ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
3rd Quarter Ended 30 September 2016
28th October 2016






Roxy-Pacific Holdings Limited

STRIKING
A BALANCE FOR
SUSTAINABLE
GROWTH

Agenda

- Financial Performance
- Business Review
- Group Borrowings
- Outlook

Financial Performance

Overview – 3Q2016 & 9M2016

3Q2016

- 3Q2016 Group's revenue was S$90.9 million as compared to S$87.6 million
- Hotel revenue decreased to S$11.4 million in 3Q2016 (3Q2015: S$11.6 million)
- Share of results of associates rise 13% to S$4.0 million (3Q2015: S$3.6 million)
- Strong take-up rate of close to 85% for Straits Mansion, 88% for Octavia and over 84% for The Hensley

9M2016

- 9M2016 Group's revenue was S$292.3 million as compared to S$379.6 million due to the absence of revenue recognition from completion of Centropod@Changi
- Net profit attributable to shareholders decreased to S$37.9 million in 9M2016 (9M2015: S$72.8 million)
- Total pre-sale revenue of S$399.2 million, the profit of which will be progressively recognised from 4Q2016 to 2020
- Strong cash and cash equivalents of S$238.7 million
- Net gearing remains healthy at 0.6 time notwithstanding the completion of acquisition of properties in Australia and Singapore and Maldives resort in 9M2016.

Financial Performance

Financial Results	3Q2016	3Q2015	% change
Revenue (S$'m)	90.9	87.6	4%
Gross Profit (S$'m)	18.5	23.1	-20%
Gross Margin (%)	20%	26%	-6 ppt
Share of results of associates (net of tax) (S$'m)	4.0	3.6	13%
Pre-tax profit (S$'m)	10.9	15.5	-30%
Net Profit (S$'m)	8.8	13.3	-34%
Net Profit attributable to shareholders (S$'m)	8.1	13.2	-39%
EPS (SGD cents)	0.7	1.1	-36%

Financial Performance

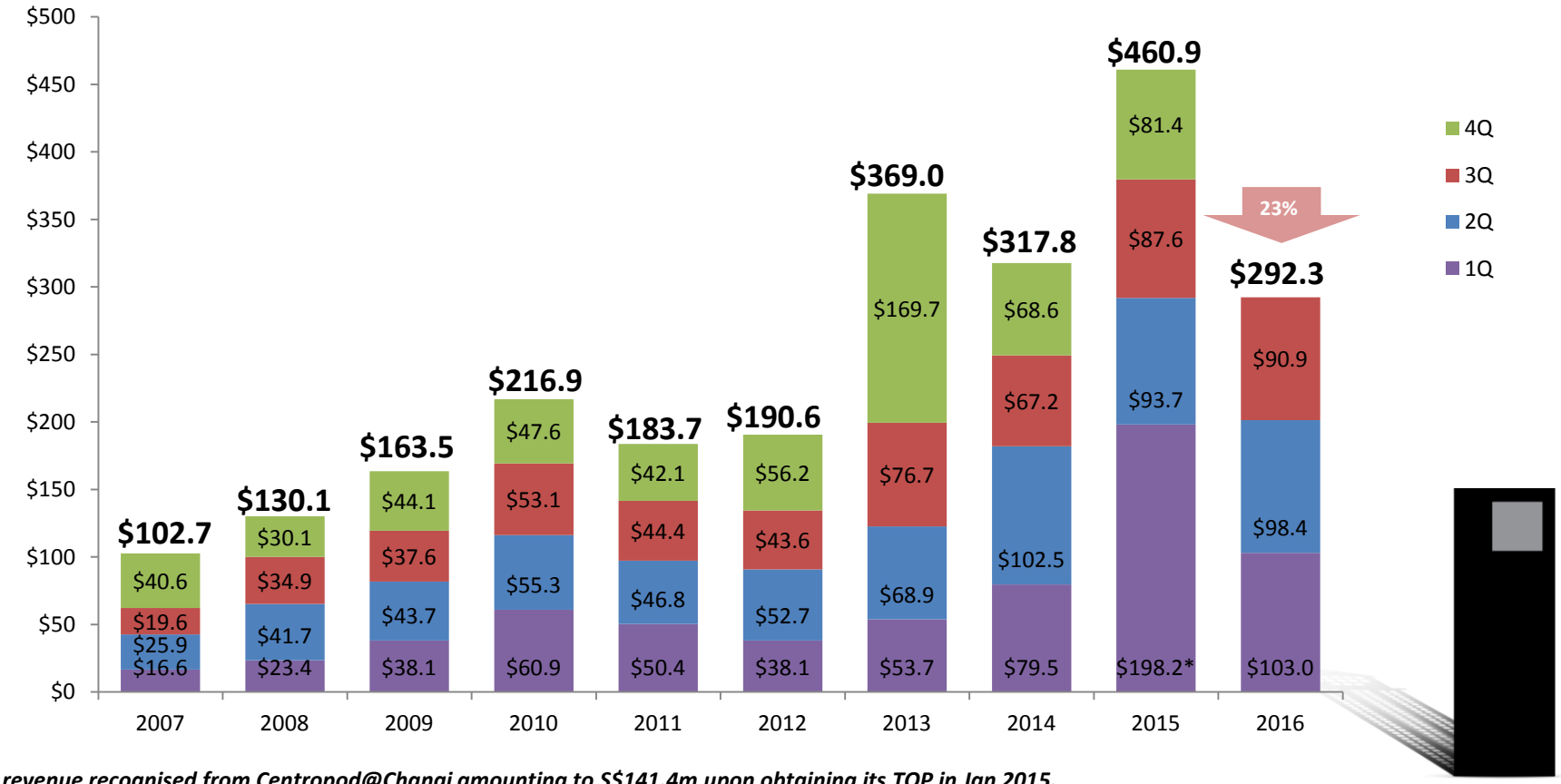
Financial Results	9M2016	9M2015	% change
Revenue (S$'m)	292.3	379.6	-23%
Gross Profit (S$'m)	61.0	109.8	-44%
Gross Margin (%)	21%	29%	-8 ppt
Share of results of associates (net of tax) (S$'m)	10.5	9.2	14%
Pre-tax profit (S$'m)	51.7	84.6	-39%
Net Profit (S$'m)	40.3	72.8	-45%
Net Profit attributable to shareholders (S$'m)	37.9	72.8	-48%
EPS (SGD cents)	3.2	6.1	-48%

Financial Performance

Financial Performance

Turnover Trend (S$'m)

- 3Q2016 revenue increased by 4% to S$90.9m
- 9M2016 revenue decreased by 23% to S$292.3m mainly due to absence of revenue recognition from Centropod@Changi
- Excluding Centropod@Changi, revenue increased by 23%.



