



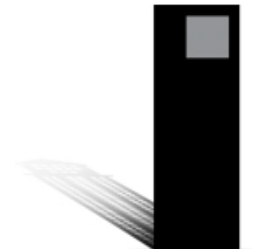
TOWARDS
SUSTAINABLE
FUTURE

**ROXY-PACIFIC
HOLDINGS LIMITED**

Results Announcement
Half Year Ended 30 June 2017
31st July 2017

Agenda

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



Financial Performance

2Q2017 & 1H2017 Overview

2Q2017

- Net profit attributable to shareholders decreased to S\$14.7 million in 2Q2017 (2Q2016: S\$19.9 million)
- 2Q2017 Group's revenue was S\$77.8 million (2Q2016: S\$98.4 million)
- Share of associates rise 29% to S\$4.7 million

1H2017

- Net profit attributable to shareholders decreased to S\$20.7 million in 1H2017 (1H2016: S\$29.8 million)
- 1H2017 Group's revenue was S\$143.2 million (1H2016: S\$201.4 million)
- Total pre-sale revenue of S\$469.3 million, which will be progressively recognised from 3Q2017 to 2020
- Good headroom with cash and cash equivalents of S\$223.9 million
- Net gearing remains healthy at 0.5 time notwithstanding the completion of acquisition of properties in Singapore in 1H2017
- Declares interim dividend of 0.214 SGD cents per share

Financial Performance

Financial Results	2Q2017	2Q2016	% change
Revenue (S\$m)	77.8	98.4	-21%
Gross Profit (S\$m)	13.8	19.5	-29%
Gross Margin (%)	18%	20%	-2ppt
Share of results of associates (net of tax) (S\$m)	4.7	3.6	29%
Pre-tax profit (S\$m)	25.4	27.3	-7%
Net Profit (S\$m)	15.3	20.6	-26%
Net Profit attributable to shareholders (S\$m)	14.7	19.9	-26%
EPS (SGD cents)	1.24	1.67	-26%

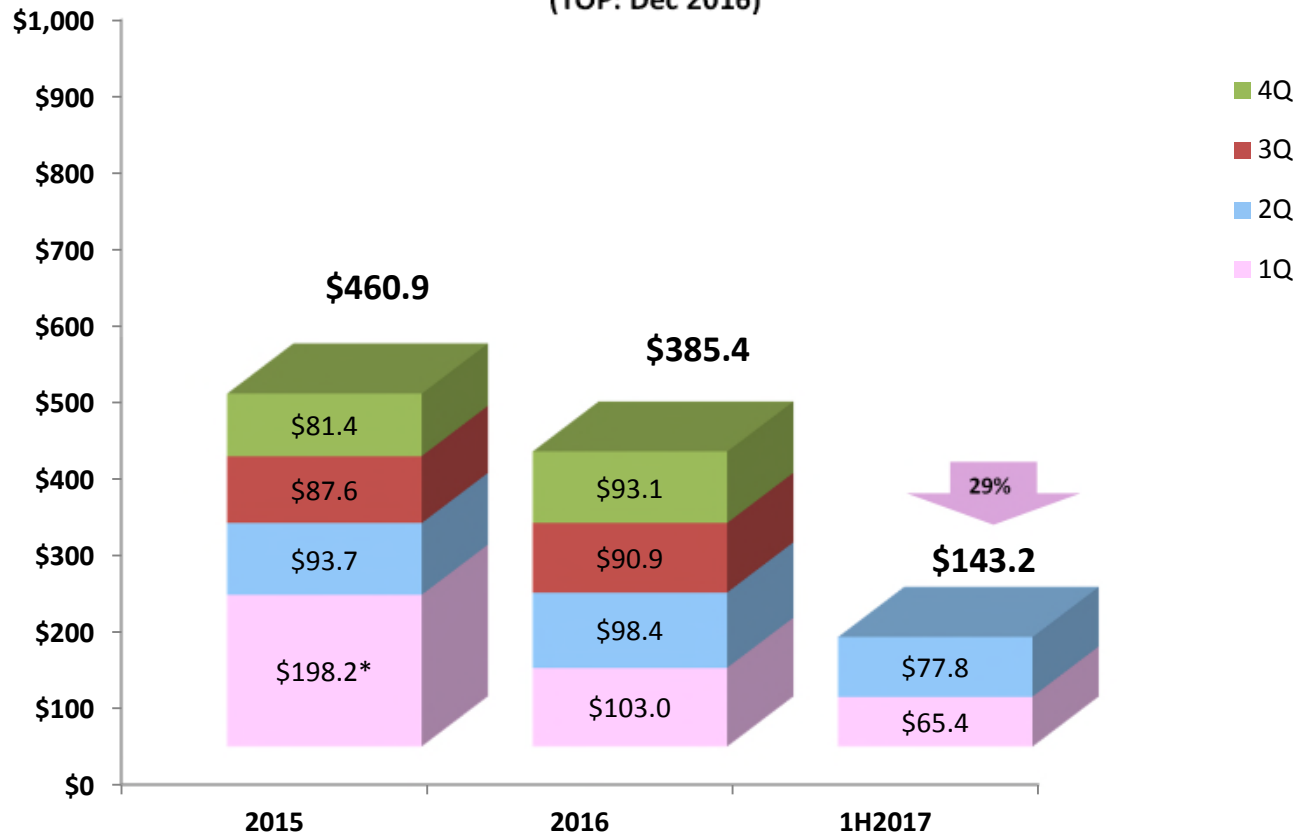
Financial Performance

Financial Results	1H2017	1H2016	% change
Revenue (S\$m)	143.2	201.4	-29%
Gross Profit (S\$m)	30.1	42.6	-29%
Gross Margin (%)	21%	21%	-
Share of results of associates (net of tax) (S\$m)	7.3	6.5	13%
Pre-tax profit (S\$m)	34.6	40.8	-15%
Net Profit (S\$m)	21.6	31.5	-31%
Net Profit attributable to shareholders (S\$m)	20.7	29.8	-31%
EPS (SGD cents)	1.73	2.50	-31%

Financial Performance

Financial Performance Turnover (\$'m)

- ▶ 2Q2017 revenue decreased by 21% to \$77.8m
- ▶ 1H2017 revenue decreased by 29% to \$143.2m 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)

