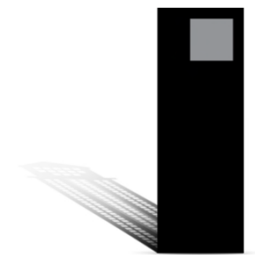
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GROWTH

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
3rd Quarter Ended 30 September 2018
31st October 2018

Agenda

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



Financial Performance

3Q2018 & 9M2018 Overview

3Q2018

- Net profit attributable to shareholders was higher at S\$4.4 million (3Q2017: S\$1.6 million)
- Group's revenue was lower at S\$18.8 million (3Q2017: S\$60.3 million) mainly due to lower contribution from the Property Development segment
- Group's gross profit margin increased to 57% (3Q2017: 29%) mainly due to higher contribution from Hotel Ownership segment

9M2018

- Net profit attributable to shareholders was lower at S\$17.9 million (9M2017: S\$22.4 million)
- Excluding fair value gain from 59 Goulburn Street in 1H2017, pre-tax profit increased by 122% to S\$21.8 million.
- Group's revenue was lower at S\$102.0 million (9M2017: S\$203.5 million)
- Revenue from Hotel Ownership segment increased to S\$37.2 million (9M2017: S\$32.3 million)
- Strong take-up rate for The Navian (88% sold), Harbour View Gardens (98% sold), 120 Grange (77% sold)
- Total pre-sale revenue of S\$593.0 million (9M2017: S\$453.6 million), which will be recognised from 4Q2018 to 2021.
- Healthy cash and bank balances of S\$257.6 million
- Net gearing remains healthy at 0.73 time notwithstanding the completion of acquisition of properties in 9M2018

Financial Performance

Financial Results	3Q2018	3Q2017 (Restated) ⁽¹⁾	% change
Revenue (S\$m)	18.8	60.3	-69%
Gross Profit (S\$m)	10.7	17.5	-39%
Gross Margin (%)	57%	29%	28ppt
Share of results of associates (net of tax) (S\$m)	2.8	0.6	361%
Pre-tax profit (S\$m)	5.0	3.5	44%
Net Profit (S\$m)	4.2	2.4	75%
Net Profit attributable to shareholders (S\$m)	4.4	1.6	175%
EPS (SGD cents) ⁽²⁾	0.33	0.12	175%

⁽¹⁾ The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15.

⁽²⁾ EPS has been adjusted for bonus issue in April 2018

Financial Performance

Financial Results	9M2018	9M2017 (Restated) ⁽¹⁾	% change
Revenue (S\$m)	102.0	203.5	-50%
Gross Profit (S\$m)	36.6	47.6	-23%
Gross Margin (%)	36%	23%	13ppt
Share of results of associates (net of tax) (S\$m)	14.3	8.0	79%
Pre-tax profit (S\$m)	21.8	38.2 ⁽²⁾	-43%
Net Profit (S\$m)	17.9	24.1	-26%
Net Profit attributable to shareholders (S\$m)	17.9	22.4	-20%
EPS (SGD cents) ⁽³⁾	1.37	1.71	-20%

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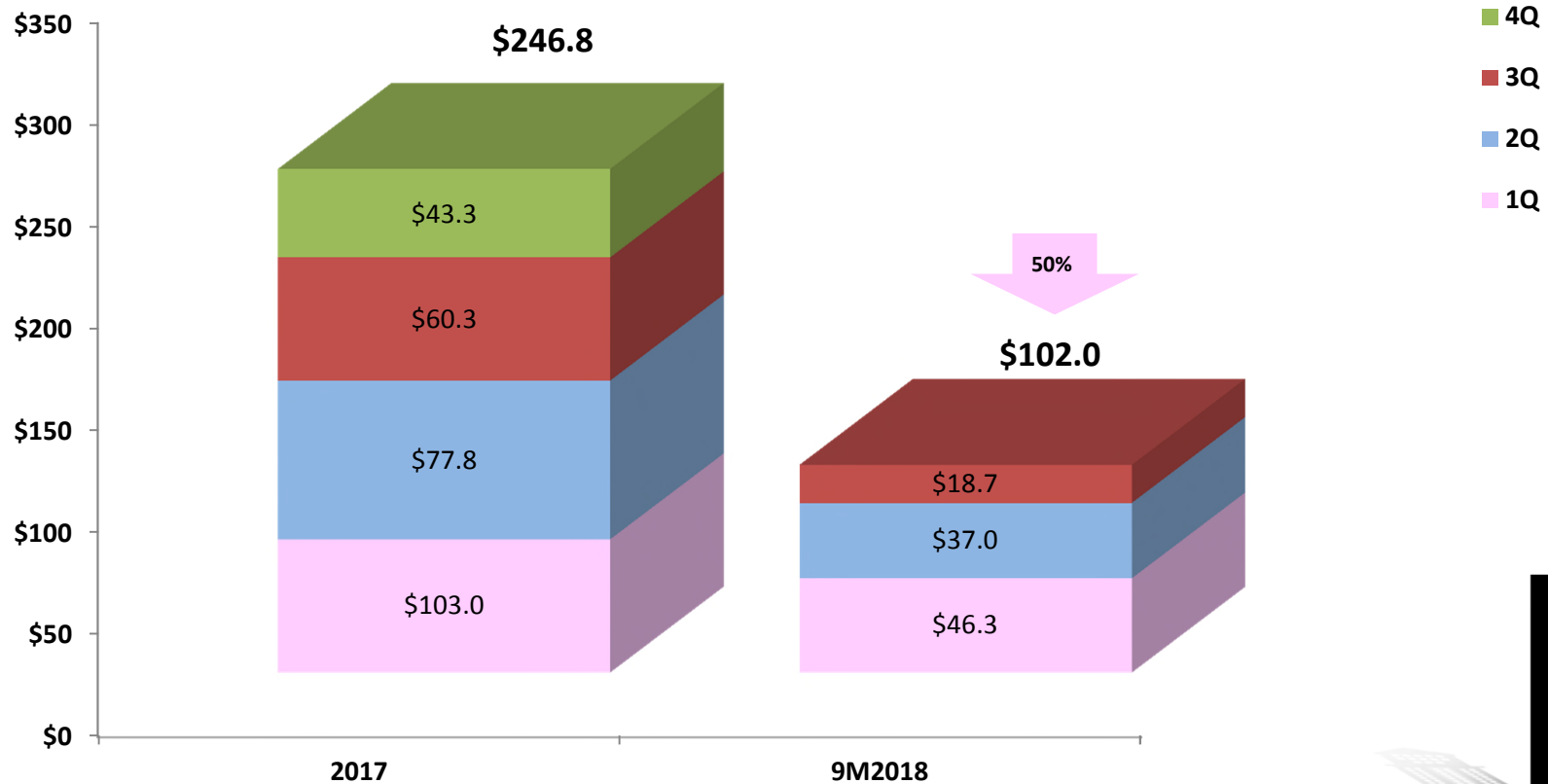
⁽²⁾ Include S\$28.4 million fair value gain (before tax) from 59 Goulburn Street