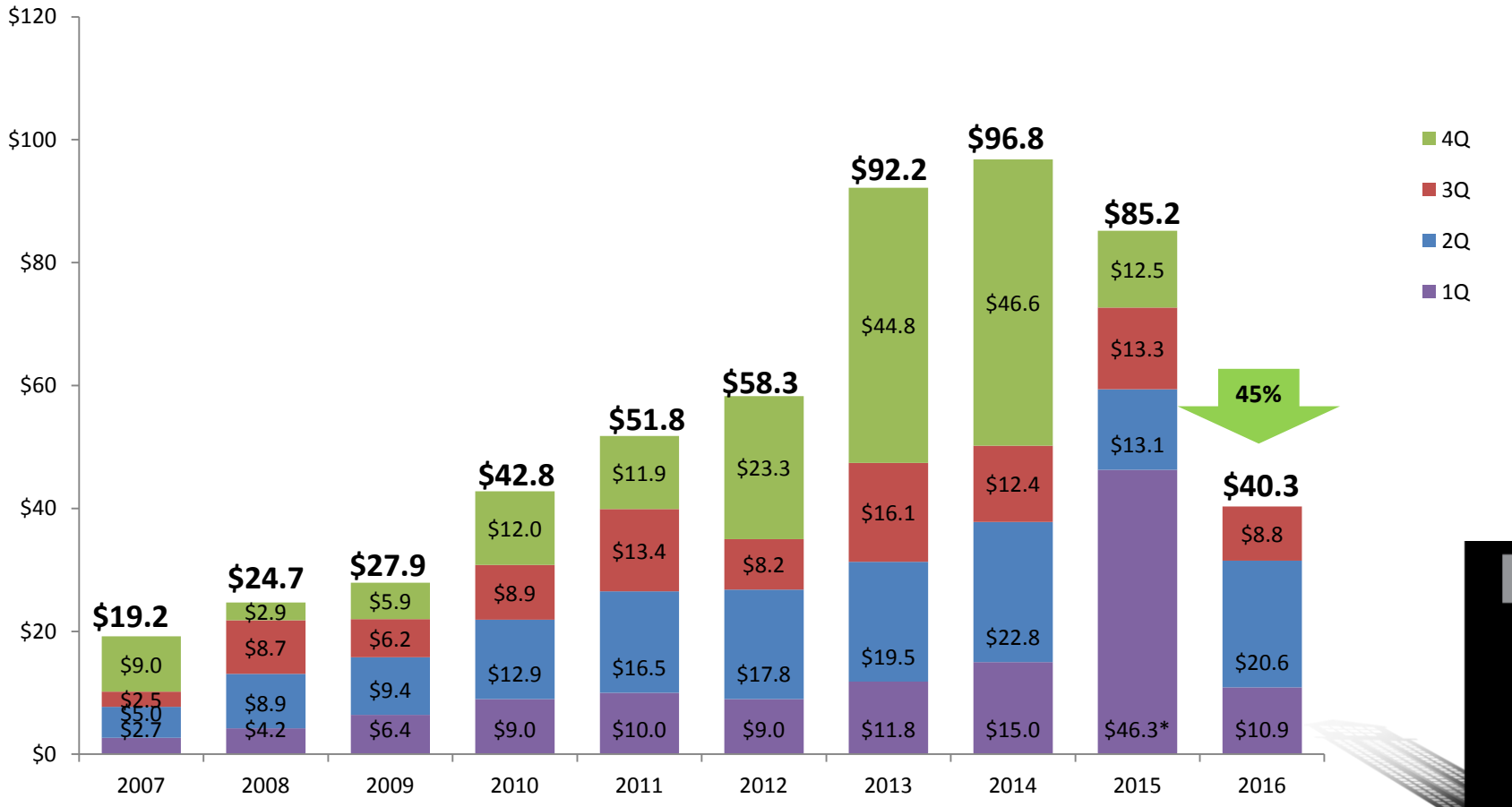
** includes revenue recognised from Centropod@Changi amounting to S$141.4m upon obtaining its TOP in Jan 2015.*

Financial Performance

Financial Performance

Profit Trend (S$'m)

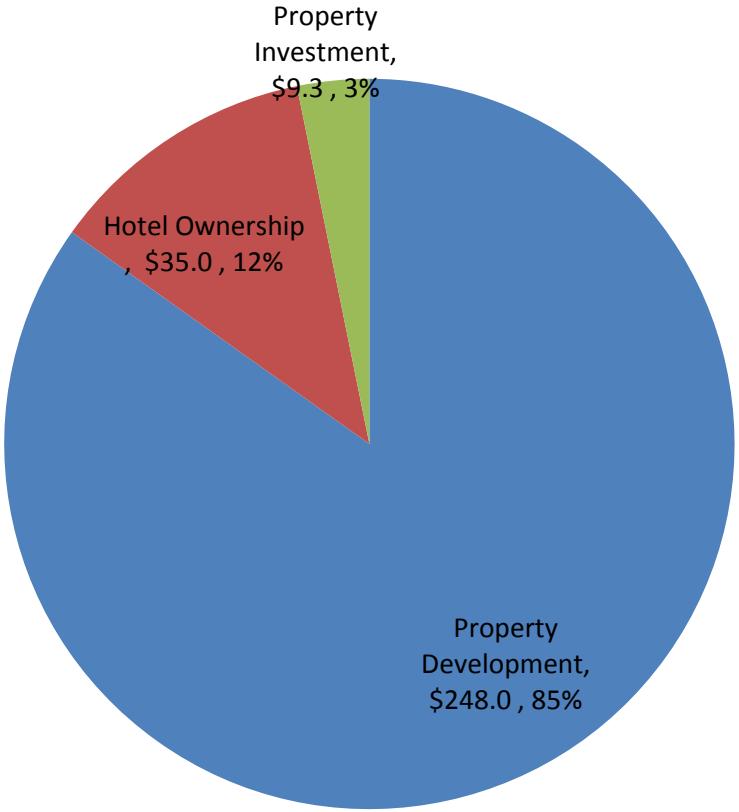
- **9M2016 net profit decreased by 45% to S$40.3m**
- **Excluding Centropod@Changi, net profit increased by 45%**