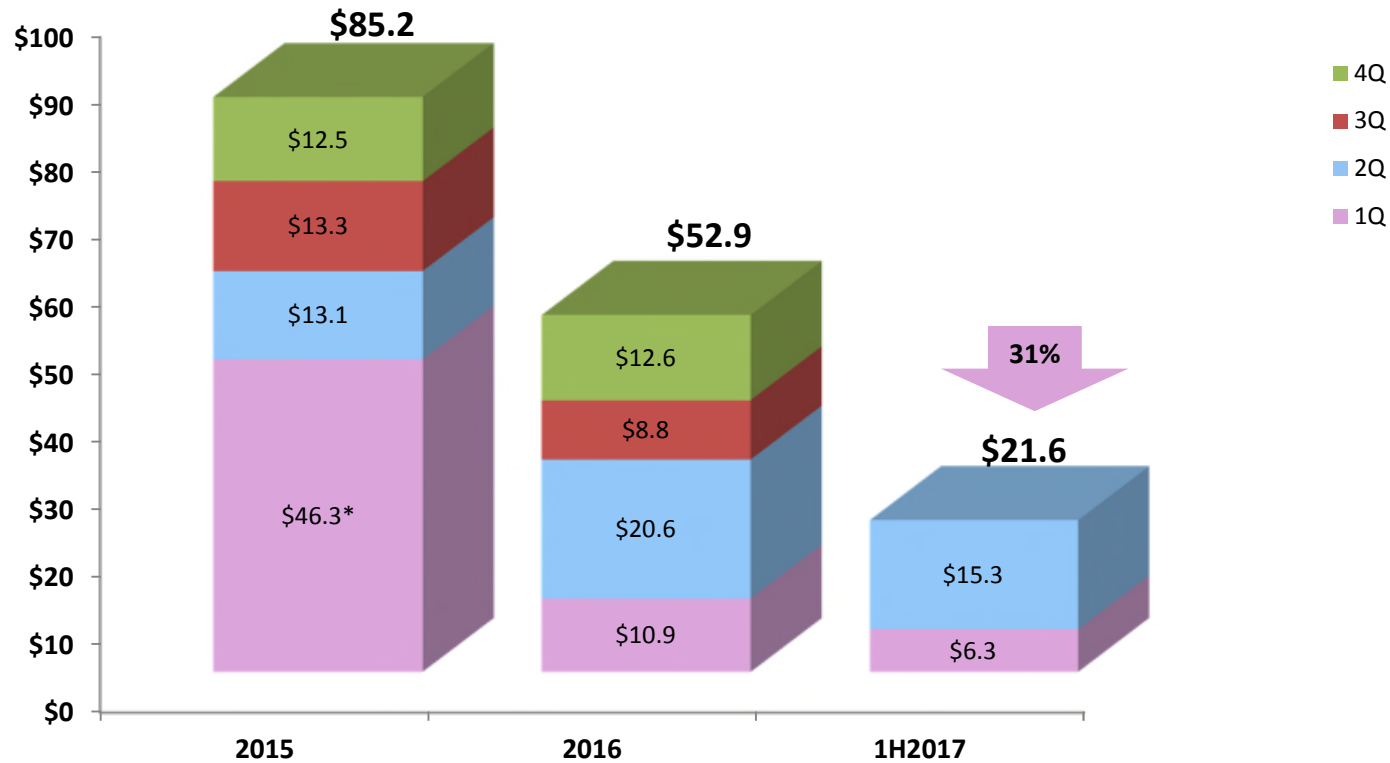


* Includes revenue recognised from Centropod@Changi amounting to S\$141.4m upon obtaining its TOP in Jan 2015

Financial Performance

Financial Performance Profit After Tax (S\$m)

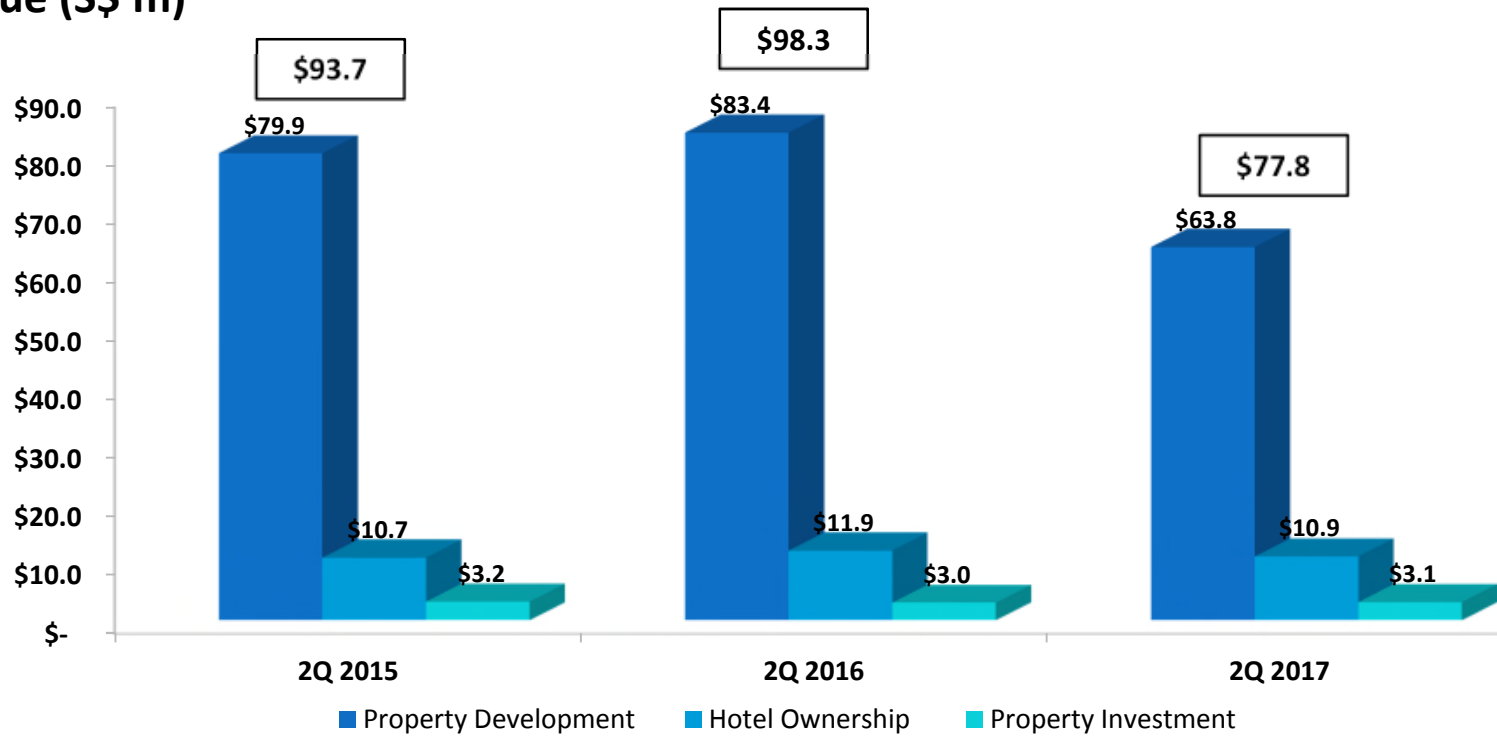
- ▶ 2Q2017 net profit decreased by 26% to S\$15.3m
- ▶ 1H2017 net profit decreased by 31% to S\$21.6m