⁽³⁾ EPS has been adjusted for bonus issue in April 2018

Financial Performance

Financial Performance Turnover (\$\$'m)

➡ 9M2018 revenue decreased by 50% to S\$102.0m

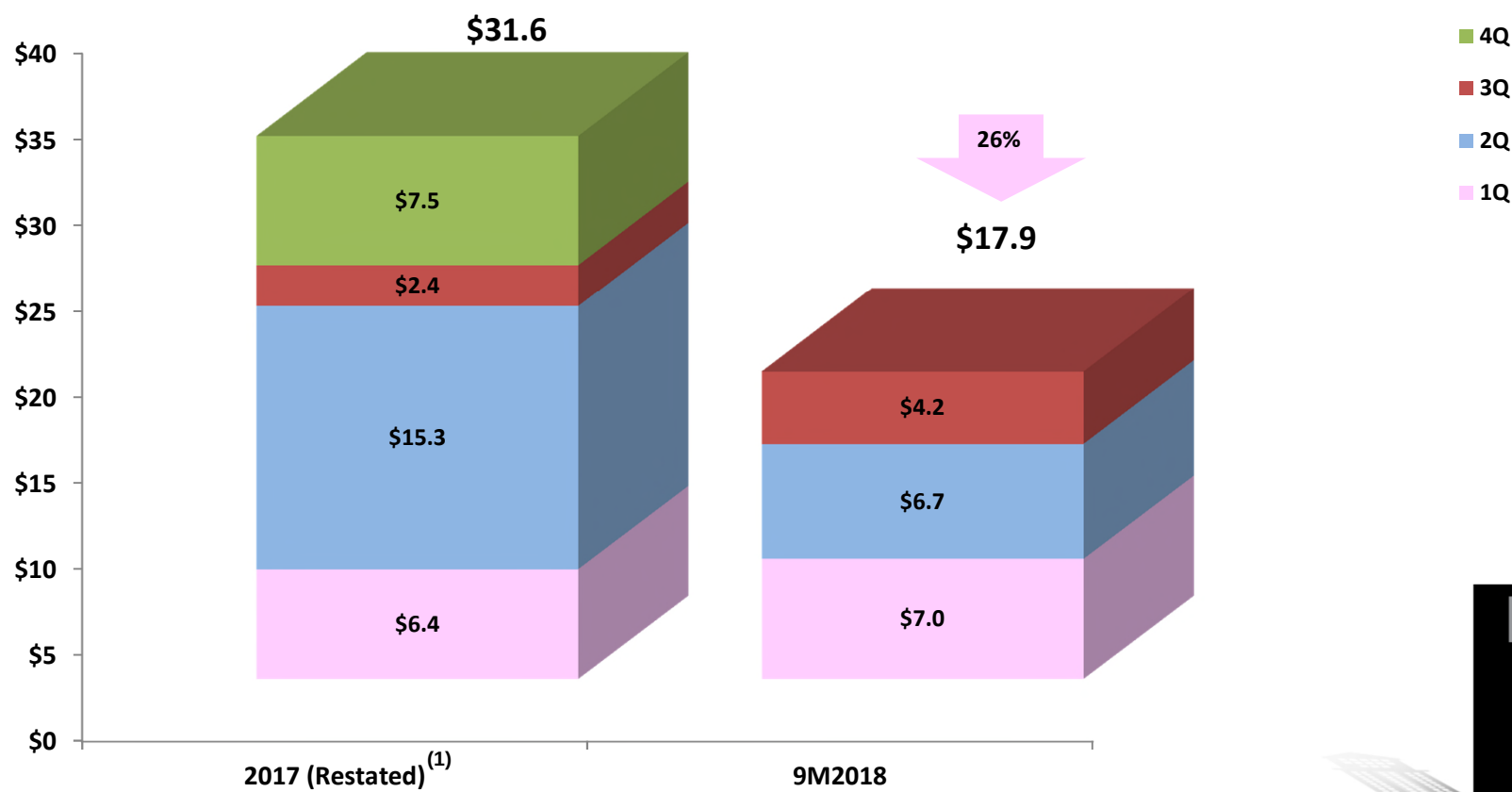


Financial Performance

Financial Performance

Profit After Tax (\$\$'m)

► 9M2018 net profit decreased by 26% to S\$17.9m

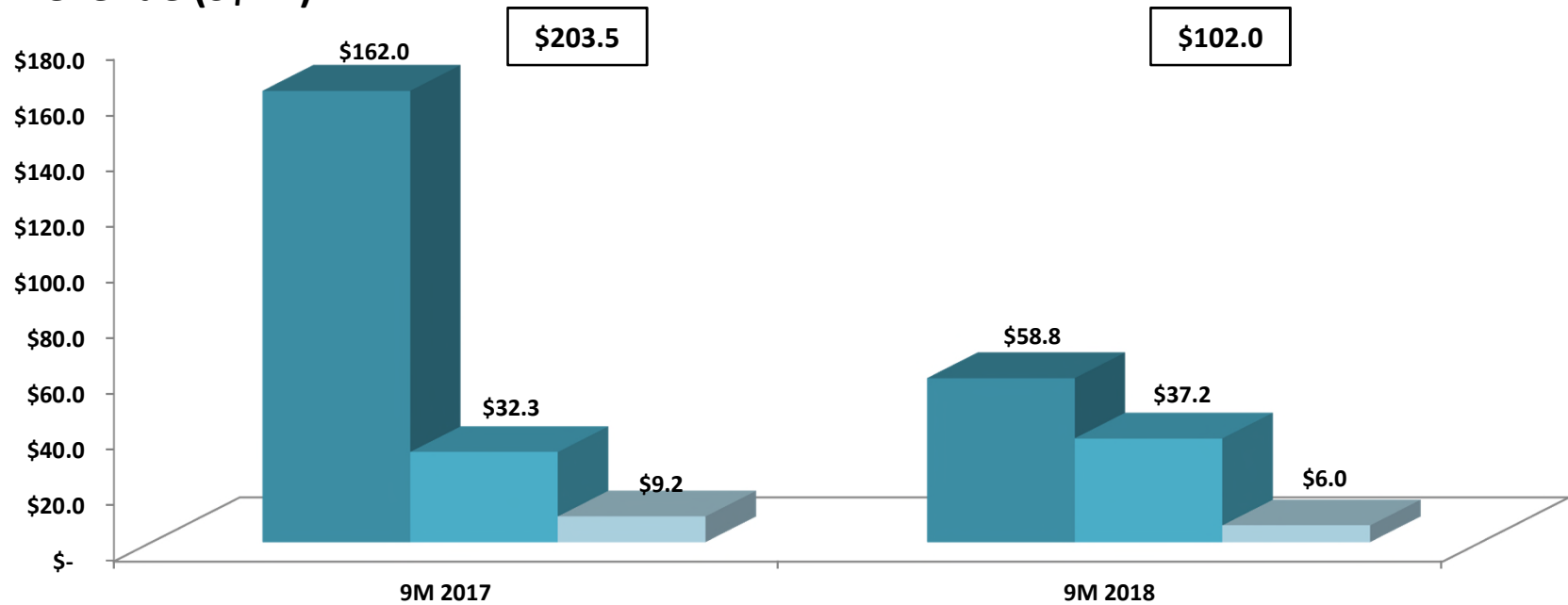


⁽¹⁾ The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15.