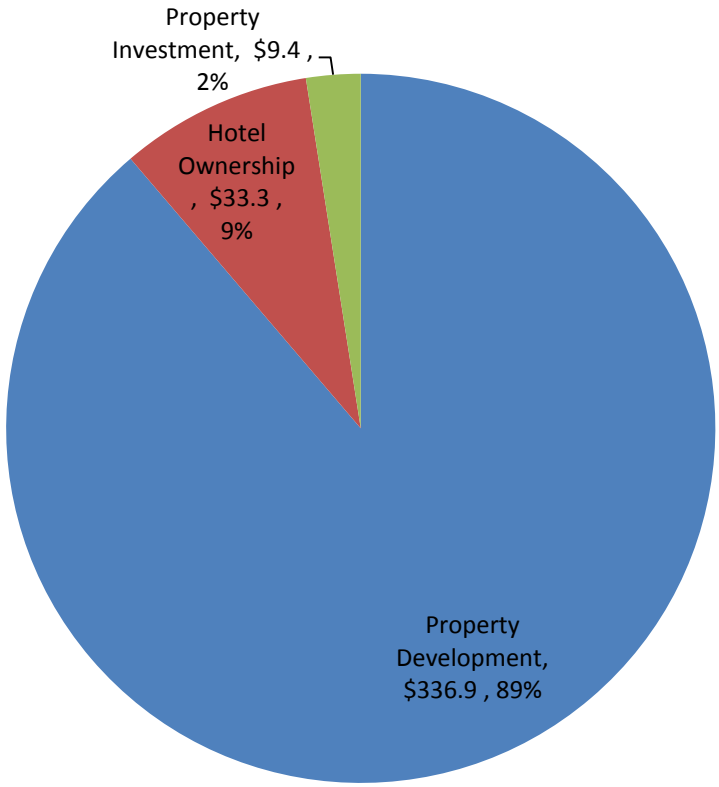
** includes profit from revenues recognised from Centropod@Changi amounting to S$44.9m upon obtaining its TOP in Jan 2015.*

Financial Performance

Segment Results – 9M2016
Revenue (S$'m)



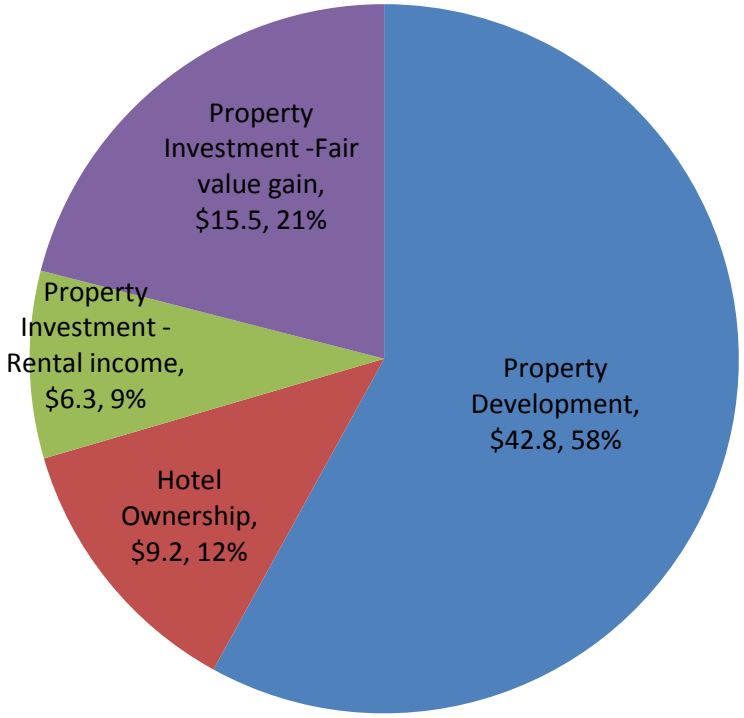
9M2016 – Total S$292.3 m



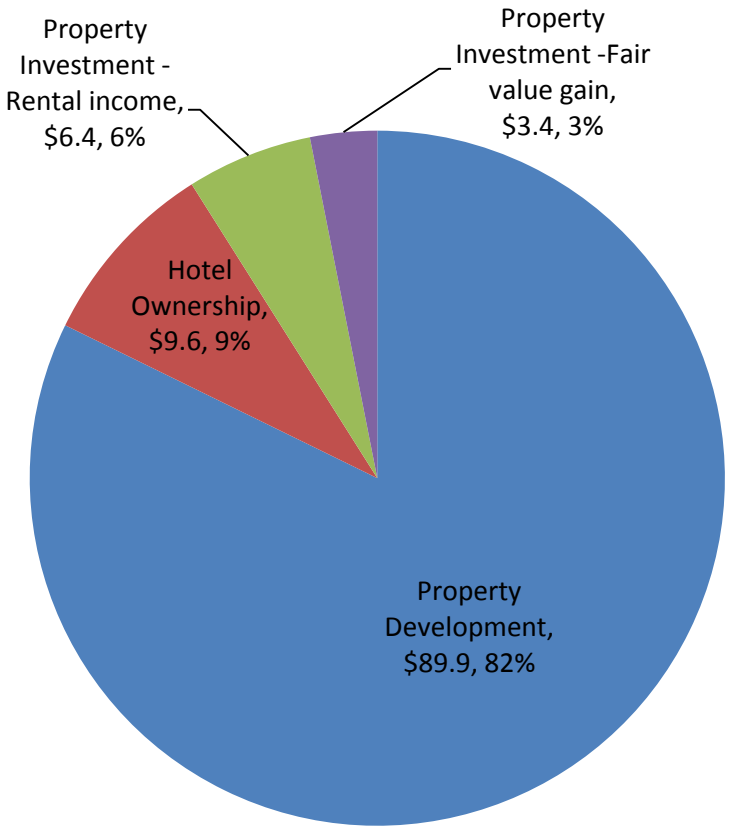
9M2015 – Total S$379.6 m

Financial Performance

Segment Results – 9M2016
Adjusted EBITDA* (S$'m)