* 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

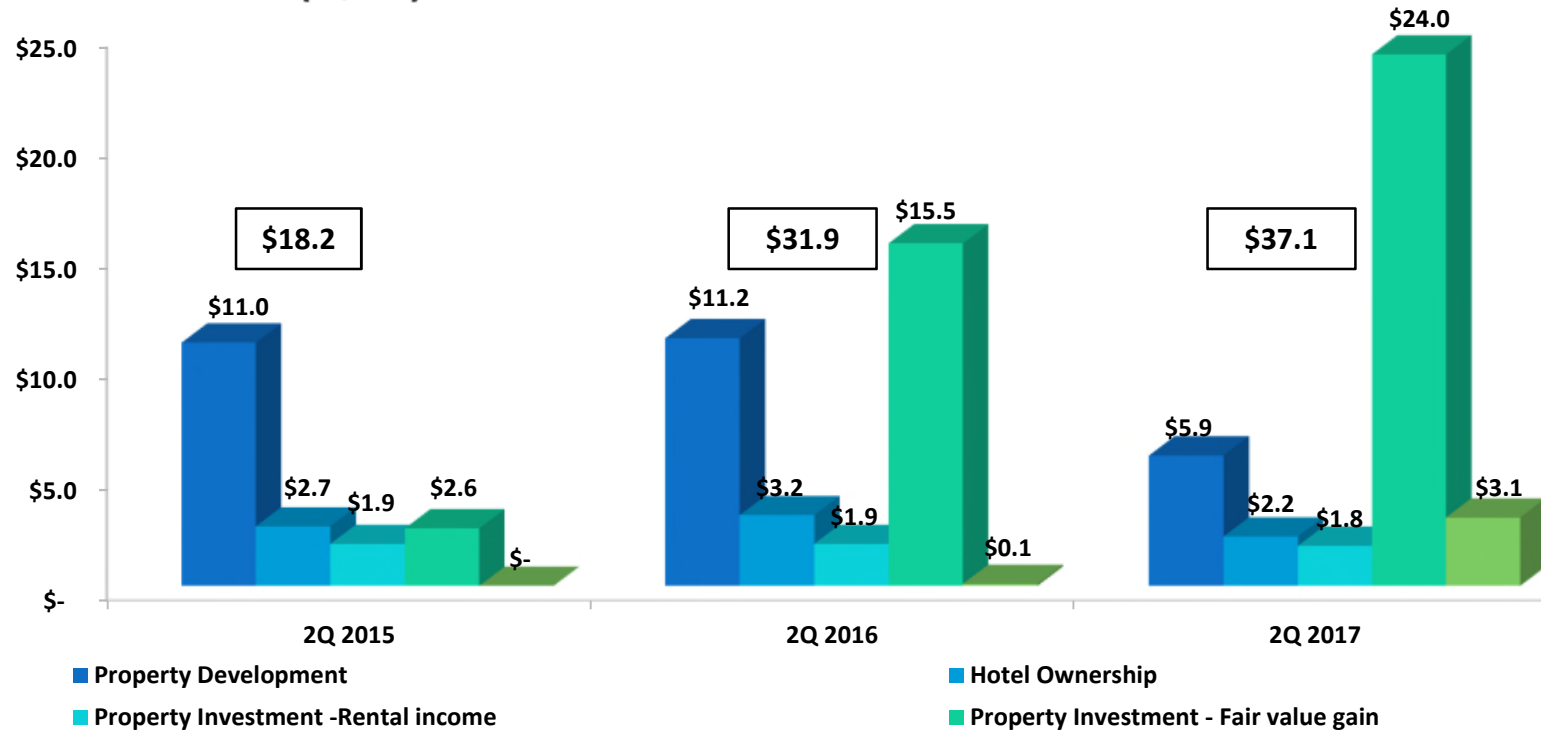
Segment Results – 2Q2017 Revenue (\$\$'m)



	2Q 2015	2Q 2016	2Q 2017
Property Development	85%	85%	82%
Hotel Ownership	11%	12%	14%
Property Investment	4%	3%	4%
	100%	100%	100%

Financial Performance

Segment Results – 2Q2017 Adjusted EBITDA* (\$S'm)

