



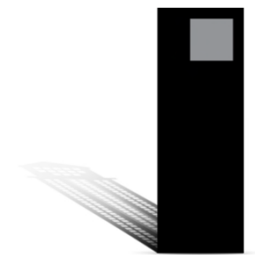
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GROWTH

ROXY-PACIFIC HOLDINGS LIMITED

Results Briefing
Full Year Ended 31 December 2018
22nd February 2019

Agenda

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



Financial Performance

2018 Overview

- Achieved a Net profit attributable to shareholders of S\$23.9 million (FY2017: S\$30.5 million) on a revenue of S\$132.9 million (FY2017: S\$246.8 million).
- Total pre-sale revenue of S\$630.9 million (2017: S\$459.4 million) to be recognised from 1Q2019 to FY2022.
- Pre-sale revenue of S\$55.5 million (Profit before tax of S\$6.6 million) from The Hensley will be recognised in January 2019 upon settlement. The Hensley has obtained TOP in December 2018.
- Successful divestment of 117 Clarence Street for A\$153m in June 2018 (Acquired for A\$81m in 2016).
- Completed the purchase of six residential development sites in Singapore and three properties in Australia.
- Good headroom with cash and bank balances of S\$291.6 million and low gearing at 0.76 time, notwithstanding the above acquisitions.
- Proposed final dividend of 0.705 SGD cents per share; bringing 2018 total dividends to 0.90 SGD cents per share



Financial Performance

Financial Results	FY2018	FY2017 (Restated) ⁽¹⁾	% change
Revenue (S\$m)	132.9	246.8	-46%
Gross Profit (S\$m)	49.2	59.5	-17%
Gross Margin (%)	37%	24%	13ppt ⁽²⁾
Share of results of associates (net of tax) (S\$m)	20.8	14.1	48%
Pre-tax profit (S\$m)	28.3	47.8 ⁽³⁾	-41%
Net Profit (S\$m)	23.8	32.4	-27%
Net Profit attributable to shareholders (S\$m)	23.9	30.5	-22%
EPS (SGD cents) ⁽⁴⁾	1.83	2.56	-28%

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

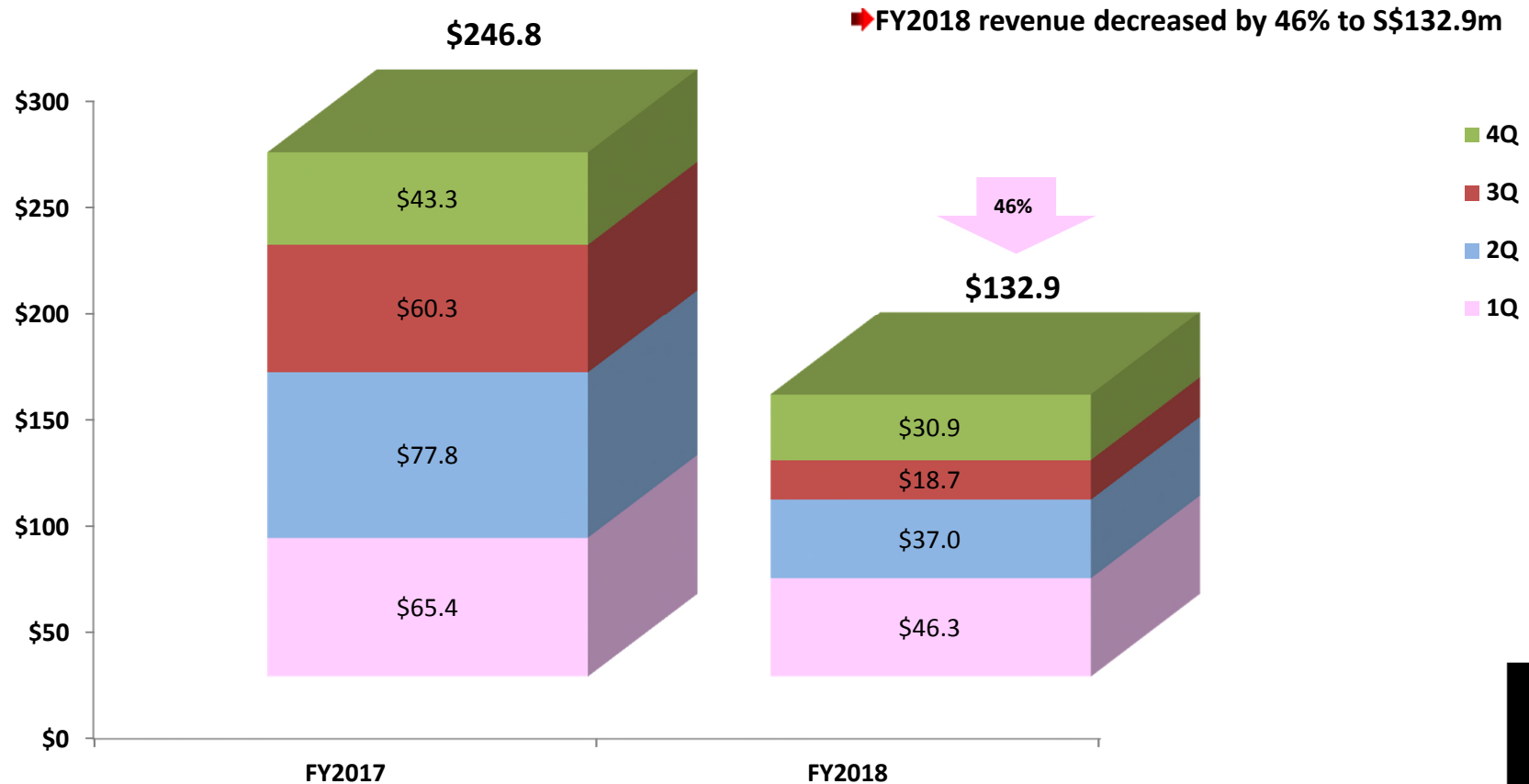
⁽²⁾ Increase due to improved margin from Property Development segment and higher percentage of revenue contribution from Hotel Ownership segment which has a higher profit margin.