9M2016 – Total S$73.8m

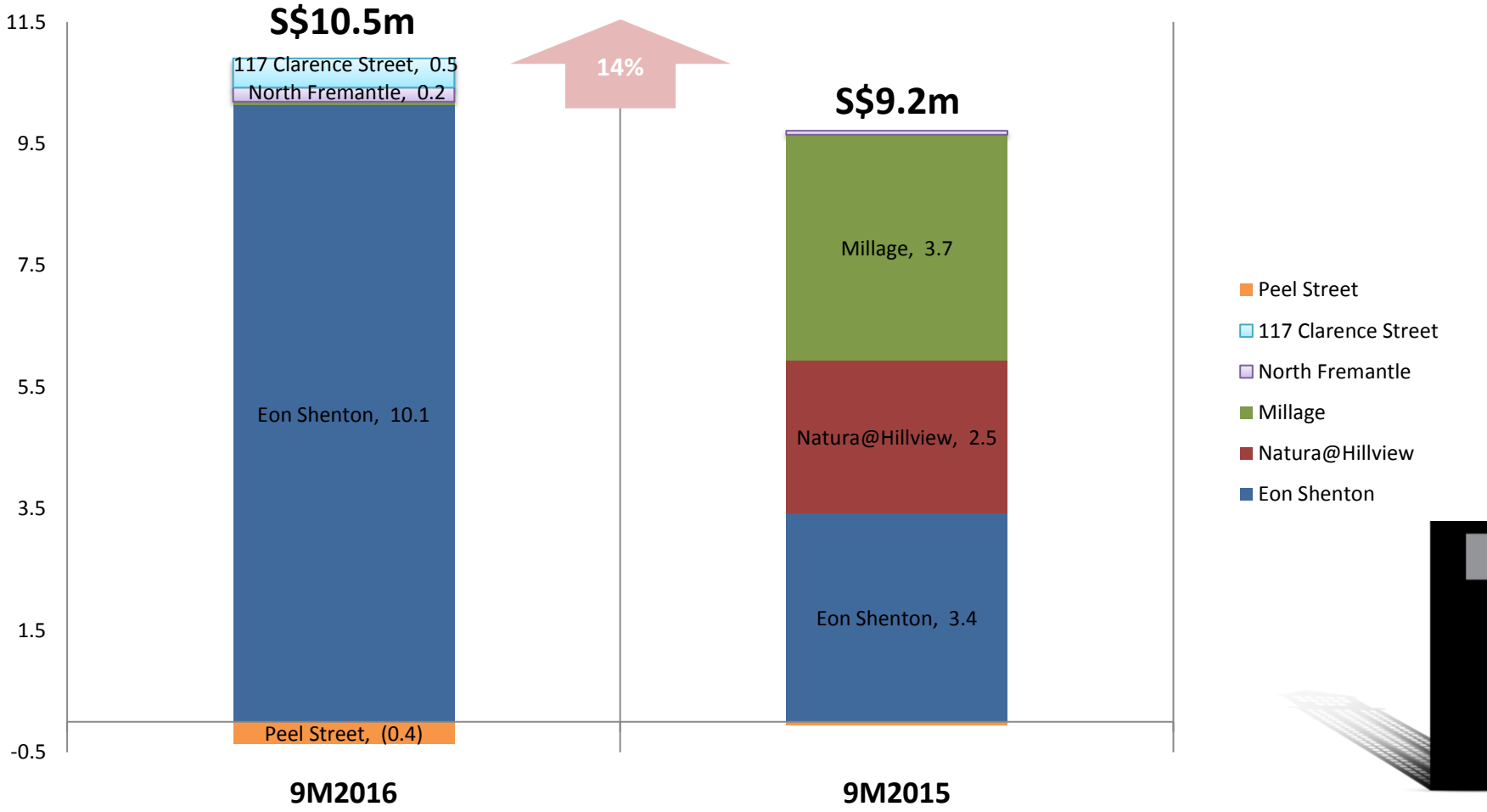


9M2015 – Total S$109.3m

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

Financial Performance

Share of results in associates (S$'m)



Financial Performance

Financial Position	30 Sep 2016	31 Dec 2015	% change
Total assets (S$m)	1,495.8	1,408.8	6%
Total debt (S$m)	886.4	807.7	10%
Cash & cash equivalents (S$m) (1) (2)	238.7	313.0	-24%
Net debt (S$m)	559.7	412.7	36%
Net asset value ("NAV") (S$m)	479.1	457.6	5%
Revaluation surplus (S$m) (3)	466.9	463.4	1%
Adjusted net asset value ("ANAV")	946.0	921.0	3%

(1) Cash holdings include project account monies amounting to S$99.2m as at 30 September 2016 (31 December 2015: S$82.2m)

(2) Cash holdings decrease mainly due to acquisition of an office building in Australia and development sites in Singapore, Australia and Maldives resorts in 9M2016

(3) The fair value of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket, property in Maldives and office premise were estimated to be S$634.8m as at 30 September 2016 (31 December 2015: S$588.3m)

Financial Performance

Financial Ratios	30 Sep 2016	31 Dec 2015	% change
NAV per share (SGD cents)	40.2	38.3	5%
ANAV per share (SGD cents) (1)	79.3	77.2	3%
Cash holdings per share (SGD cents) (2)	20.0	33.1	-40%
Net debt to ANAV (times)	0.59	0.45	31%
Total debt to ANAV (times)	0.94	0.88	7%
Return on equity (%)	11%	19%	-8ppt

(1) The fair value of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket, property in Maldives and office premise were estimated to be S$634.8m as at 30 September 2016 (31 December 2015: S$588.3m)

(2) Cash holdings include project account monies amounting to S$99.2m and fixed deposits pledge for working capital loan facilities of S$88.0m as at 30 September 2016 (31 December 2015: S$82.2m & S$82.0m respectively)