Financial Performance

Segment Results – 9M2018

Revenue (\$\$'m)

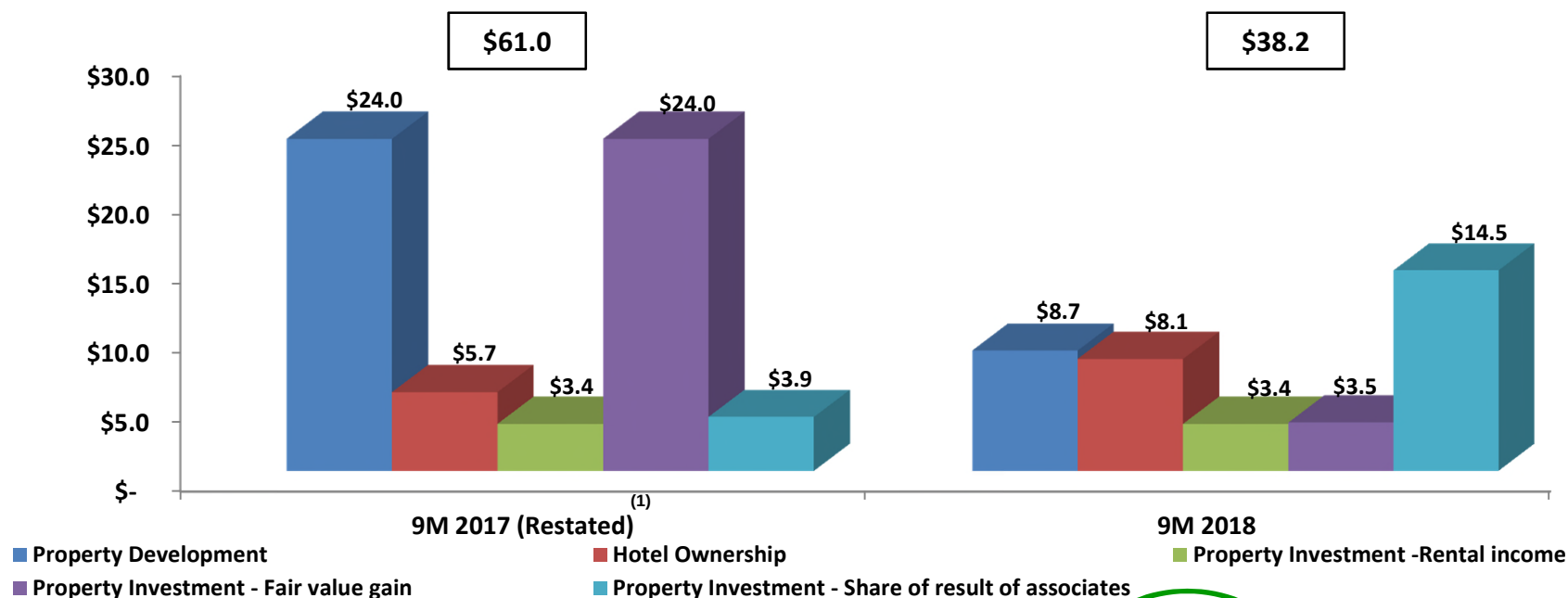


	9M 2017	9M 2018
Property Development	80%	58%
Hotel Ownership	15%	36%
Property Investment	5%	6%
	100%	100%

Financial Performance

Segment Results – 9M2018

Adjusted EBITDA* (\$S'm)



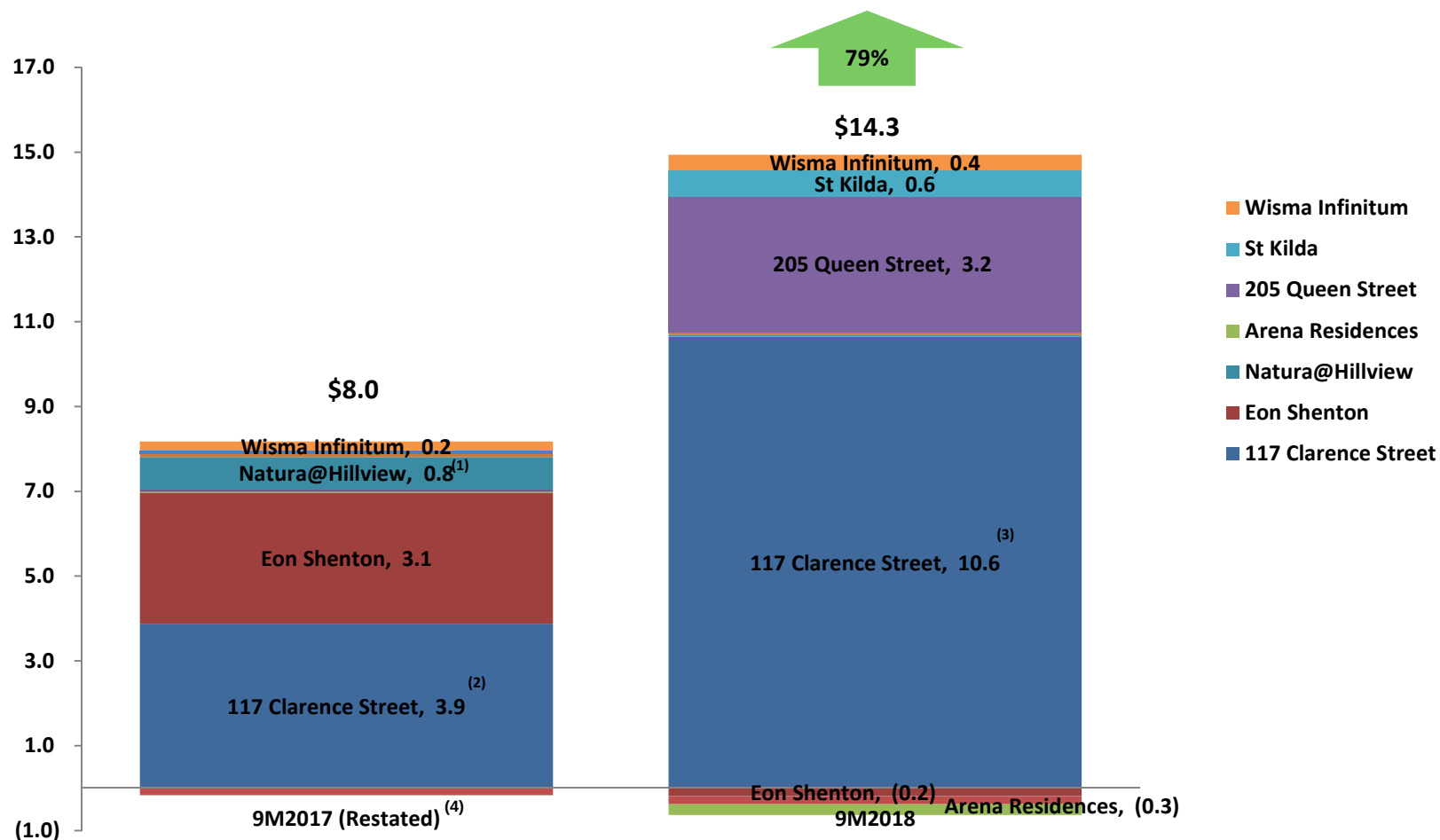
	9M 2017	9M 2018
Property Development	39%	23%
Hotel Ownership	9%	21%
Property Investment -Rental income	6%	9%
Property Investment - Fair value gain	40%	9%
Property Investment - Share of result of associates	6%	38%
	100%	100%