⁽³⁾ Include S\$28.3 million fair value gain (before tax) from 59 Goulburn Street

⁽⁴⁾ EPS has been adjusted for bonus issue in April 2018 bringing the total no. of shares to 1,303,979,944 (FY2017: 1,192,223,494)

Financial Performance

Financial Performance Turnover (\$\$'m)

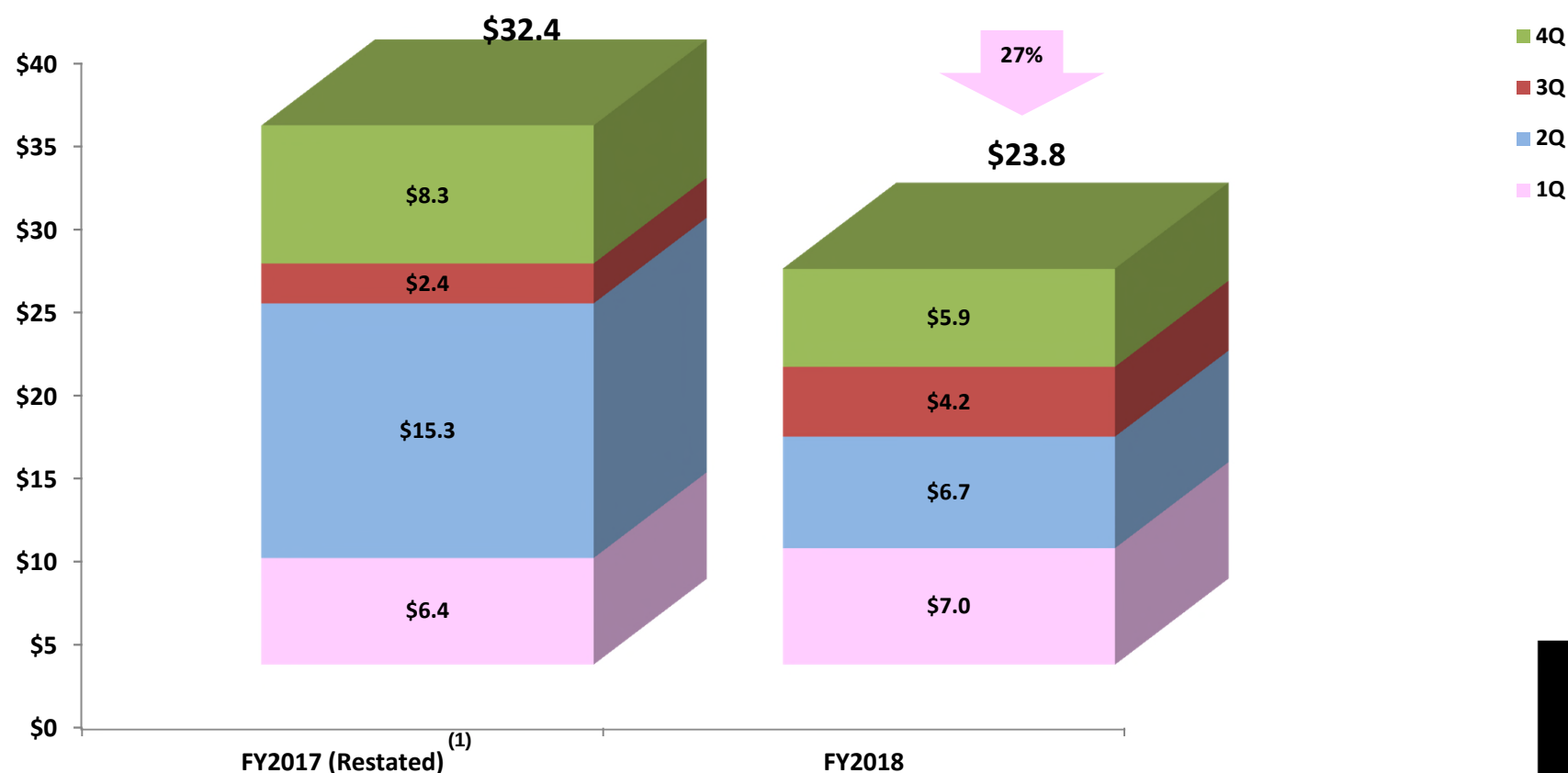


- The Hensley, the development project in Australia, has obtained an Interim Occupation Certificate in Dec 2018. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million is to be recognised in January 2019.

Financial Performance

Financial Performance Profit After Tax (\$\$'m)

➡ FY2018 net profit decreased by 27% to S\$23.8m



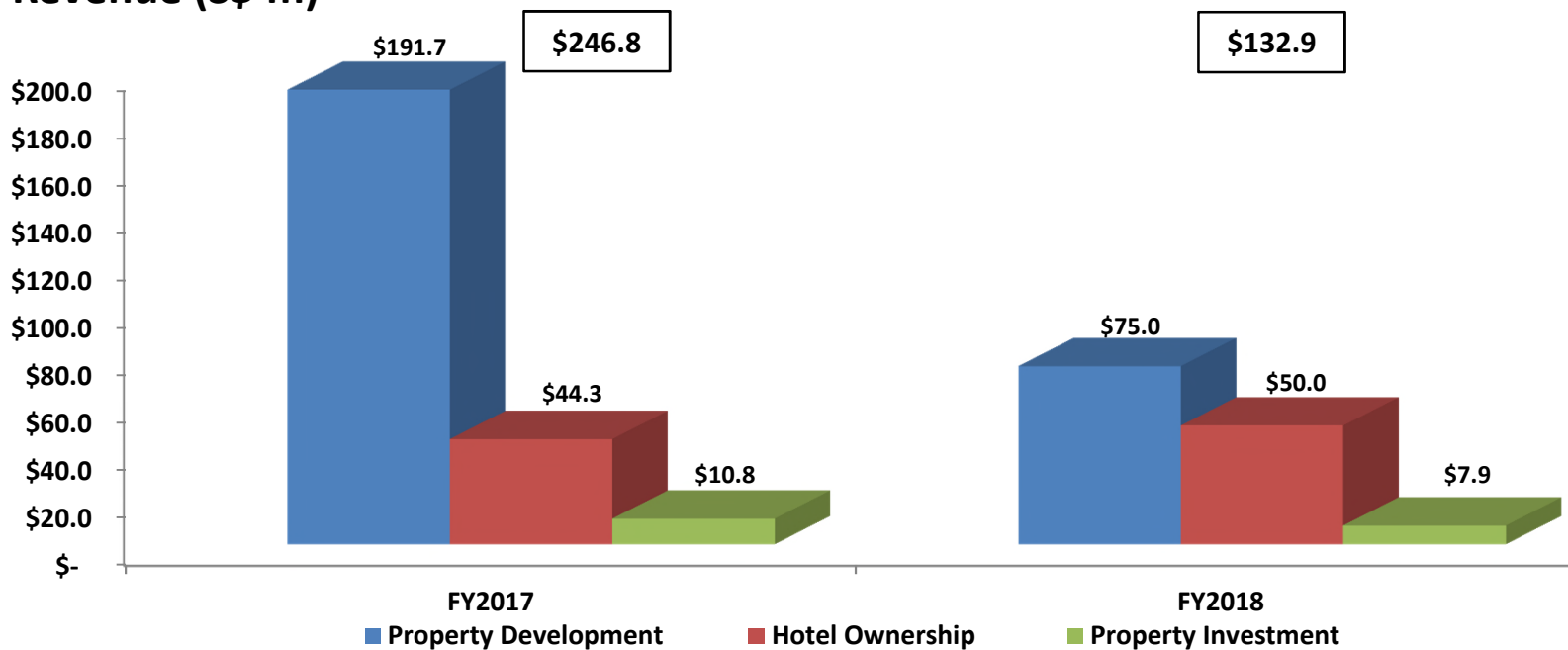
(1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) 15.

➤ The Hensley, the development project in Australia, has obtained an Interim Occupation Certificate in Dec 2018. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million is to be recognised in January 2019.