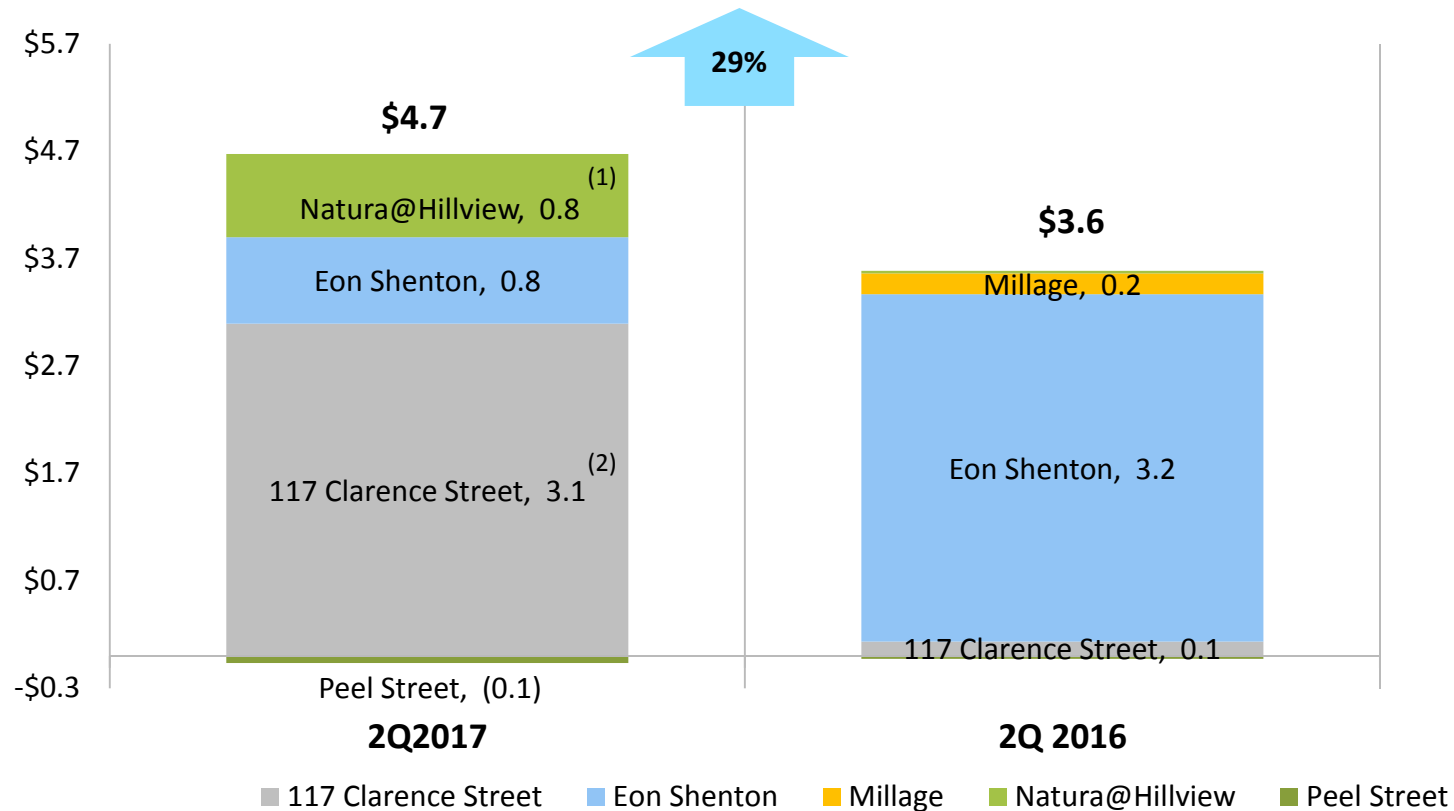


	2Q 2015	2Q 2016	2Q 2017
Property Development	60%	36%	16%
Hotel Ownership	15%	10%	6%
Property Investment - Rental income	11%	6%	5%
Property Investment - Fair value gain	14%	48%	65%
Property Investment - Share of result of associates	0%	0%	8%
	100%	100%	100%

* 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 Jun 2017 (S\$m)	31 Dec 2016 (S\$m)
Total assets	1,436.2	1,461.6
Total debt	794.7	832.7
Cash & cash equivalents ⁽¹⁾	223.9	237.3
Net debt	482.8	507.4
Net asset value (“NAV”)	503.2	491.3
Revaluation surplus ⁽²⁾	475.6	471.9
Adjusted net asset value (“ANAV”)	978.8	963.2

(1) Cash holdings include project account monies amounting to S\$77.7m as at 30 June 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\$634.9m as at 30 June 2017 (31 December 2016: S\$636.2m)

Financial Performance

Financial Ratios	30 Jun 2017	31 Dec 2016
NAV per share (SGD cents)	42.21	41.20
ANAV per share (SGD cents) ⁽¹⁾	82.09	80.79
Cash holdings per share (SGD cents) ⁽²⁾	18.78	19.90
Net debt to ANAV (times)	0.49	0.53
Total debt to ANAV (times)	0.81	0.86
Return on equity (%) ⁽³⁾	8.2%	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\$634.9m as at 30 June 2017 (31 December 2016: S\$636.2m)

(2) Cash holdings include project account monies amounting to S\$77.7m as at 30 June 2017 (31 December 2016: S\$112.1m) but exclude S\$88.0m pledged to banks and financial institution

(3) Represents annualised net profit attributable to equity holders of the Company, divided by equity attributable to owners of the Company

An aerial view of a modern residential complex. The image shows several high-rise apartment buildings with balconies, surrounding a central swimming pool area. The pool is surrounded by a wooden deck and lush greenery. The sky is blue with some clouds. The overall scene is bright and sunny.