* 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.

(1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15.

Financial Performance

Share of results in associates (S\$m) – 9M2018



⁽¹⁾ Mainly due to write-back of provision of cost

⁽²⁾ Mainly due to fair value gain amounting to AUD 2.8m (net of tax)

⁽³⁾ Mainly due to fair value gain amounting to AUD 6.3m (net of tax)

⁽⁴⁾ The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15.

Financial Performance

Financial Position	30 Sep 2018 (S\$m)	31 Dec 2017 (S\$m) (Restated) ⁽¹⁾
Total assets	1,582.2	1,490.7
Total debt	979.2	871.8
Cash & bank balances ⁽²⁾	257.6	322.5
Net debt	721.6	549.3
Net asset value ("NAV")	495.6	504.2
Revaluation surplus ⁽³⁾	489.2	490.3
Adjusted net asset value ("ANAV")	984.8	994.5

(1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15

(2) Cash holdings include project account monies amounting to S\$43.2m as at 30 September 2018 (31 December 2017: S\$82.7m) and S\$82.2m (31 December 2017: S\$88.2m) pledged to banks and financial institution

(3) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, property in Maldives and the head office premise were estimated to be S\$682.5m as at 30 September 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$193.3m (31 December 2017: S\$192.1m)

Financial Performance

Financial Ratios	30 Sep 2018	31 Dec 2017 (Restated) ⁽¹⁾
NAV per share (SGD cents) *	37.96	38.45
ANAV per share (SGD cents)* ⁽²⁾	75.43	75.84
Cash holdings per share (SGD cents)* ⁽³⁾	19.73	24.59
Net debt to ANAV (times)	0.73	0.55
Total debt to ANAV (times)	0.99	0.88
Return on equity (%) ⁽⁴⁾	4.8%	6.0%

* The comparatives of 2017 were restated and adjusted for the bonus issue in April 2018

- (1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15
- (2) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, property in Maldives and the head office premise were estimated to be S\$682.5m as at 30 September 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$193.3m (31 December 2017: S\$192.1m)
- (3) Cash holdings include project account monies amounting to S\$43.2m as at 30 September 2018 (31 December 2017: S\$82.7m) and S\$82.2m (31 December 2017: S\$88.2m) pledged to banks and financial institution
- (4) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value

**Results Announcement
3rd Quarter Ended 30 September 2018**

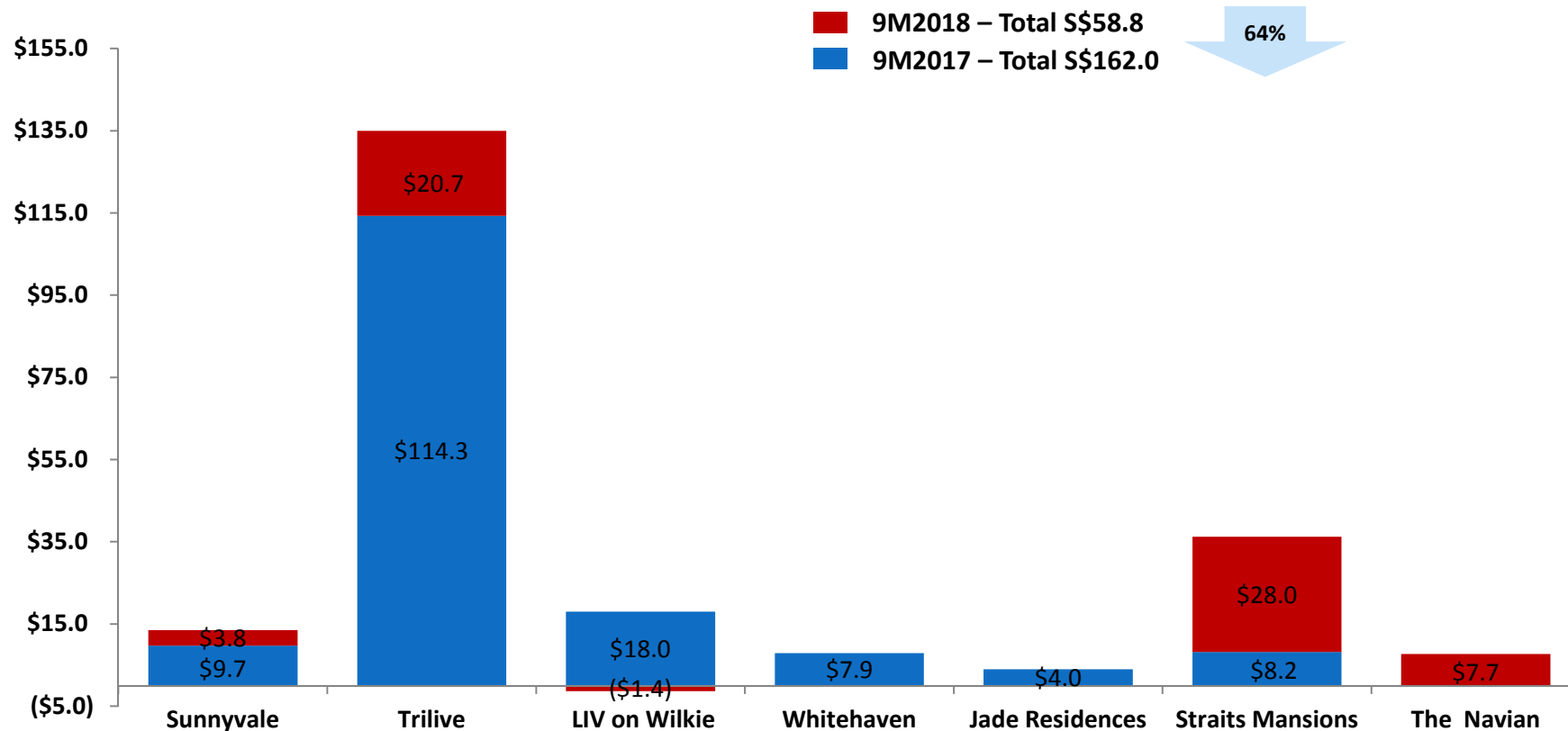
31st October 2018

BUSINESS REVIEW
Property Development

Business Review

Property Development

Revenue from Property Development (S\$'m)