Financial Performance

Segment Results – FY2018

Revenue (\$\$'m)



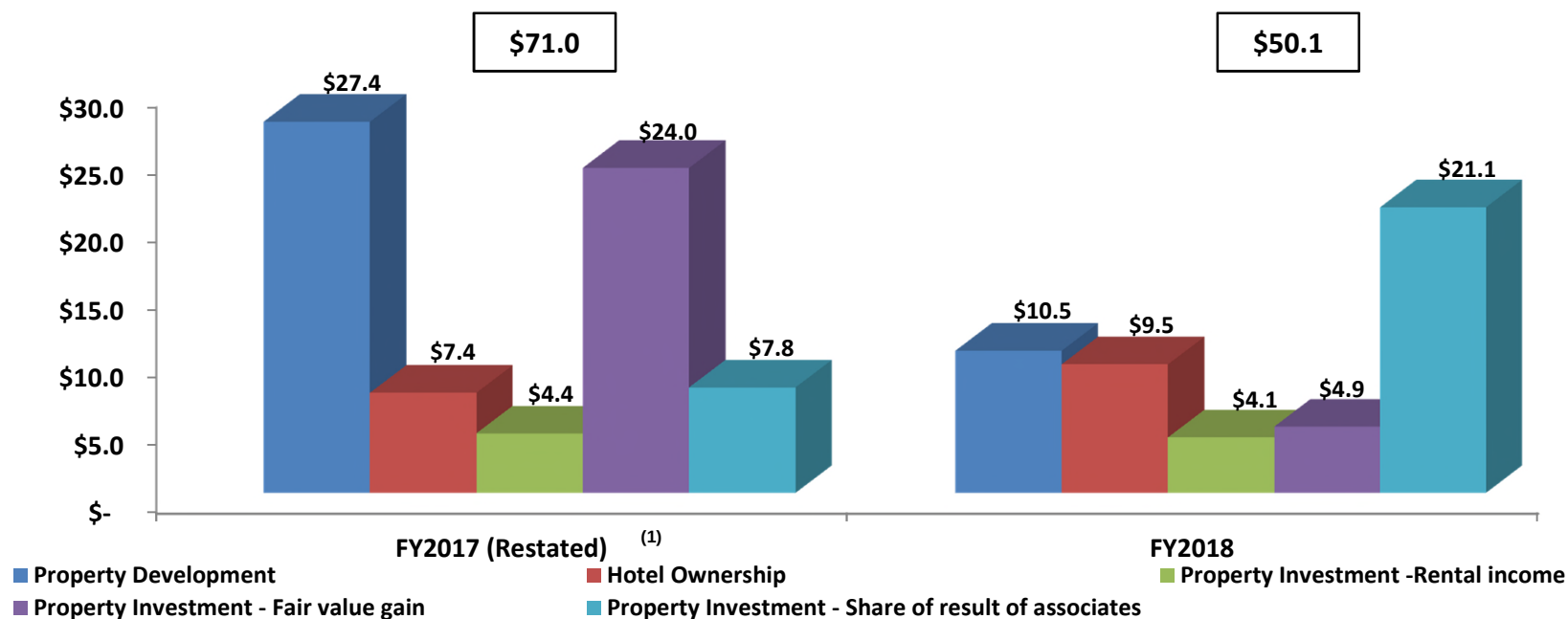
	FY2017	FY2018
Property Development	78%	56%
Hotel Ownership	18%	38%
Property Investment	4%	6%
	100%	100%

- The Hensley, the development project in Australia, has obtained an Interim Occupation Certificate in Dec 2018. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million is to be recognised in January 2019.

Financial Performance

Segment Results – FY2018

Adjusted EBITDA* (\$\$'m)



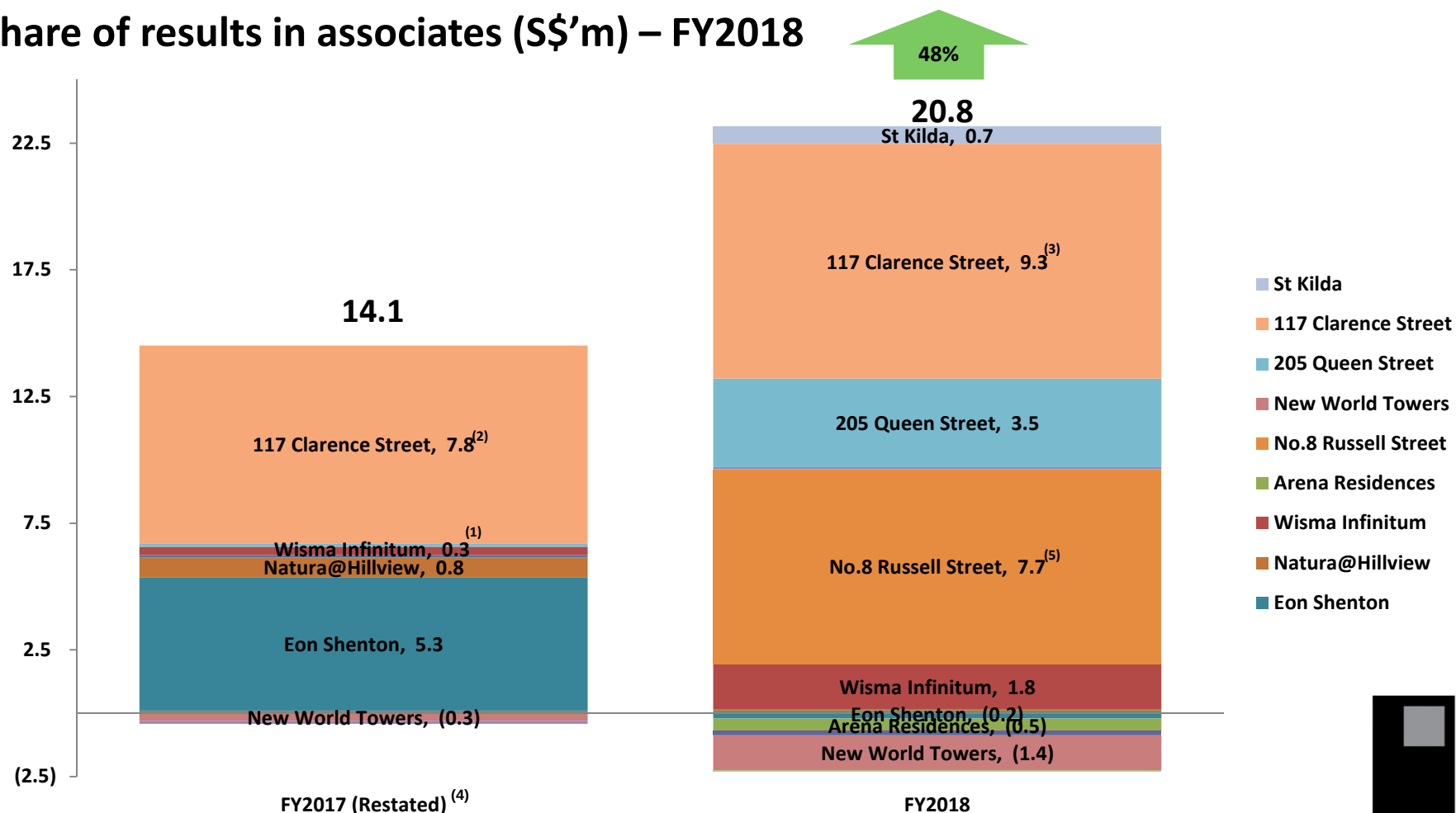
	FY2017	FY2018
Property Development	39%	22%
Hotel Ownership	10%	19%
Property Investment - Rental income	6%	7%
Property Investment - Fair value gain	34%	10%
Property Investment - Share of result of associates	11%	42%
	100%	100%

* 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) – FY2018



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

⁽²⁾ Mainly due to fair value gain in FY2017 of approximately S\$7.4M (net of tax).