Business Review

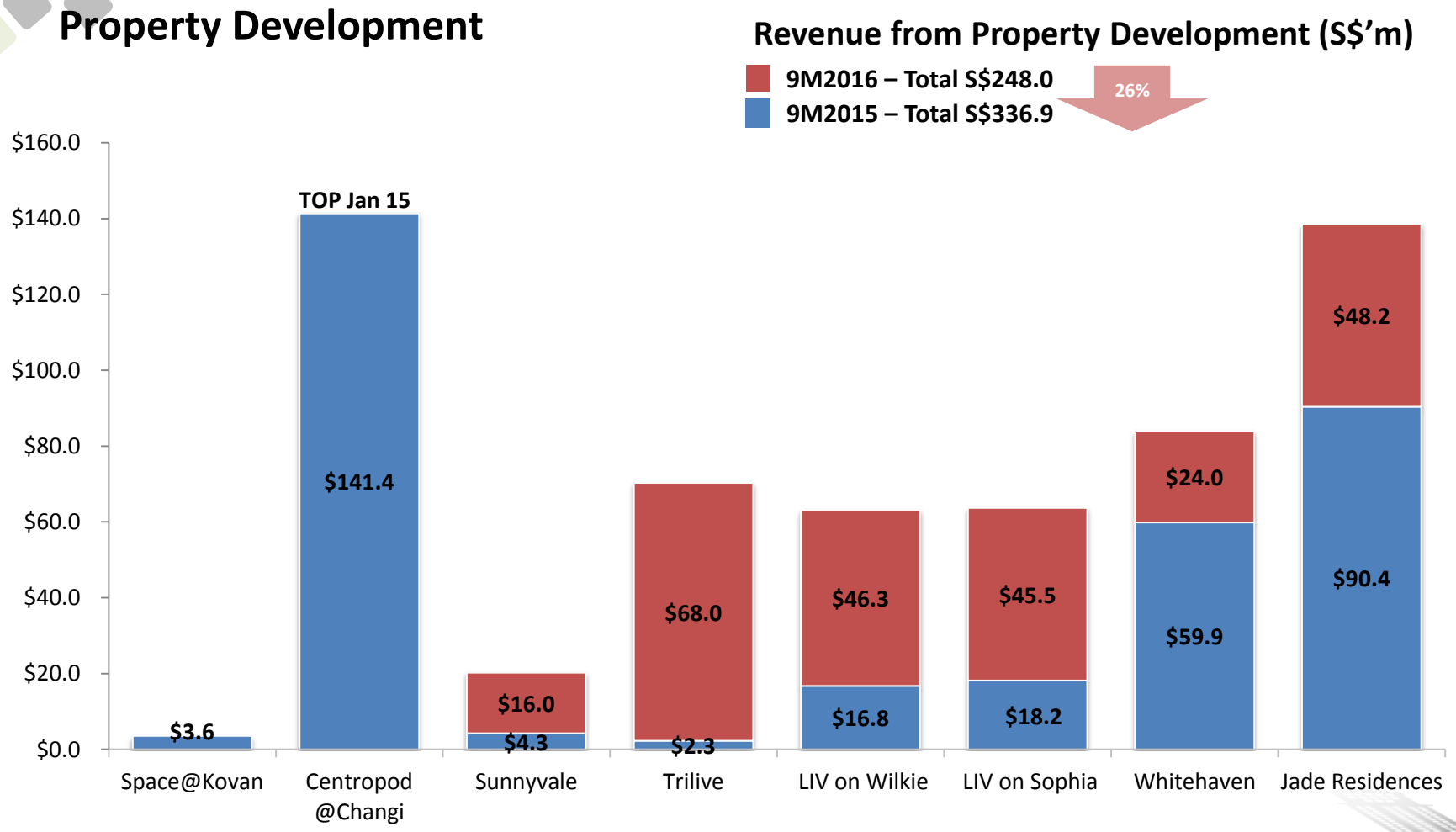
Property Development

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Business Review

Property Development



- **Decrease in revenue by 26% from S$336.9m in 9M2015 to S$248.0m in 9M2016 mainly from the absence of revenue recognition of $141.4m on completion from Centropod@Changi, a commercial development project that obtained TOP in January 2015.**

Business Review

Pre-Sale Revenue to be recognised by projects (S$'m) – 9M2016

	Project name	Type of development	Group stake %	Total units in project Unit	Unit sold %	Attributable total sale value [(i)] $'m	Attributable revenue recognised up to 30 Sept 2016 $'m	Balance attributable progress billings to be recognised from 4Q2016 $'m
	Singapore							
1	Eon Shenton	Office	20%	98	100%	$ 60.1	$ 42.7	$ 17.4
		Residential	20%	132	96%	$ 38.4	$ 27.3	$ 11.1
		Shop	20%	23	100%	$ 4.8	$ 3.4	$ 1.4
2	Jade Residences	Residential	100%	171	100%	$ 216.7	$ 207.4	$ 9.3
		Shop	100%	2	100%	$ 1.7	$ 1.6	$ 0.1
3	Whitehaven	Residential	100%	120	95%	$ 142.8	$ 139.1	$ 3.7
		Shop	100%	1	100%	$ 1.2	$ 1.2	-
4	LIV on Sophia	Residential	90%	64	100%	$ 78.5	$ 75.3	$ 3.2
5	LIV on Wilkie	Residential	90%	81	86%	$ 89.9	$ 68.9	$ 21.0
6	Sunnyvale Residences	Residential	100%	30	63%	$ 29.4	$ 21.9	$ 7.5
7	Trilive	Residential	85%	222	80%	$ 171.9	$ 62.6	$ 109.3
		Shop	85%	2	50%	$ 0.7	$ 0.3	$ 0.4
8	Straits Mansions	Residential	100%	25	84%	$ 38.7	-	$ 38.7
	Malaysia							
9	Wisma Infinitum	Residential	47%	423[(ii)]	61%	$ 43.7	-	$ 43.7
	Australia							
	Sydney							
10	The Hensley, Potts Point	Residential	100%	44	84%	$ 60.9	-	$ 60.9
		Shop	100%	1	100%	$ 1.1	-	$ 1.1
11	Octavia, Killara	Residential	100%	43	88%	$ 44.5	-	$ 44.5
	South Brisbane							
12	New World Towers, Peel Street	Residential	40%	195[(iii)]	52%	$ 25.9	-	$ 25.9
	Total			**1,677**		**$ 1050.9**	**$ 651.6**	**$ 399.2**