- 9M2018 Property Development revenue was mainly attributable to Trilive and Straits Mansions. The decrease in revenue was mainly due to lower revenue recognition from Trilive upon TOP obtained on 5th June 2018 and absence of revenue recognition from LIV on Wilkie, Whitehaven and Jade Residences due to TOP obtained in FY2017
- Although the Group has made good progress in the sales and construction of its projects in Australia, unlike in Singapore and Malaysia, it cannot progressively recognise the revenue as the completed contract method in accounting is adopted for these projects

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 September 2018 \$'m	Balance attributable progress billings to be recognised from 4Q2018 \$'m
Singapore							
1 Straits Mansions	Residential	100%	25	100%	\$ 48.2	\$ 44.8	\$ 3.4
2 The Navian ⁽ⁱⁱⁱ⁾	Residential	100%	48	88%	\$ 50.1	\$ 7.7	\$ 42.4
3 Harbour View Garden ^(iv)	Residential	100%	57	98%	\$ 72.2	-	\$ 72.2
4 120 Grange ^(v)	Residential	90%	56	77%	\$ 70.8	-	\$ 70.8
5 Bukit 828 ^(vi)	Residential	80%	34	26%	\$ 9.2	-	\$ 9.2
Malaysia							
5 Wisma Infinitum - The Colony	Residential	47%	423	69%	\$ 50.1	\$ 14.6	\$ 35.5
Wisma Infinitum - The Luxe	Residential	47%	300 ^(vii)	38%	\$ 23.9	\$ 6.7	\$ 17.2
Australia							
Sydney							
6 The Hensley, Potts Point	Residential	100%	44	95%	\$ 67.3	-	\$ 67.3
	Shop	100%	1	100%	\$ 1.1	-	\$ 1.1
7 Octavia, Killara	Residential	100%	43	98%	\$ 46.8	-	\$ 46.8
8 West End Glebe, Tower 1 (Foundry)	Residential	100%	140	89%	\$ 142.1	-	\$ 142.1
West End Glebe, Tower 2 (Art House)	Residential	100%	91 ^(iv)	79%	\$ 85.0	-	\$ 85.0
Total			1,262		\$ 666.8	\$ 73.8	\$ 593.0

- (i) For Singapore projects, sale value is based on Option to Purchase granted up to 22 October 2018
(ii) For overseas projects, sale value is based on contract signed up to 22 October 2018
(iii) Launched in January 2018
(iv) Launched in April 2018
(v) Launched in June 2018
(vi) Launched on 21 September 2018
(vii) 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

Development Land Bank Singapore

	Project name/ Location	Proposed Development	Approximate Land Area (sqf)	Approximate Gross Floor Area (sqf)	Group's stake	Approximate Attributable Gross Floor Area (sqf)	Approximate Attributable Land Cost (SGD)
1	RV Altitude	140 units of Residential Development	28,793	80,632	100%	80,632	\$110.0
2	Arena Residences	98 units of Residential Development	26,454	74,072	50%	37,036	\$28.3 ⁽¹⁾
3	Dunearn 386	35 units of Residential Development	19,203	26,884	100%	26,884	\$36.3
4	Fyve Derbyshire	71 units of Residential Development	18,506	53,154	100%	53,154	\$73.9
5	15, 17 & 19 Lorong Kismis	186 units of Residential Development	100,336	140,470	60%	84,282	\$79.1 ⁽²⁾
6	22 Farrer Road	85 units of Residential Development	39,130	70,741	40%	28,296	\$39.5
7	27 Moulmein Rise	87 units of Residential Development	22,198	65,585	50%	32,793	\$53.0
Total		702 units	254,620	511,538		343,077	\$420.1