**Results Announcement
Half Year Ended 30 June 2017**

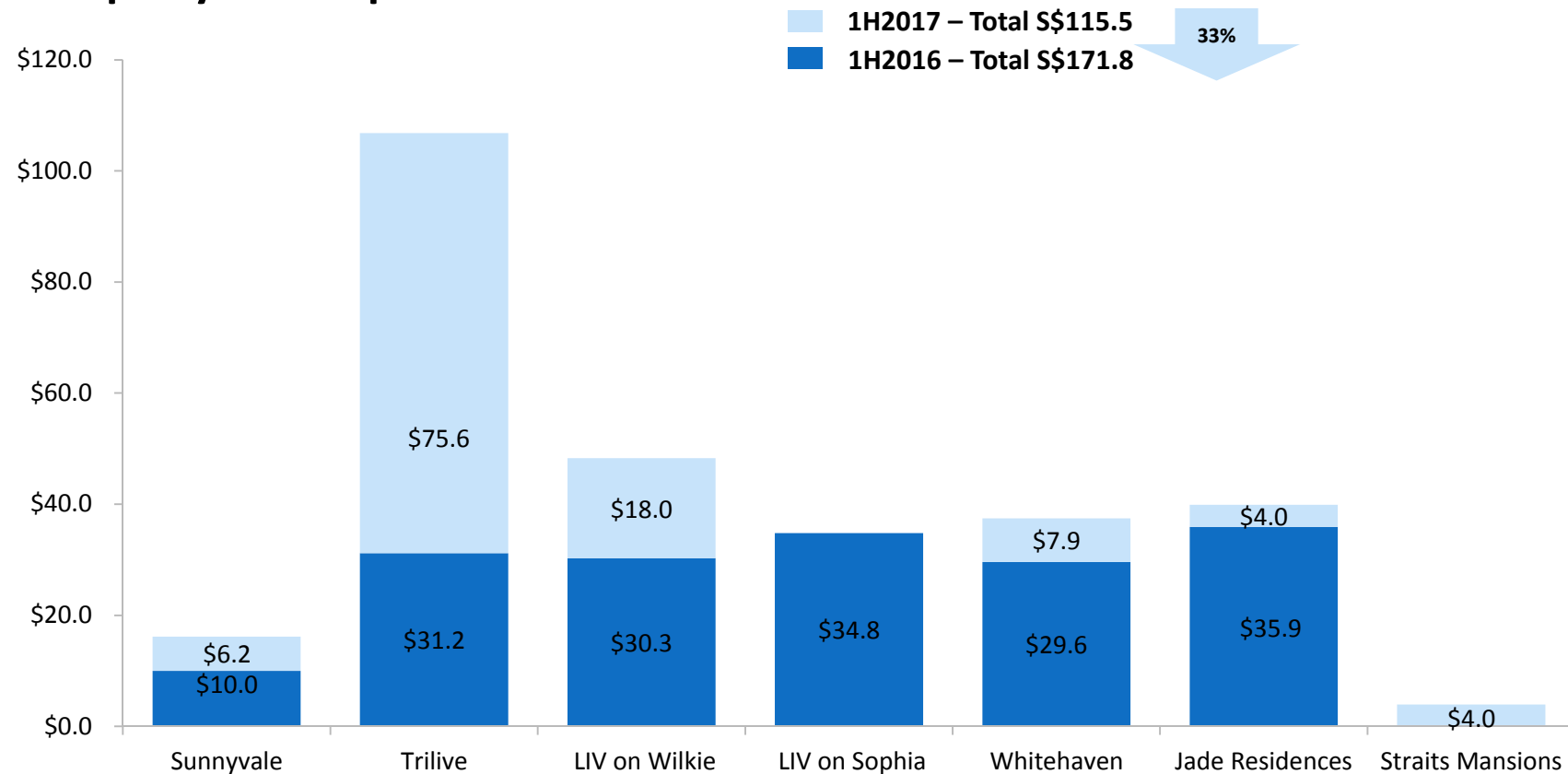
31st July 2017

BUSINESS REVIEW
Property Development

Business Review

Property Development

Revenue from Property Development (S\$m)



◆ 1H2017 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 (\$'m)

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value (i)(ii)	Attributable revenue recognised up to 30 June 2017	Balance attributable progress billings to be recognised from 3Q2017
			%	Unit	%	\$'m	\$'m	\$'m
	Singapore							
1	Eon Shenton	Office	20%	98	100%	\$ 60.1	\$ 55.3	\$ 4.8
		Residential	20%	132	98%	\$ 39.1	\$ 36.1	\$ 3.0
		Shop	20%	23	100%	\$ 4.8	\$ 4.4	\$ 0.4
2	Trilive	Residential	85%	222	99%	\$ 221.9	\$ 161.3	\$ 60.6
		Shop	85%	2	50%	\$ 0.7	\$ 0.5	\$ 0.2
3	Straits Mansions	Residential	100%	25	100%	\$ 48.2	\$ 4.0	\$ 44.2
	Malaysia							
4	Wisma Infinitum - The Colony by Infinitum	Residential	47%	423	69%	\$ 48.5	-	\$ 48.5
	Wisma Infinitum - The Luxe by Infinitum	Residential	47%	300 ⁽ⁱⁱⁱ⁾	10%	\$ 5.8	-	\$ 5.8
	Australia							
	Sydney							
5	The Hensley, Potts Point	Residential	100%	44	93%	\$ 70.3	-	\$ 70.3
		Shop	100%	1	100%	\$ 1.2	-	\$ 1.2
6	Octavia, Killara	Residential	100%	43	95%	\$ 50.4	-	\$ 50.4
7	West End Glebe, Block 1 (The Foundry)	Residential	100%	140 ^(iv)	84%	\$ 147.9	-	\$ 147.9
	South Brisbane							
8	New World Towers, Peel Street	Residential	40%	195 ^(v)	62%	\$ 32.0	-	\$ 32.0
	Total			1,648		\$ 730.9	\$ 261.6	\$ 469.3


- (i) For Singapore projects, sale value is based on Option to Purchase granted up to 20 July 2017.
(ii) For overseas projects, sale value is based on contract signed up to 20 July 2017.
(iii) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch.
(iv) Represents Block 1 of the development. Block 2 with an estimated 91 units is pending launch.
(v) Represents Tower 1 of the development. Tower 2 with an estimated 240 units is pending launch.

Business Review

Development Land Bank

	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)	Approximate Attributable Land Cost (foreign currency)
Singapore								
1	178,180,180A, 182 & 184 Jalan Eunos	48 units of Residential Development	2,433	3,242	100%	3,242	S\$25.2m	NA
2	211 – 223A Pasir Panjang Road	57 units of Residential Development	2,856	3,998	100%	3,998	S\$33.3m	NA
3	120 Grange Road	56 units of Residential Development	1,466	3,079	90%	2,771	S\$43.6m	NA
4	826/A - 834/A Upper Bukit Timah Road	34 units of Residential Development	953	2,382	80%	1,906	S\$13.6m	NA
Australia								
5	54 & 85 Bracks Street, North Fremantle, Perth, Australia ⁽¹⁾	Industrial land; to be rezoned for Commercial & Residential use	45,463	TBC.	20.2%	TBC.	S\$12.8m	AUD11.9m
Total			53,171				S\$128.5m	

(1) The properties are currently zoned as “Industrial” by the relevant Australian authorities. A decision to on-sell or redevelop the land will be made by the joint venture upon successful rezoning of the property for commercial and residential use