⁽³⁾ Mainly due to gain on disposal of investment property in FY2018 of approximately S\$7.9M (net of tax).

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

⁽⁵⁾ Mainly due to adjustment for tax provision.

Financial Performance

Financial Position	31 Dec 2018 (S\$m)	31 Dec 2017 (S\$m) (Restated) ⁽¹⁾
Total assets ⁽²⁾	1,649.8	1,490.7
Total debt ⁽²⁾	1,042.9	871.8
Cash & bank balances ⁽³⁾	291.6	322.5
Net debt	751.3	549.3
Net asset value ("NAV") ⁽⁴⁾	498.6	504.2
Revaluation surplus ⁽⁵⁾	485.2	490.3
Adjusted net asset value ("ANAV")	983.8	994.5

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

(2) Total assets and total debt have increased mainly due to acquisition of development sites during the year

(3) Cash holdings include project account monies amounting to S\$71.3m as at 31 December 2018 (31 December 2017: S\$82.7m) and S\$71.2m (31 December 2017: S\$88.2m) pledged to banks and financial institutions

(4) NAV decreased mainly due to dividend paid and depreciation of Australian dollar resulting in increase in losses in the translation reserve

(5) 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\$692.3m as at 31 December 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$207.1m (31 December 2017: S\$192.1m)

Financial Performance

Financial Ratios	31 Dec 2018	31 Dec 2017 (Restated) ⁽¹⁾
NAV per share (SGD cents) *	38.24	38.45
ANAV per share (SGD cents)* ⁽²⁾	75.45	75.84
Cash holdings per share (SGD cents)* ⁽³⁾	22.36	24.59
Net debt to ANAV (times)	0.76	0.55
Return on equity (%) ⁽⁴⁾	4.8%	6.0%

* The comparatives 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, Noku Maldives and the head office premise were estimated to be S\$692.3m as at 31 December 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$207.1m (31 December 2017: S\$192.1m)
- (3) Cash holdings include project account monies amounting to S\$71.3m as at 31 December 2018 (31 December 2017: S\$82.7m) and S\$71.2m (31 December 2017: S\$88.2m) pledged to banks and financial institutions
- (4) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value

**Results Briefing
Full Year Ended 31 December 2018**

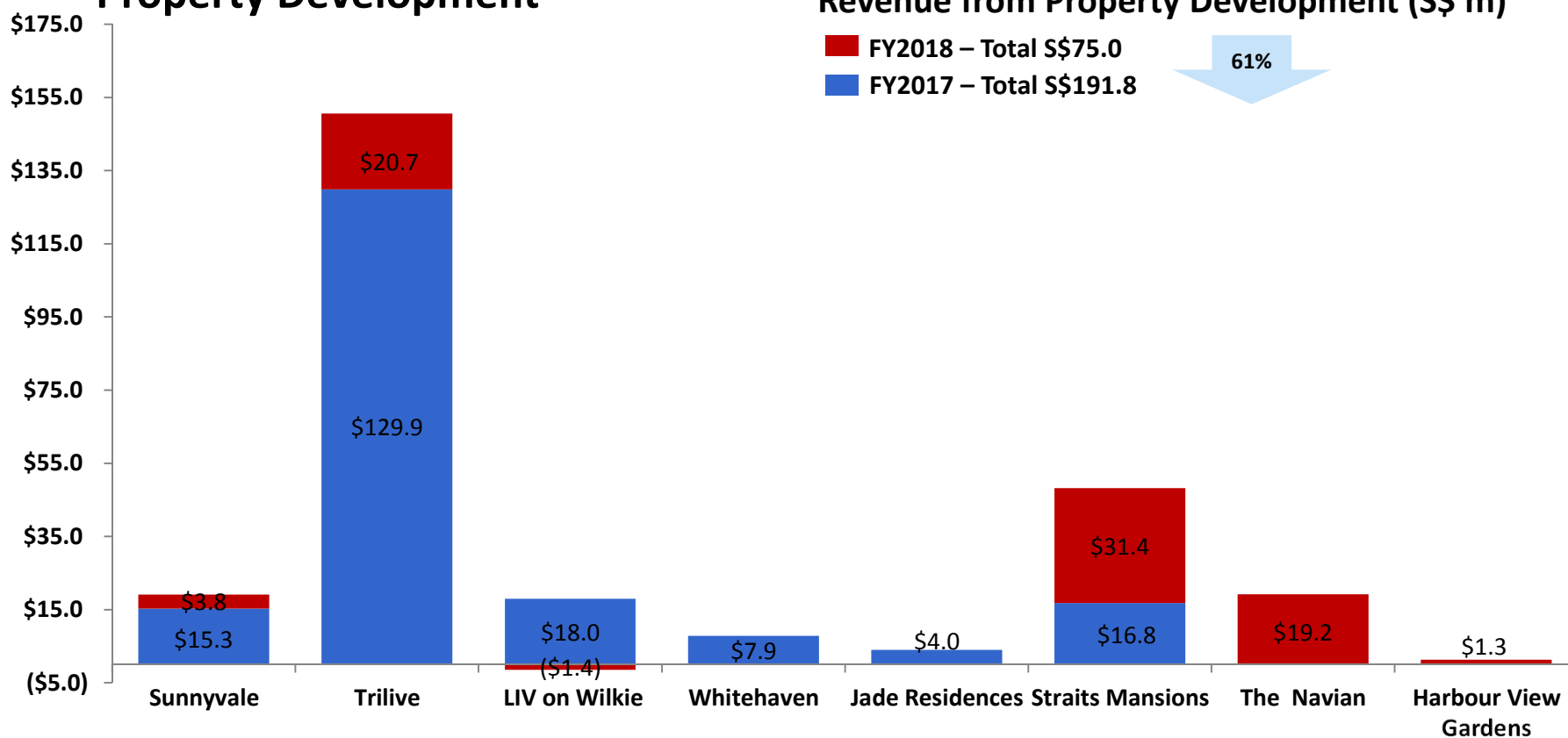
22nd February 2019

BUSINESS REVIEW
Property Development

Business Review

Property Development

Revenue from Property Development (S\$'m)



- FY2018 Property Development revenue was mainly attributable to Trilive, Straits Mansions and The Navian. The decrease in revenue was mainly due to lower revenue recognition from Trilive and Straits Mansions upon TOP obtained on 5 Jun 2018 and 31 Oct 2018 respectively and absence of revenue recognition from LIV on Wilkie and 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
- The Hensley, the development project in Australia, has obtained an Interim Occupation Certificate in Dec 2018. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million is to be recognised in January 2019.