(i) Includes Option to Purchase granted up to 19 October 2016
(ii) Represents Block A of the development, an additional 331 units in Block B is pending launch
(iii) 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 & 180A, 180, 182 & 184 Jalan Eunos	48 units of Residential Development	2,315	3,242	100%	3,242	S$25.2m	NA
2	211 – 223A Pasir Panjang Road (1)	Residential Development	2,856	3,998	100%	3,998	S$33.3m	NA
	Overseas							
1	54 & 85 Bracks Street, North Fremantle, Australia (2)	Industrial land; to be rezoned for commercial and residential use	45,456	TBC	20.2%	TBC	S$12.8m	AUD11.9m
2	14 Cowper & 8 Elger Street, Glebe, Australia	248 units of Residential Development	7,125	18,960	100%	18,960	S$69.7m	AUD67.4m
3	Jalan Kramat Raya No 110, Jakarta Indonesia	Commercial Development	1,703	7,152	49%	3,504	S$3.3m	IDR33.4b
		Total	**59,455**				**S$144.3m**	

(1) The acquisition is subject to and conditional upon the obtaining of an Order for Sale from the Strata Titles Board or the High Court (as case may be) approving this sale and purchases, if necessary.

(2) 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.

Business Review

Hotel Ownership

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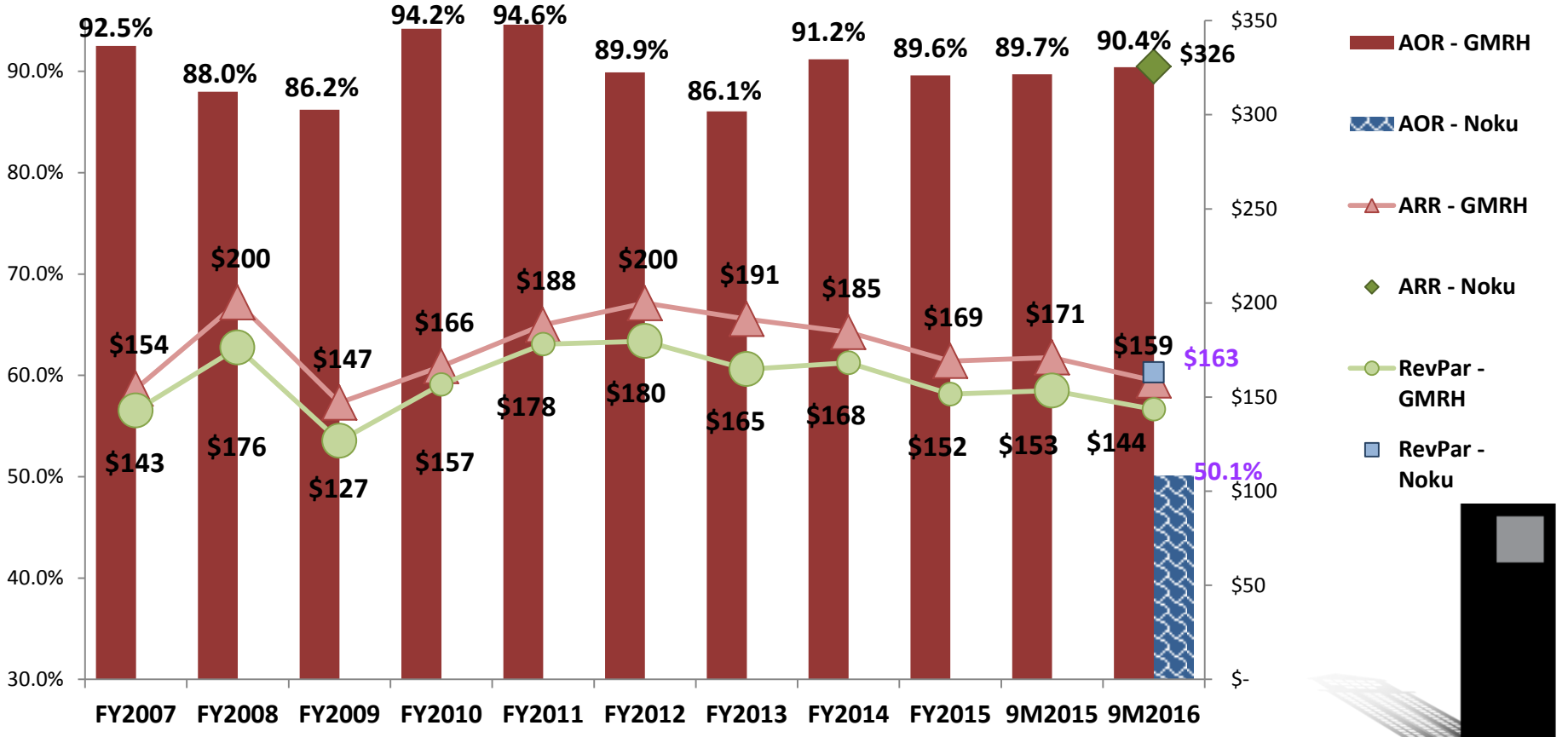
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Business Review

Hotel Ownership – 9M2016

AOR, ARR & RevPar

- GMRH RevPar decreased by 6% to S$144 in 9M2016 from S$153 in 9M2015
- Noku Kyoto Hotel RevPar at S$163 in 9M2016