**Results Announcement
Half Year Ended 30 June 2017**

31st July 2017

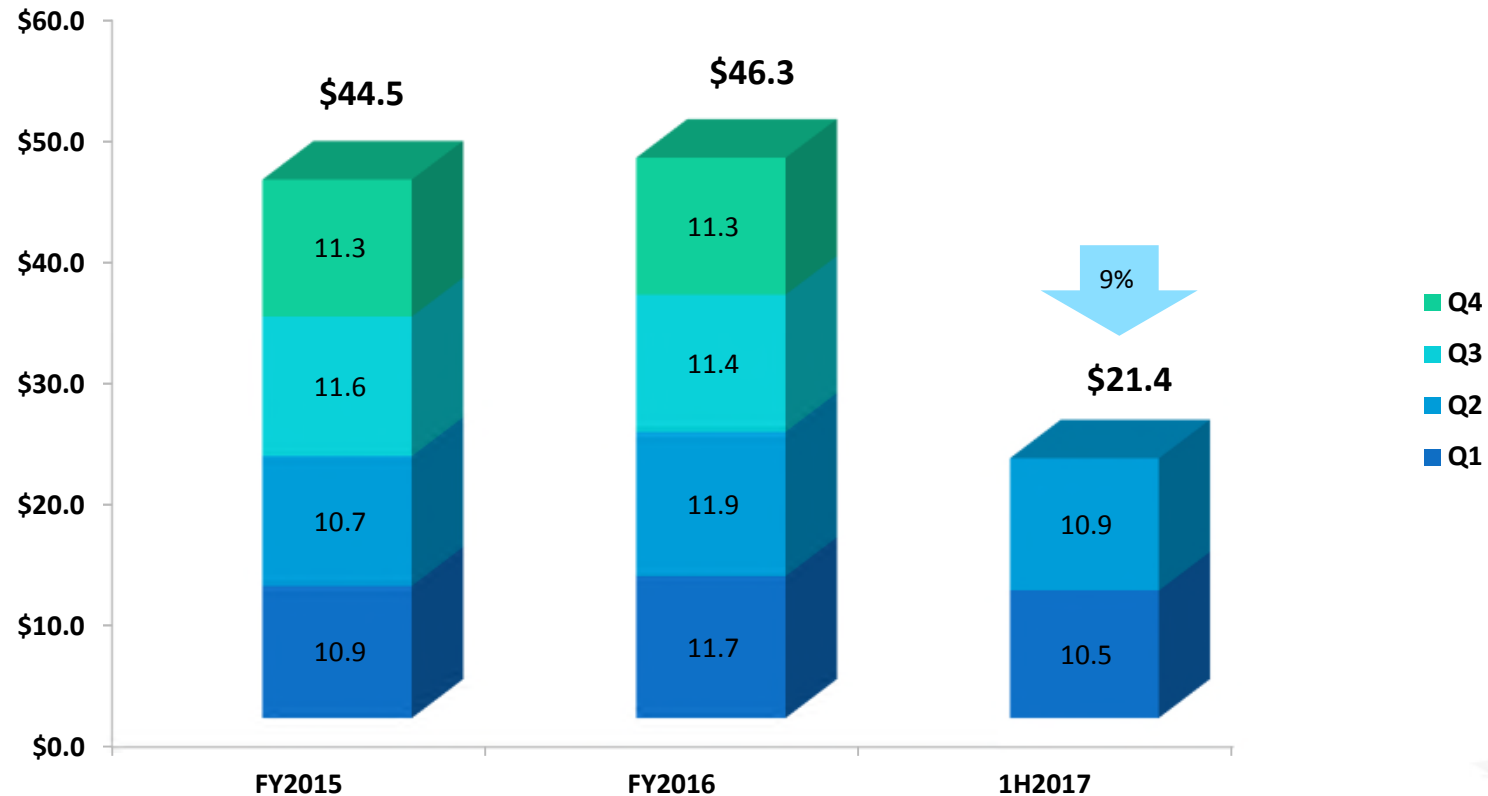
BUSINESS REVIEW
Hotel Ownership

Business Review

Hotel Ownership – 1H2017

Hotel Revenue (\$m)

➔ Hotel revenue decreased 9% in 1H2017 to S\$21.4m from S\$23.6m in 1H2016 mainly due to lower RevPar of Grand Mercure Roxy Hotel

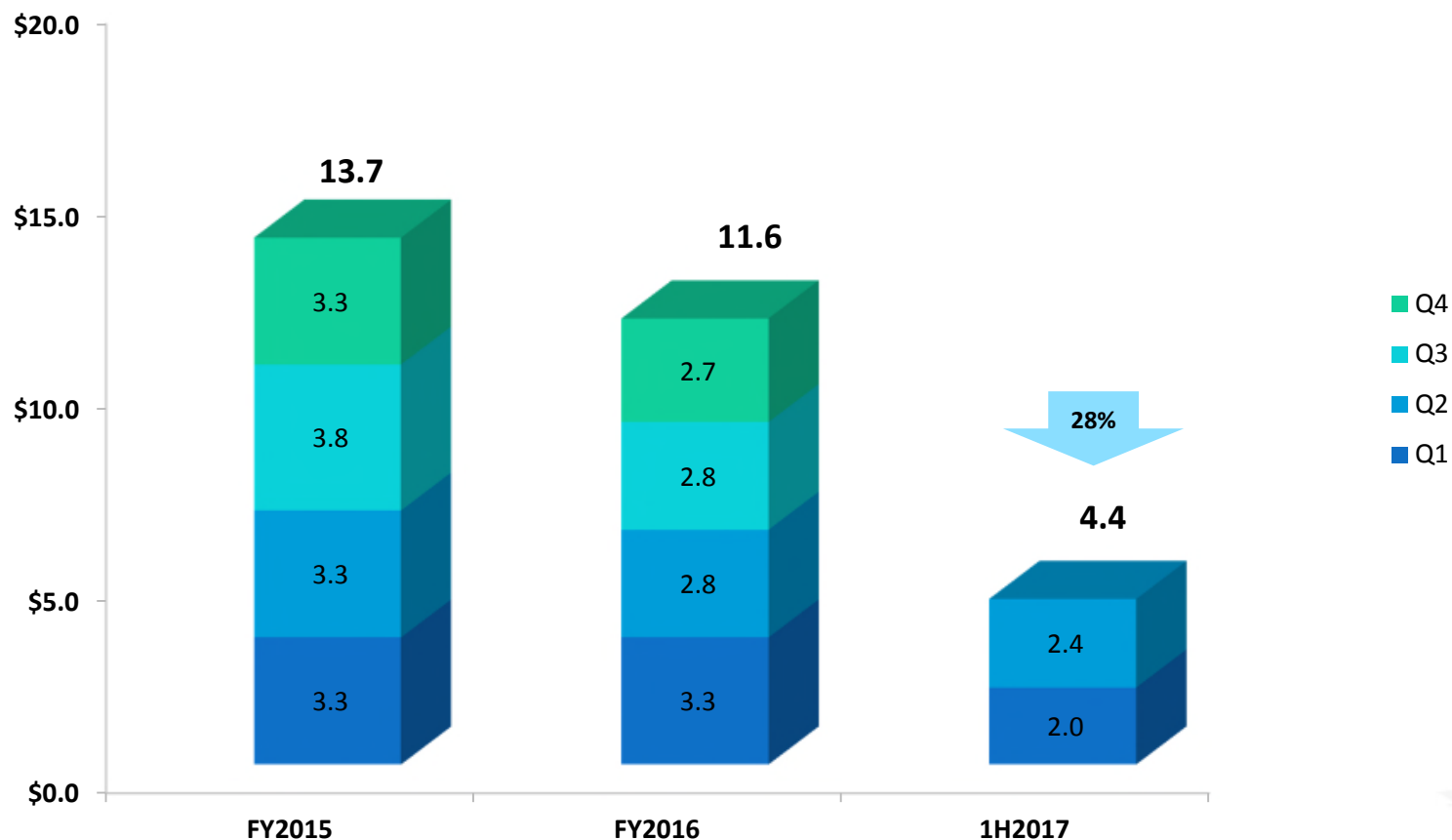


Business Review

Hotel Ownership – 1H2017

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

▶ Hotel net operating profit decreased 28% in 1H2017 to S\$4.4m from S\$6.1m in 1H2016