(1) Includes state land cost

(2) Included estimated development charge / top up lease premium



Results Announcement 3rd Quarter Ended 30 September 2018

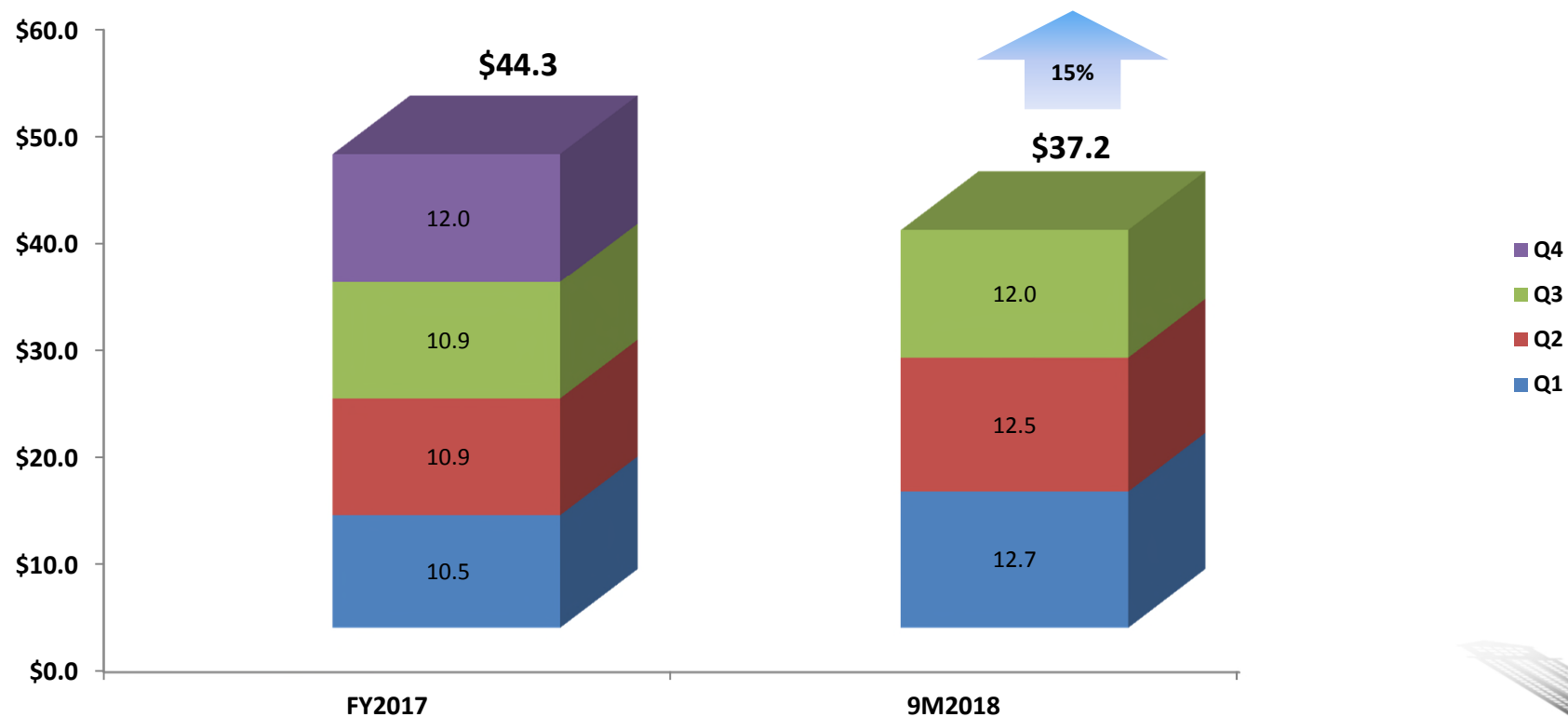
31st October 2018

BUSINESS REVIEW *Hotel Ownership*

Business Review

Hotel Ownership – 9M2018 Hotel Revenue (\$m)

➡ Hotel revenue increased 15% in 9M2018 to S\$37.2m mainly due to newly acquired hotel in Japan, Noku Osaka

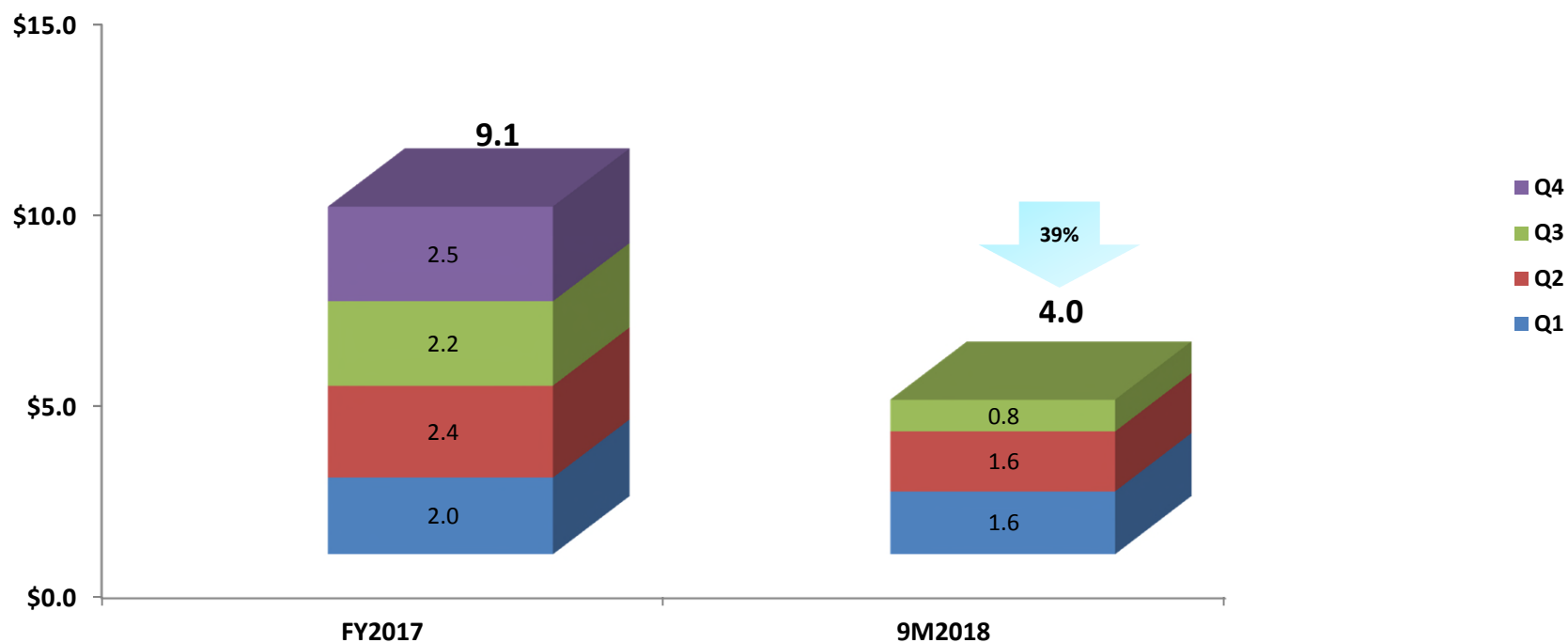


Business Review

Hotel Ownership – 9M2018

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

► Hotel net operating profit decreased 39% in 9M2018 to S\$4.0m from S\$6.6 m in 9M2017



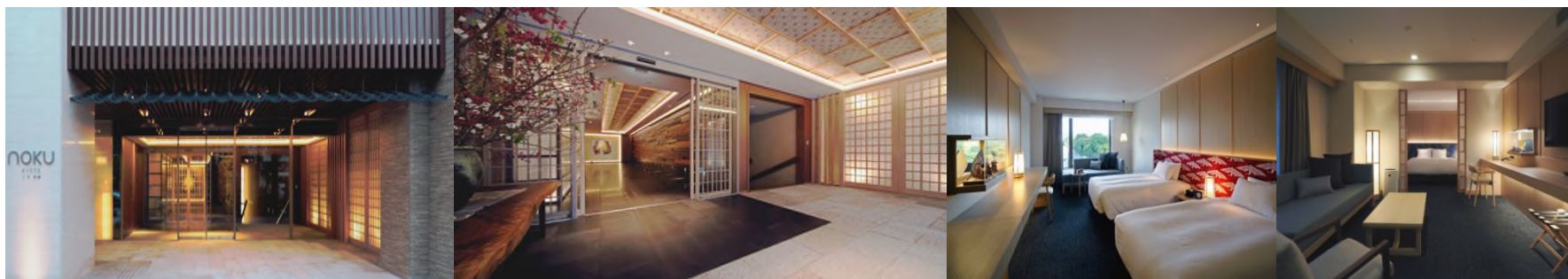
Hotel Net Operating Profits is defined as the earnings before interest, taxes, depreciation and amortisation.