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 31 December 2018 \$'m	Balance attributable progress billings to be recognised from 1Q2019 \$'m
Singapore							
1 The Navian	Residential	100%	48	92%	\$ 53.1	\$ 19.2	\$ 33.9
2 Harbour View Gardens	Residential	100%	57	98%	\$ 72.2	\$ 1.3	\$ 70.9
3 120 Grange	Residential	90%	56	80%	\$ 74.9	-	\$ 74.9
4 Bukit 828	Residential	80%	34	21%	\$ 5.9	-	\$ 5.9
5 Arena Residences ⁽ⁱⁱⁱ⁾	Residential	50%	98	42%	\$ 25.9	-	\$ 25.9
6 RV Altitude ^(iv)	Residential	100%	140	15%	\$ 32.9	-	\$ 32.9
7 Fyve Derbyshire ^(iv)	Residential	100%	71	14%	\$ 18.5	-	\$ 18.5
Malaysia							
5 Wisma Infinitum - The Colony	Residential	47%	423	72%	\$ 52.9	\$ 17.9	\$ 35.0
Wisma Infinitum - The Luxe	Residential	47%	300 ^(v)	42%	\$ 26.5	\$ 8.7	\$ 17.8
Australia							
Sydney							
6 The Hensley, Potts Point	Residential	100%	44	98%	\$ 64.1	-	\$ 64.1
	Shop	100%	1	100%	\$ 1.0	-	\$ 1.0
7 Octavia Killara	Residential	100%	43	98%	\$ 41.8	-	\$ 41.8
8 West End Residences, Tower 1 (Foundry)	Residential	100%	140	89%	\$ 126.8	-	\$ 126.8
West End Residences, Tower 2 (Art House)	Residential	100%	91 ^(iv)	86%	\$ 81.5	-	\$ 81.5
Total			1,546		\$ 678.0	\$ 47.1	\$ 630.9

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 12 February 2019

(ii) For overseas projects, sale value is based on contract signed up to 12 February 2019

(iii) Launched on 2 November 2018

(iv) Launched on 14 January 2019

(v) 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 in 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	Dunearn 386	35 units of Residential Development	19,203	26,884	100%	26,884	\$36.3
2	15, 17 & 19 Lorong Kismis	186 units of Residential Development	100,336	140,470	60%	84,282	\$78.4 ⁽¹⁾
3	22 Farrer Road	85 units of Residential Development	39,130	70,741	40%	28,296	\$39.5
4	NEU At Novena	87 units of Residential Development	22,198	65,585	50%	32,793	\$53.0
Total		393 units	180,867	303,680		172,255	\$207.2

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



Results Briefing Full Year Ended 31 December 2018

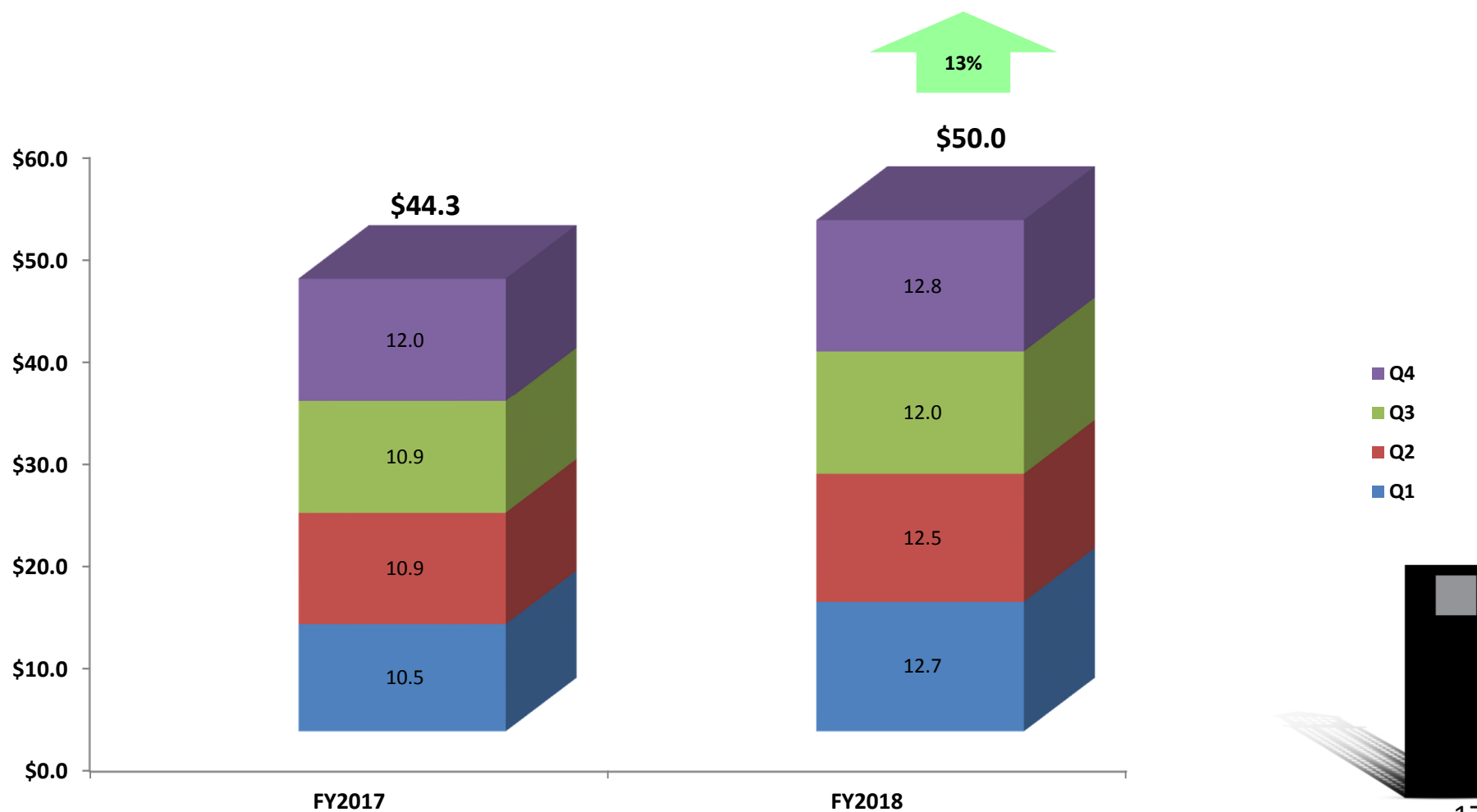
22nd February 2019

BUSINESS REVIEW *Hotel Ownership*

Business Review

Hotel Ownership – FY2018 Hotel Revenue (\$m)

► Hotel revenue increased 13% in FY2018 to S\$50.0m mainly due to contribution from Noku Osaka and Noku Maldives