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

Business Review

Noku Roxy Hotels under development/renovation

Hotel Name	Location	Group's stake	Tenure	Approximate Land area (sq m)	Attributable Gross Floor area (sq m)	No. of rooms	Commencement of hotel operation/ Estimated completion date
Hotel under development in Phuket	48/13 Moo 6, Chaofa Road, Phuket, Thailand	100%	Freehold	46,878	22,974	Approx. 91 rooms/villas	2019
Roxy Maldives Resort	Island of Kudafunafaru, Noonu Atoll, Maldives	100%	Remaining 40 years leasehold	89,896	16,380	50 villas	4Q2017
			Total	136,774			





**Results Announcement
Half Year Ended 30 June 2017**

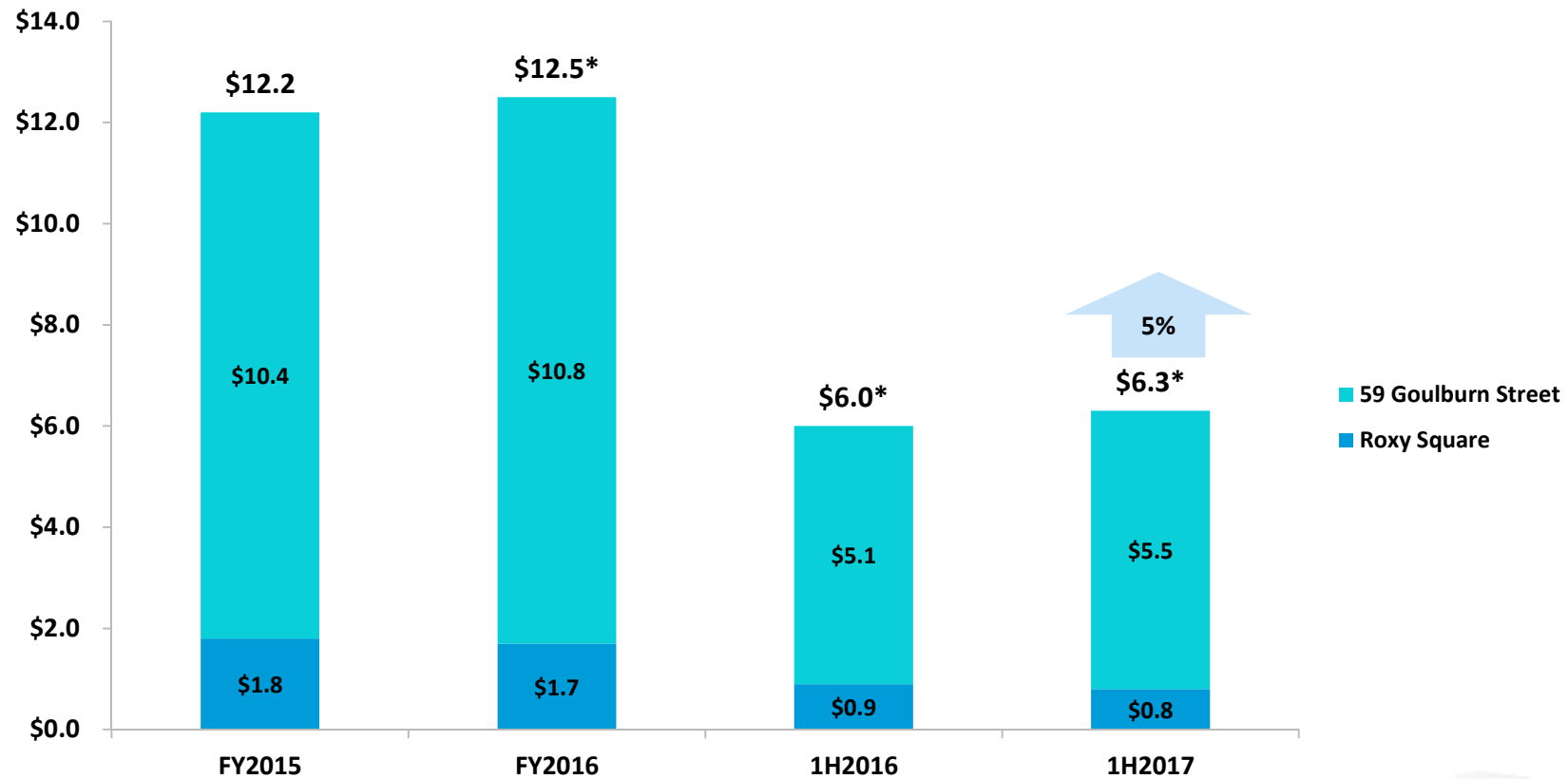
31st July 2017

BUSINESS REVIEW
Property Investment

Business Review

Property Investment – 1H2017 Revenue (S\$m)

▀ Rental income increased 5% in 1H2017 to S\$6.3m from S\$6.0m in 1H2016



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

Business Review

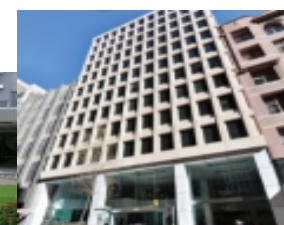
Investment Properties

	Location	Description	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 June 2017 (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	47 shop units ⁽²⁾	100%	2,352	95%	S\$62.9m	\$1.8m
2	59 Goulburn Street, Sydney, Australia ⁽³⁾	28-Storey commercial building	100%	19,410	98%	S\$161.7m (A\$152.8m)	\$11.2m
	Total			21,762		S\$224.6m	
	<u>Held by an Associate company</u>						
1	117 Clarence Street, Sydney, Australia	14-Storey commercial building	50%	12,538	100%	S\$116.4m (A\$110.0m)	\$7.5m

- (1) Based on latest valuations as of 30 June 2017
- (2) Excludes 5 units which are for owner-use premises
- (3) Entered into a definitive sale and purchase agreement on 14 July 2017 to sell the office building