Business Review

Hotels in operations

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Noku Osaka	Noku Maldives
Location	50 East Coast Road	205-1 Okuracho Kyoto, Japan	Kita-Ku, Osaka City, Japan	Island of Kudafunafaru, Noonu Atoll, Maldives
Managed by	Roxy under franchise with Accor Group	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"
Rooms	576 rooms	81 rooms	154 rooms	50 villas
Date of TOP/acquisition	TOP in Sep 2000	02-Oct-14	17-Oct-17	11-May-16
Tenure	Freehold	Freehold	Freehold	Remaining 38 years leasehold
Approximate Land Area (sq m)	15,172	940	886	89,896
Gross Floor area (sq m)	35,336	4,780	3,672.26	16,830
Valuation as at 31 December 2017	S\$518.0 million	S\$35.7 million (JPY3.01 billion)	S\$35.6 million (JPY3.0 billion)	S\$50.8 million (US\$38.0 million)

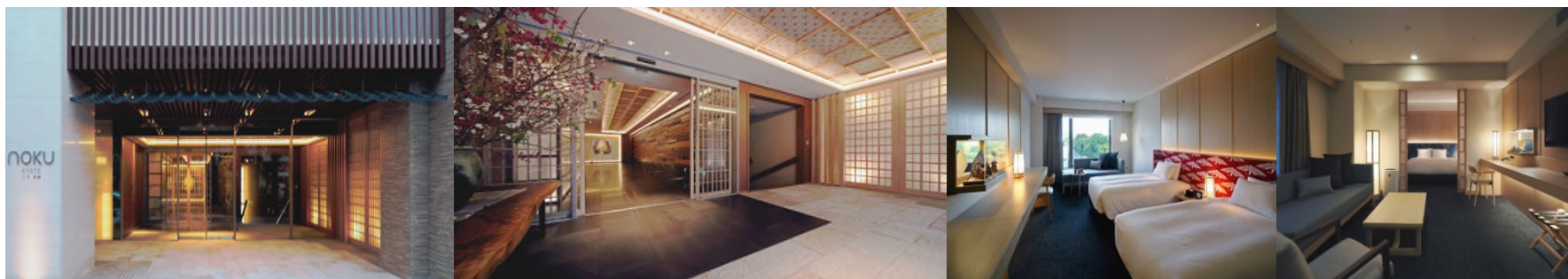
*Noku Maldives has commenced full operation in August 2018.



Business Review

NOKU hotels under development

Hotel Name	Location	Date of acquisition	Tenure	Approximate Land Area (sq m)	No. of rooms	Estimated completion date
Noku Phuket	48/13 Moo 6, Chaofa Road, Phuket, Thailand	6-Nov-14	Freehold	46,878	91 rooms/villas	2019





Results Announcement 3rd Quarter Ended 30 September 2018

31st October 2018

BUSINESS REVIEW
Property Investment

Business Review

Property Investment – 9M2018 Revenue (\$\$'m)

➡ Rental income decreased 35% in 9M2018 to S\$6.0m from S\$9.2m in 9M2017



(1) Excludes rental income from 117 Clarence Street, 205 Queen Street and 312 St Kilda Road as it is accounted for under share of results from associates

(2) The Group has sold the office building on 16th October 2017

Business Review

Investment Properties

	Location	Description	Date of TOP/acquisition	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 September (on lettable area)	Valuation ⁽¹⁾ (\$)	Estimated Total Annual Gross Income (\$\$)
<u>Held by a subsidiary company</u>								
1	50 East Coast Road, Roxy Square, Singapore	49 shop units ⁽²⁾	1984/1998	100%	2,371	79%	S\$63.8 m	1.6m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S\$60.6m (NZ\$66.8 m)	S\$6.2m (NZ\$6.8m)
	Total				11,817		S\$124.4	
<u>Held by an Associate company</u>								
3	205 Queen Street, Auckland, New Zealand	2 Office Tower with 17 and 22 Storey	20-Dec-17	50%	25,367	85%	S\$163.2 m (NZ\$180.0 m)	S\$12.2m (NZ\$13.4m)
4	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,813	89%	S\$78.4 m (A\$79.5 m)	S\$4.4m (A\$4.5m)
	Total				35,180		S\$241.6	

- (1) Based on latest valuations as of 30 June 2018
 (2) Excludes 3 units which are for owner-use premises



Roxy square



205 Queen Street

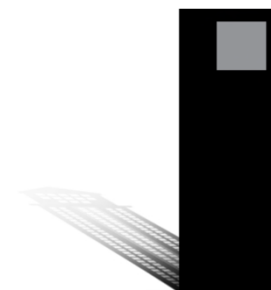


NZI Centre

Group Borrowing

Results Announcement 3rd Quarter Ended 30 September 2018

31st October 2018



Group Borrowing

Debt Profile	30 Sep 2018	31 Dec 2017
Total borrowings (S\$m)	S\$979.2	S\$871.8
Net borrowings (S\$m)	S\$721.6	S\$549.3
Fixed rate loans (S\$m)	S\$228.0	S\$271.6
Fixed rate loans as % of total loans	23%	31%
Weighted average term for fixed rate loans	23 months	29 months
Weighted average interest rate (fixed rate loans)	3.1%	3.3%
Weighted average interest rate (floating rate loans)	2.7%	2.6%
Interest coverage ratio (times) ⁽¹⁾	3.4	4.3
Cash coverage ratio (times) ⁽²⁾	24.0	17.0