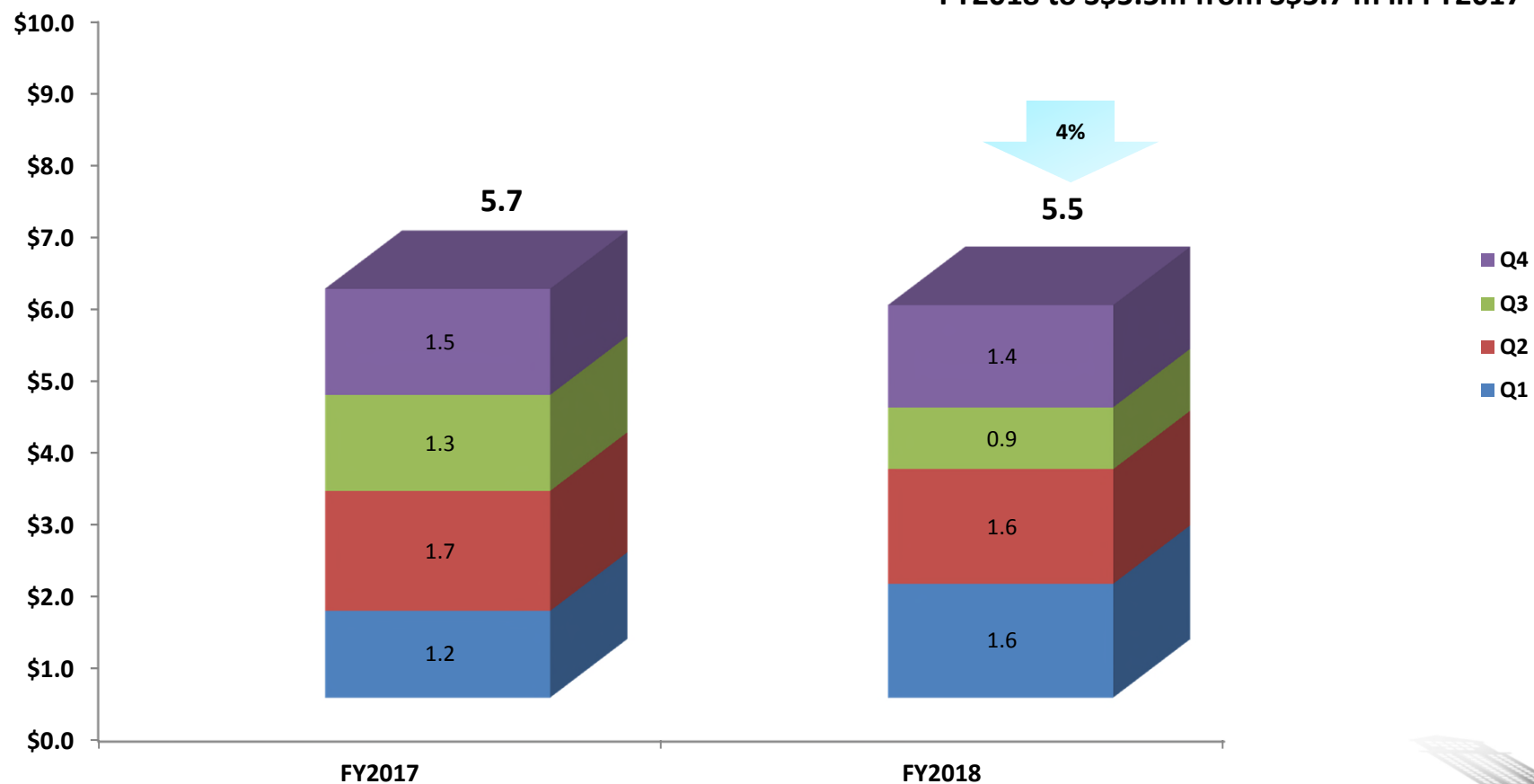


Business Review

Hotel Ownership – FY2018

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

Hotel net operating profit decreased 4% in FY2018 to S\$5.5m from S\$5.7 m in FY2017



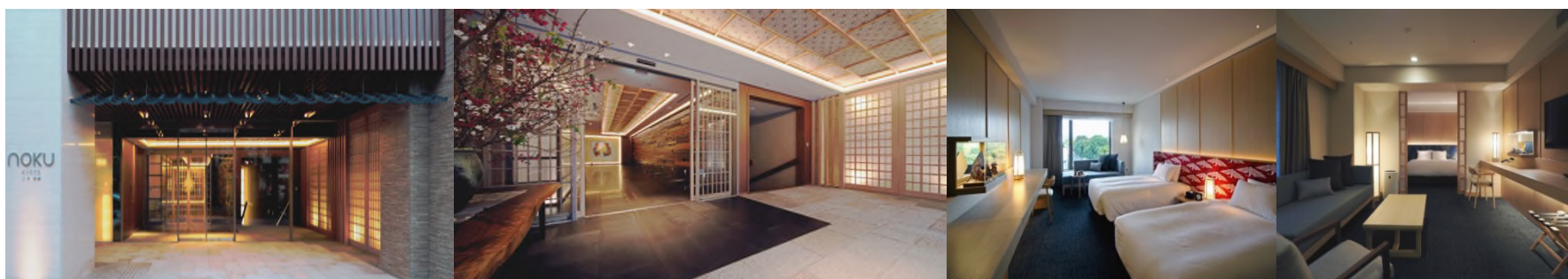
Hotel Net Operating Profits is defined as the earnings before interest, taxes, depreciation and amortisation.

Business Review

Hotels in operations/under development

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Noku Osaka	Noku Maldives	Noku Phuket (under development)
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
Managed by	Roxy under franchise with Accor Group	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"
Rooms	576 rooms	81 rooms	154 rooms	50 villas	91 rooms/villas
Date of TOP/acquisition	TOP in Sep 2000	2-Oct-14	17-Oct-17	11-May-16	6-Nov-14
Tenure	Freehold	Freehold	Freehold	Remaining 38 years leasehold	Freehold
Approximate Land Area (sq m)	15,172	940	886	89,896	46,878
Gross Floor area (sq m)	35,336	4,780	3,672.26	16,830	17,973
Valuation as at 31 Dec 2018	S\$525.6m	S\$37.2m (JPY3.01b)	S\$38.9m (JPY3.15b)	S\$51.8m (US\$38.0m)	S\$52.9m (THB 1.26b) ⁽¹⁾
Net Book Value as at 31 Dec 2018	S\$56.1m	S\$30.8m (JPY2.49b)	S\$39.0m (JPY3.16b)	S\$53.7m (US\$39.3m)	S\$15.6m (THB 372m)

(1) Based on the estimated value on completion. The estimated completion date is FY2020.