Roxy square



117 Clarence Street



59 Goulburn Street

Group Borrowing

Results Announcement Half Year Ended 30 June 2017

31st July 2017

Group Borrowing

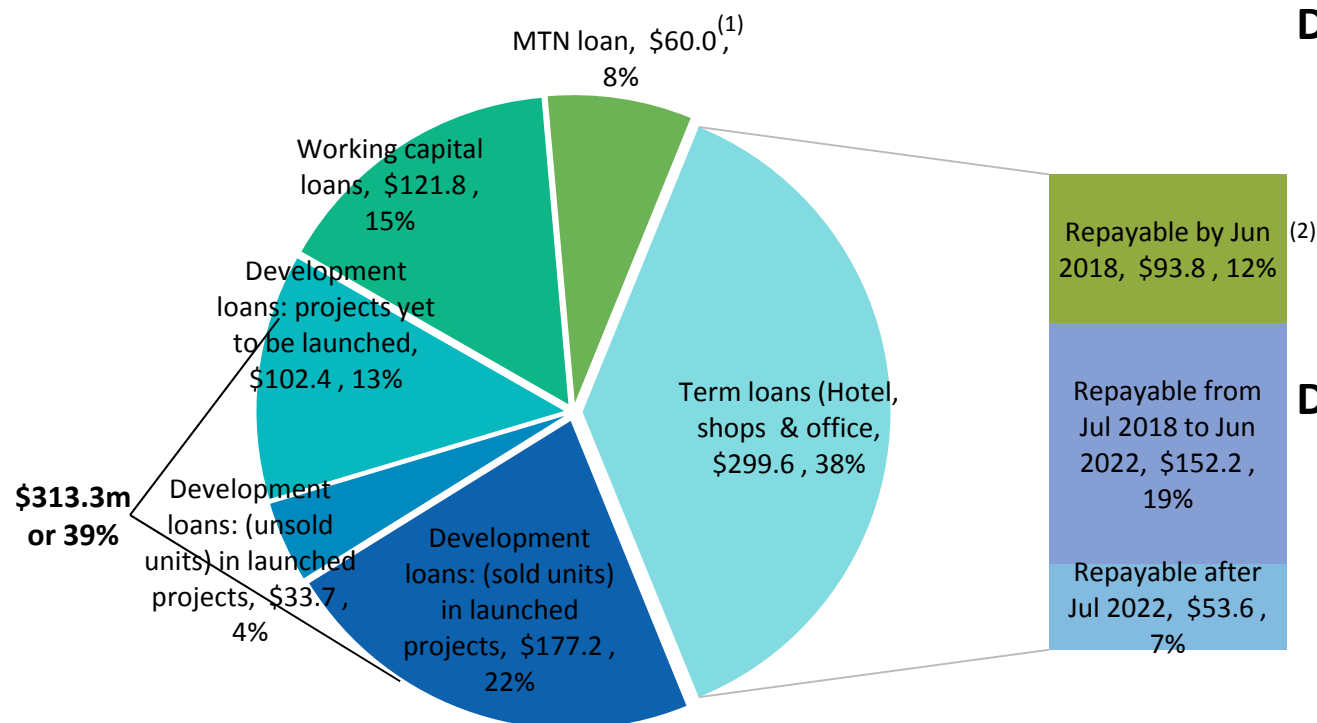
Debt Profile	30 Jun 2017	31 Dec 2016
Total borrowings (S\$m)	S\$794.7	S\$832.7
Fixed rate loans (S\$m)	S\$356.2	S\$357.4
Fixed rate loans as % of total loans	45%	43%
Weighted average term for fixed rate loans	13 months	14 months
Weighted average interest rate (fixed rate loans)	3.2%	2.7%
Weighted average interest rate (floating rate loans)	2.5%	2.5%
Interest coverage ratio (times) ⁽¹⁾	5.5	5.4

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

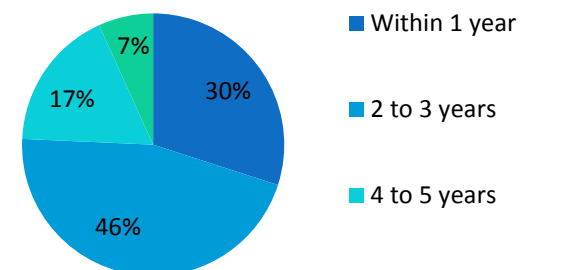
Group Borrowing

Debt Profile as at 30 Jun 2017 (S\$m)

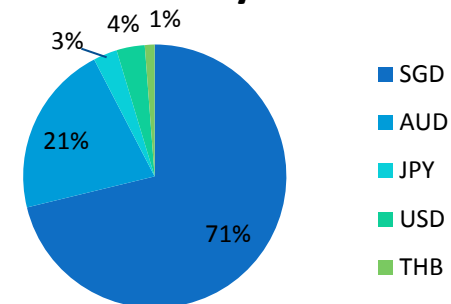
Total outstanding debts of S\$794.7m as of 30 Jun 2017



Debt Maturity



Debt Currency Mix



(1) S\$60.0m MTN loan is repayable in July 2018

(2) Includes term loan of S\$62.0m office building at 59 Goulburn Street, Australia

Outlook

1. General

- Advance estimates from MTI showed that the Singapore economy grew by 2.5% y-o-y in 2Q2017, the same pace of growth as 1Q2017¹
- The Reserve Bank of Australia had projected that the country's GDP will grow between 2.5% and 3.5% for the year ended December 2017²

2. Property Development

- Latest statistics from the Urban Redevelopment Authority showed that prices of residential properties decreased by 0.1% in 2Q2017, compared with the 0.4% decline in 1Q2017³
- In Australia, residential property prices rose 2.2% for the March quarter in 2017, led by growth in Sydney and Melbourne of 3.0% and 3.1%, respectively⁴
- In Australia, the Group received overwhelming response for Phase 1 of West End Glebe (The Foundry) and is currently 84% sold.
- The Group's property development presale revenue was S\$469.3 million⁵, the profit of which will be progressively recognised from 3Q2017 to 2020

3. Hotel Ownership

- The Singapore Tourism Board maintains a conservative outlook for 2017, forecasting international visitor arrivals to grow between 0% and 2%.
- The Group looks forward to continue strengthening recurring income streams

4. Property Investment

- The Group's investment in Goulburn Street and 117 Clarence Street, Sydney, Australia, have continued to contribute strong recurring income to its Property Investment segment in 1H2017
- On 14 July 2017, the Group entered into a sale and purchase agreement to sell 59 Goulburn Street for AUD158 million
- The Group will continue to actively look for acquisitions and investment opportunities that offer high yield potential

5. Strong cash and cash equivalents of S\$223.9 million

6. Net gearing remains healthy at 0.5 time

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

(1) Ministry of Trade and Industry Singapore, July 14, 2017 – Singapore's GDP grew by 2.5 per cent in the second quarter of 2017

(2) Reserve Bank of Australia, May 2017 – Statement on Monetary Policy, Table 6.1: Output Growth and inflation forecasts

(3) Urban Redevelopment Authority, July 28, 2017 – URA Releases of 2nd Quarter 2017 real estate statistics

(4) Australian Bureau of Statistics, June 20, 2017 – Residential Property Price Indexes: Eight Capital Cities, Mar 2017

(5) As at July 20, 2017

**ROXY-PACIFIC
HOLDINGS LIMITED**

**Results Announcement
Half Year Ended 30 June 2017
31st July 2017**

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THANK YOU