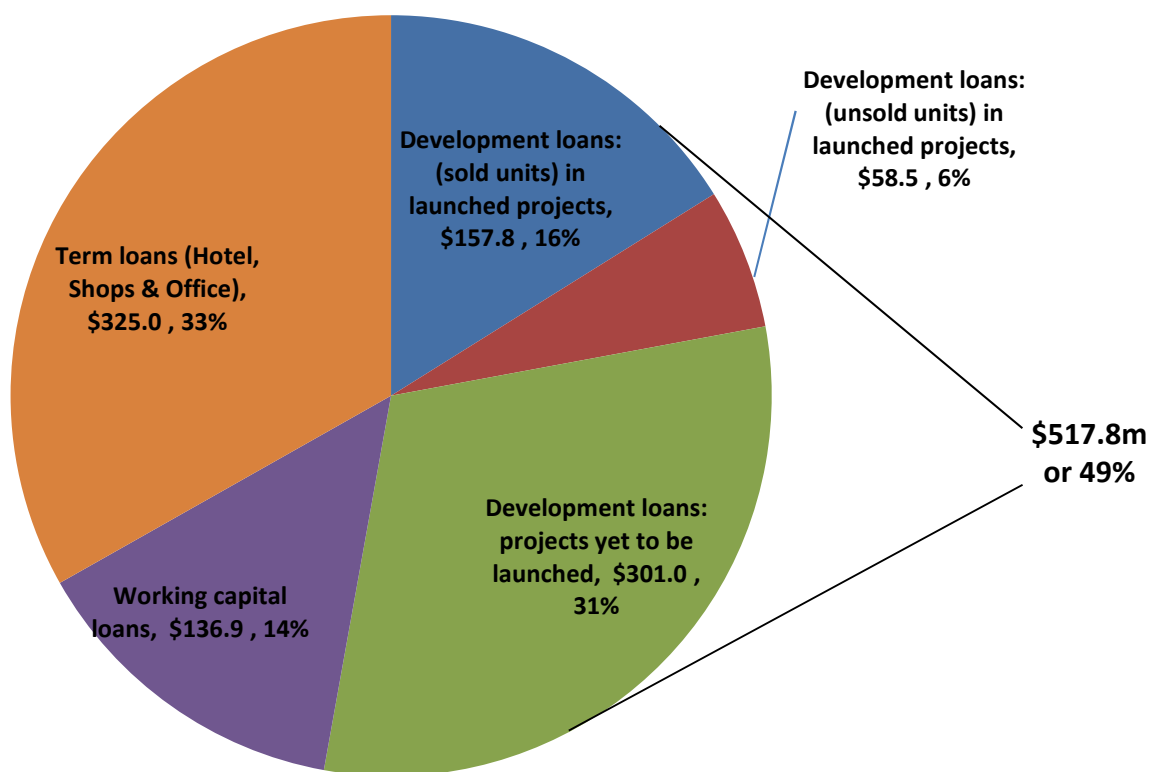
(1) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period

(2) calculated by dividing cash balance (excluding project account monies) by the interest expense for the same period

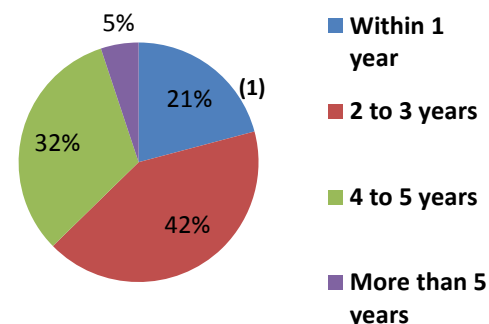
Group Borrowing

Debt Profile as at 30 Sep 2018 (S\$m)

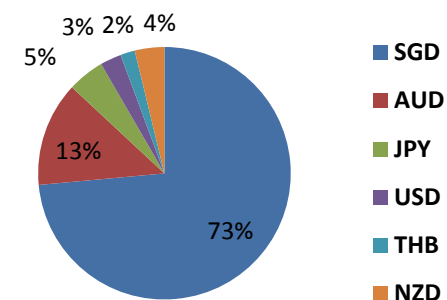
Total outstanding debts of S\$979.2m as of 30 Sep 2018



Debt Maturity



Debt Currency Mix



(1) S\$42.0 m relates to loans for sold units which is expected to be repaid upon obtaining TOP and collections from buyers of the properties. S\$70.2 m relates to revolving loans for Grand Mercure Roxy Hotel, Singapore and S\$58.7 m loans is secured by fixed deposits

Outlook

1. General

- Latest statistics from MTI showed that the Singapore economy grew 2.6% y-o-y in 3Q2018¹
- On a q-o-q, seasonally-adjusted annualised basis, the economy expanded by 4.7%, faster than the 1.2% growth in 2Q2018¹
- Australia's economy expanded 0.9% on a q-o-q in 2Q2018²
- Japan's economy grew an annualised 3.0% between 2Q2018³

2. Property Development

- Latest statistics from URA showed that prices of private residential properties increased by 0.5% in 3Q2018, compared to the 3.4% increase in 2Q2018⁴
- In Australia, residential property prices fell 0.7% in 2Q2018. Key cities like Sydney registered a fall of 3.9% y-o-y⁵
- In Singapore, the Group currently has seven development sites as its land bank, of which it plans to launch one development site for sale in 4Q2018 and another three development sites in 1Q2019
- In Australia, the Group's residential development projects, The Hensley and Octavia in Sydney are left with two units and 1 unit for sale respectively, while West End Glebe is overall 85% sold
- As at 22th October 2018, pre-sale revenue from the development projects was S\$593.0 million, the profit of which will be recognised from 4Q2018 to FY2021

3. Hotel Ownership

- Latest statistics from STB⁶ showed a 7.5% growth in visitor arrivals for the first eight months of 2018. For 2018, STB expects further growth in visitor arrivals between 1% to 4%
- According to Japan National Tourism Organisation⁷, the estimated number of international travelers to Japan has reached 2.6 million (+4.1% from the previous year) in August 2018
- The Group resort in Maldives, was officially opened for operation in August 2018
- The Group targets to open Phuket resort in 2020

¹ Ministry of Trade and Industry Singapore, October 12, 2018 – Singapore's GDP Grew by 2.6 Per Cent in the Third Quarter of 2018

² Australian Bureau of Statistics, June 2018 – Australian National Accounts: National Income, Expenditure and Product, Jun 2018

³ Economic and Social Research Institute, Sep 10, 2018 – Quarterly Estimates of GDP for April - June 2018 (Second Preliminary Estimates)

⁴ Urban Redevelopment Authority, October 26, 2018 – URA releases real estate statistics for 3rd Quarter 2018

⁵ The Guardian, September 18, 2018 – Australian house values fall by \$13bn in three months as capital city prices slide

⁶ Business Times, August 25, 2018 – H1 visitor arrivals to Singapore grow by more than 7 per cent

⁷ Japan National Tourism Organisation, October, 2018 – Japan Tourism Statistics

Outlook

4. Property Investment

- For the Australian office sector⁸, 2Q2018 saw a 4 points drop to 17 in the NAB Commercial Property Index, but has remained above its long-term average of 3 points
- For the New Zealand office sector⁹, the prime office space rentals in Auckland was up by 2.5% than a year before while average capital values per square metre increase by 6.6% y-o-y
- The Group will continue to explore opportunities to strengthen its income streams and enhance shareholder value

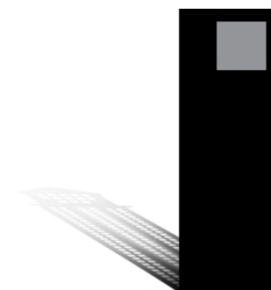
5. Healthy cash and bank balances of S\$257.6 million

6. Net gearing remains healthy at 0.73 time, notwithstanding the completion of acquisition of development sites and office building in 1Q2018

7. Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2018

⁸ Australia National Bank, July 25, 2018 – NAB Quarterly Australian Commercial Property Survey Q2 2018

⁹ Colliers Capital Markets Investment Review 2017-18



ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement

3rd Quarter Ended 30 September 2018

31st October 2018

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