**Results Briefing
Full Year Ended 31 December 2018**

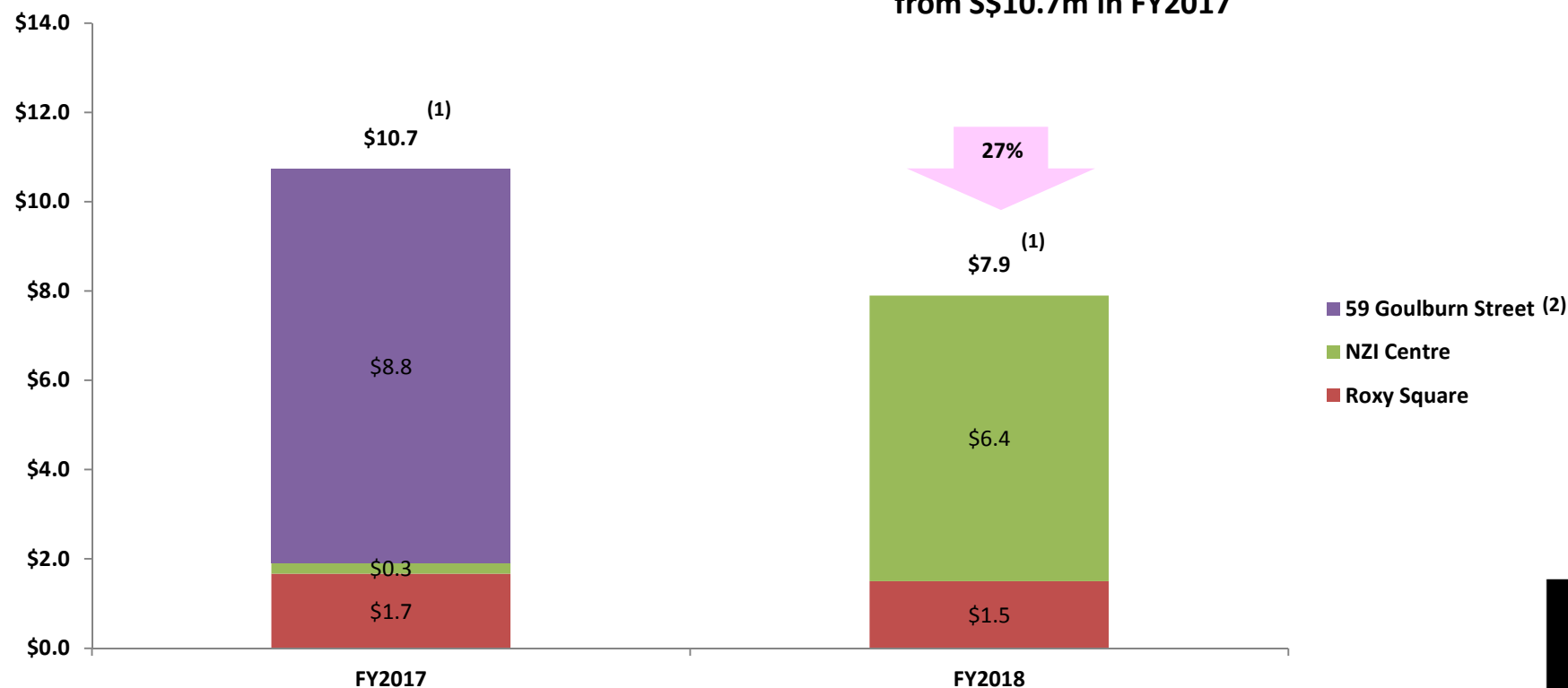
22nd February 2019

BUSINESS REVIEW
Property Investment

Business Review

Property Investment – FY2018 Revenue (\$\$'m)

➡ Rental income decreased 27% in FY2018 to S\$7.9m from S\$10.7m in FY2017



(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 31 December 2018 (on lettable area)	Valuation ⁽¹⁾ (\$)	Estimated Total Annual Gross Income (\$\$)
<u>Held by subsidiary company</u>								
1	50 East Coast Road, Roxy Square, Singapore	49 shop units ⁽²⁾	1984/1998	100%	2,371	92%	S\$64.8 m	1.6m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S\$61.7m (NZ\$67.3 m)	S\$6.2m (NZ\$6.8m)
	Total				11,817		\$ 126.5	
<u>Held by 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\$165.2 m (NZ\$180.2 m)	S\$12.3m (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\$77.0 m (A\$79.8 m)	S\$4.3m (A\$4.5m)
	Total				35,180		\$ 242.2	

(1) Based on latest valuations as of 31 December 2018

(2) Excludes 3 units which are for owner-use premises

(3) The commercial and retail building at 360 Little Bourke Street, Melbourne and the property at 36 Mavis Street, Revesby NSW, Australia are recorded as Property under Development

(1) As at 8 Jan 2019, The Group has completed the acquisition of the office building at 33 Argyle Street, Parramatta NSW, Australia



Roxy square



205 Queen Street

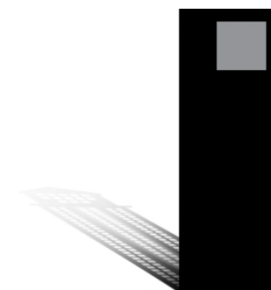


NZI Centre

Group Borrowing

Results Briefing Full Year Ended 31 December 2018

22nd February 2019



Group Borrowing

Debt Profile	31 Dec 2018	31 Dec 2017
Total borrowings (S\$m)	S\$1,042.9	S\$871.8
Net borrowings (S\$m)	S\$751.3	S\$549.3
Fixed rate loans (S\$m)	S\$226.0	S\$271.6
Fixed rate loans as % of total loans	22%	31%
Weighted average term for fixed rate loans	20 months	29 months
Weighted average interest rate (fixed rate loans)	3.1%	3.3%
Weighted average interest rate (floating rate loans)	2.9%	2.6%
Interest coverage ratio (times) ⁽¹⁾	3.3	4.3
Cash coverage ratio (times) ⁽²⁾	18.0	17.0