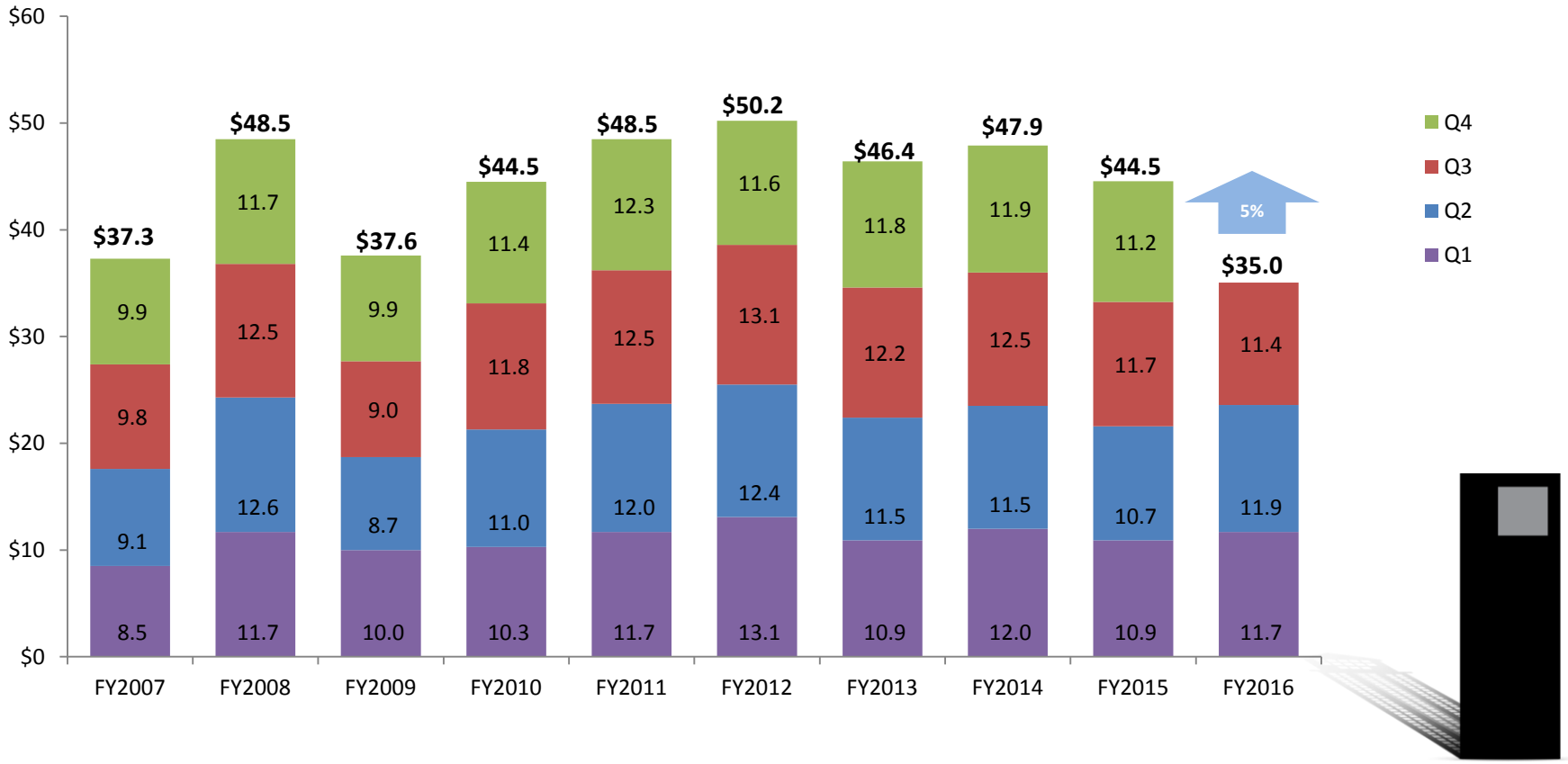


Business Review

Hotel Ownership – 9M2016

Hotel Revenue (S$m)

- Hotel revenue increased 5% in 9M2016 to S$35m from S$33.3m in 9M2015 mainly due to contributions from Noku Kyoto Hotel of S$3.7m

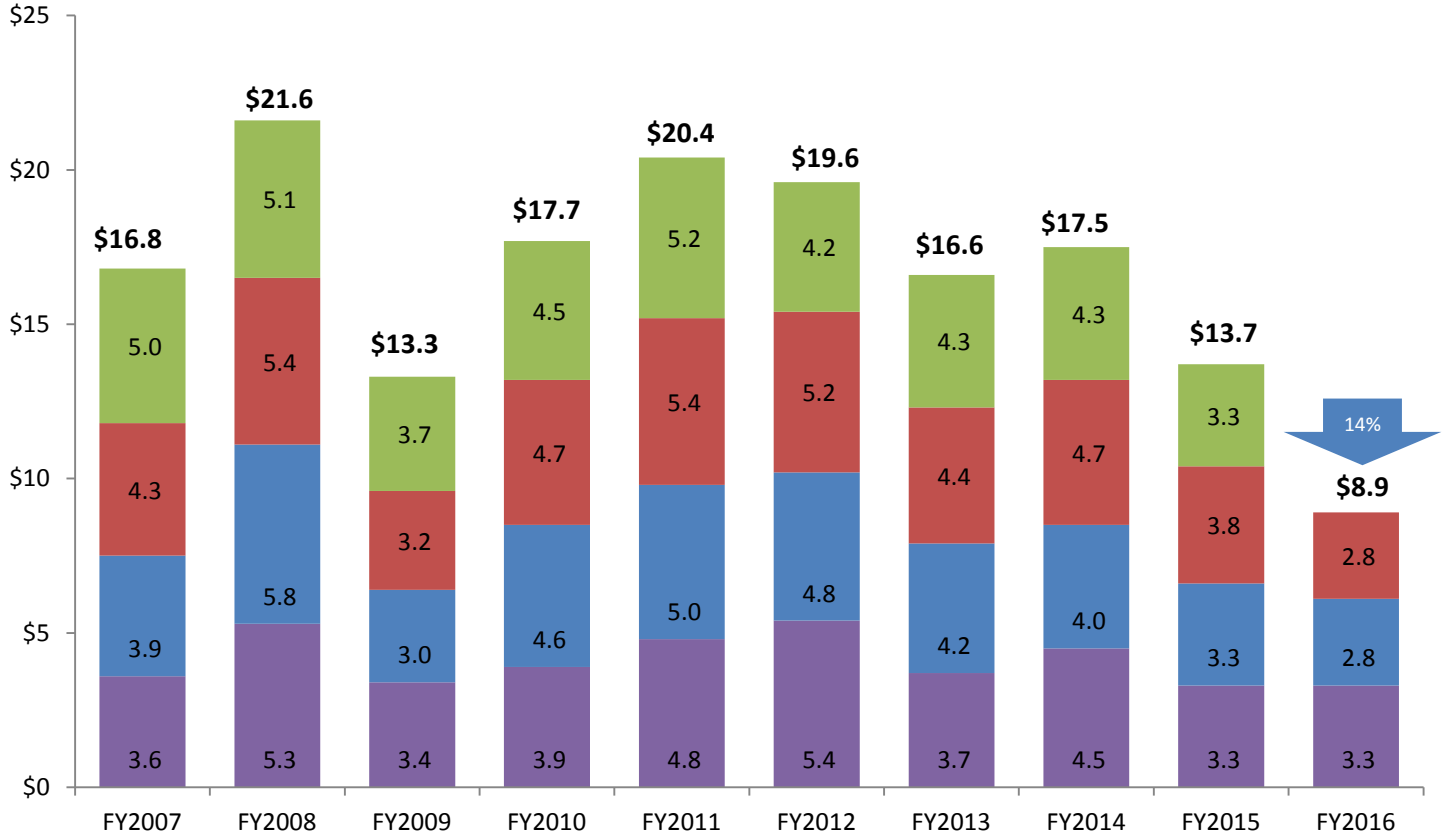


Business Review

Hotel Ownership – 9M2016

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

- Hotel net operating profit decreased 14% in 9M2016 to S$8.9m from S$10.4m in 9M2015