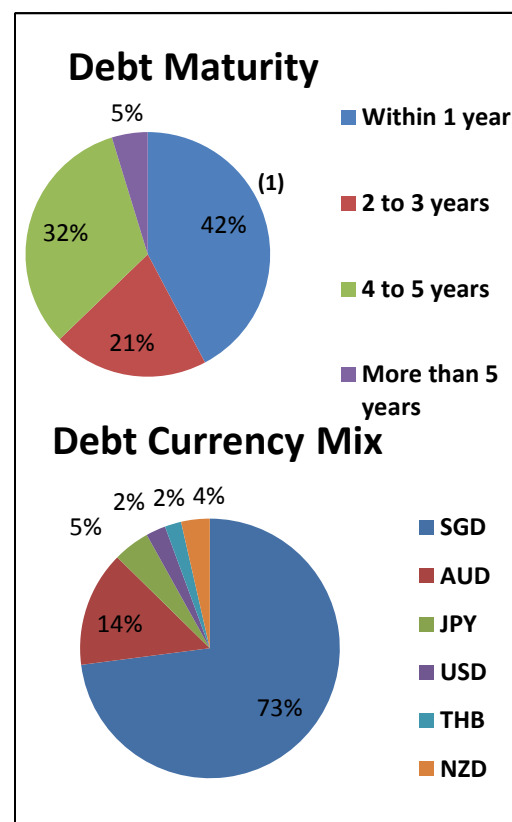
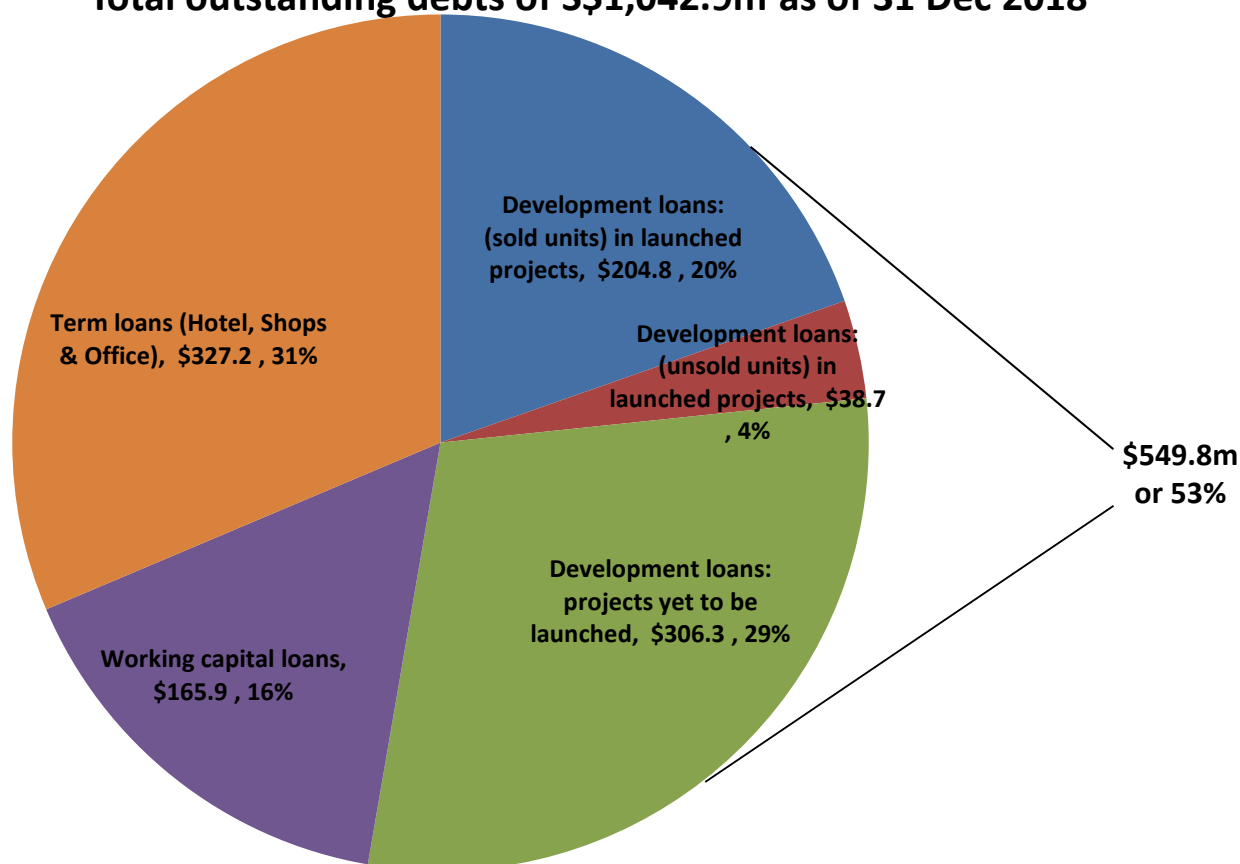
(1) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period

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

Group Borrowing

Debt Profile as at 31 Dec 2018 (\$\$m)

Total outstanding debts of S\$1,042.9m as of 31 Dec 2018



(1) S\$144.4 m relates to loans for sold units which is expected to be repaid upon obtaining TOP and collections from buyers of the properties. S\$101.2 m relates to revolving loans for shop units and Grand Mercure Roxy Hotel, Singapore and S\$64.7 m loans is secured by fixed deposits

Outlook

1. General

- According to advance estimates from the Ministry of Trade and Industry, Singapore's economy grew by 3.2% for 2018.¹
- The Reserve Bank of Australia had projected the Australia's GDP to grow a little above 3.0% over 2018 and 2019.²
- Japan's economy shrank at an annual rate of 2.5% in July-September quarter, due to natural disasters which weighed on capital expenditure.

2. Property Development

- URA reported that for the whole of 2018, prices of private residential properties increased by 7.9% as compared to the 1.1% increase in 2017.³
- In Australia, the price index for residential properties fell 1.5% in the September quarter and was down 1.9% year-to-date. On a y-o-y, Sydney registered decline of 4.4%.⁴
- The Group currently has four development sites in Singapore as its land bank. It plans to launch these sites for sale in the next few quarters, depending on market conditions.
- In Australia, the Group's residential development projects, The Hensley, has obtained an Interim Occupation Certificate in Dec 2018. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million will be recognised in January 2019.
- Octavia in Sydney are left with 1 unit for sale, while West End Glebe is overall 88% sold.
- As at 12th February 2019, pre-sale revenue from the development projects was S\$630.9 million, the profit of which will be recognised from 1Q2019 to FY2022.

¹ Ministry of Trade and Industry Singapore, February 15, 2019 – Singapore Maintains 2019 Growth Forecast at “1.5 to 3.5 Per Cent”

² Reserve Bank of Australia, 2018 – Statement on Monetary Policy – August 2018

³ Urban Redevelopment Authority, January 25, 2019 – Release of 4th Quarter 2018 real estate statistics

⁴ Australian Bureau of Statistics, September 2018 – Residential Property Price Indexes: Eight Capital Cities

Outlook

3. Hotel Ownership

- Latest statistics from STB showed that Singapore hit a record tourist arrivals and tourism receipts rose 1.0% to S\$27.1 billion in 2018. ⁵
- For 2019, STB expects further growth, with visitor arrivals to grow 1% to 4%, while tourism receipts are expected to grow between 1% and 3%. ⁵
- According to Japan National Tourism Organisation, the estimated number of international travelers to Japan in November 2018 has reached 2.5 million (+3.1% from the previous year). As of December 18, 2018, it hit a record of 30.0 million visitors. ⁶
- The Group resort in Maldives, was officially opened for operation in August 2018.
- The Group targets to open Noku Phuket in 2020.

4. Property Investment

- For the Australian office sector, 3Q2018 saw a 4 points drop to a 2-year low of 8 in the NAB Commercial Property Index, but has remained above its long-term average of 3 points ⁷
- As part of its strategy to increase recurring income streams, the Group recently acquired a 33 Argyle Street, Parramatta, NSW.
- The Group will continue to explore opportunities to strengthen its income streams and enhance shareholder value.

5. Healthy cash and bank balances of S\$291.6 million.

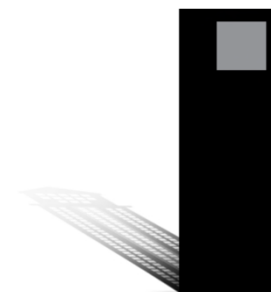
6. Net gearing remains healthy at 0.76 time, notwithstanding the completion of acquisition of development sites in Singapore and properties in Australia in FY2018.

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

⁵ *Singapore Tourism Board, February 13, 2019 – Third consecutive year of growth for Singapore tourism sector in 2018*

⁶ *Japan National Tourism Organisation – Japan Tourism Statistics*

⁷ *Australia National Bank, 22 October 2018 - NAB Quarterly Australian Commercial Property Survey Q3 2018*



**ROXY-PACIFIC
HOLDINGS LIMITED**

**Results Briefing
Full Year Ended 31 December 2018
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