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 (sqm)	Attributable Gross Floor Area (sqm)	No. of rooms	Commencement of hotel operation/ Estimated completion date
Hotel under development in Phuket	48/13 Moo 6, Soi Sai-Namyen, Chaofa Road, Chalong Subdistrict, Mueang District	100%	Freehold	46,878	TBC	Approx. 92 rooms/villas	2019
Roxy Maldives Resort	Island of Kudafunafaru, Noonu Atoll, Maldives	100%	Remaining 40 years leasehold	89,896	TBC	50 villas	2H2017
			Total	**136,774**			







Business Review

Property Investment

Results Announcement
3rd Quarter Ended 30 September 2016

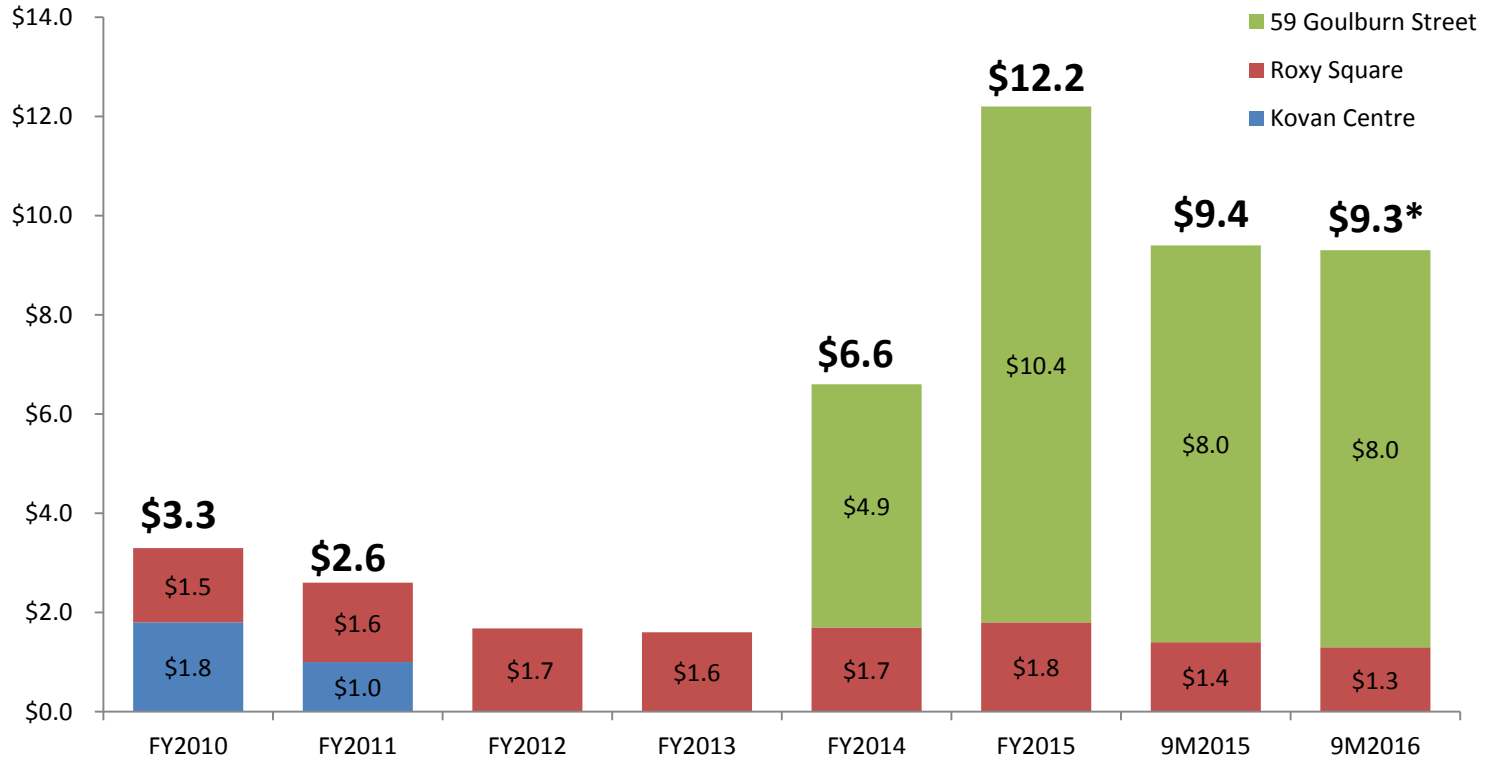
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Business Review

Property Investment – 9M2016

Revenue (S$'m)

- **Rental income decreased 1% in 9M2016 to S$9.3m from S$9.4m in 9M2015**



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

Business Review

Investment Properties

	Location	Description	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 Sep 2016 (on lettable area)	Valuation [1] ($)	Estimated Total Annual Gross Income (S$)
	Held by a subsidiary company						
1	50 East Coast Road, Roxy Square, Singapore	47 shop units [2]	100%	2,352	87%	S$70.3m	$1.8m
2	59 Goulburn Street, Sydney, Australia	28-Storey commercial building	100%	19,407	100%	S$126.2m (A$121.5m)	$10.6m
			Total	**21,759**		**S$196.5m**	
	Held by an Associate company						
1	117 Clarence Street, Sydney, Australia	14-Storey commercial building	50%	12,517	94%	S$91.4m (A$88.0m)	$7.2m
			Total	**12,517**		**S$91.4m**	

(1) Based on latest valuations as of 30 June 2016
(2) Excludes 5 units which are for owner-use premises



Roxy square


117 Clarence Street


59 Goulburn Street

Group Borrowing

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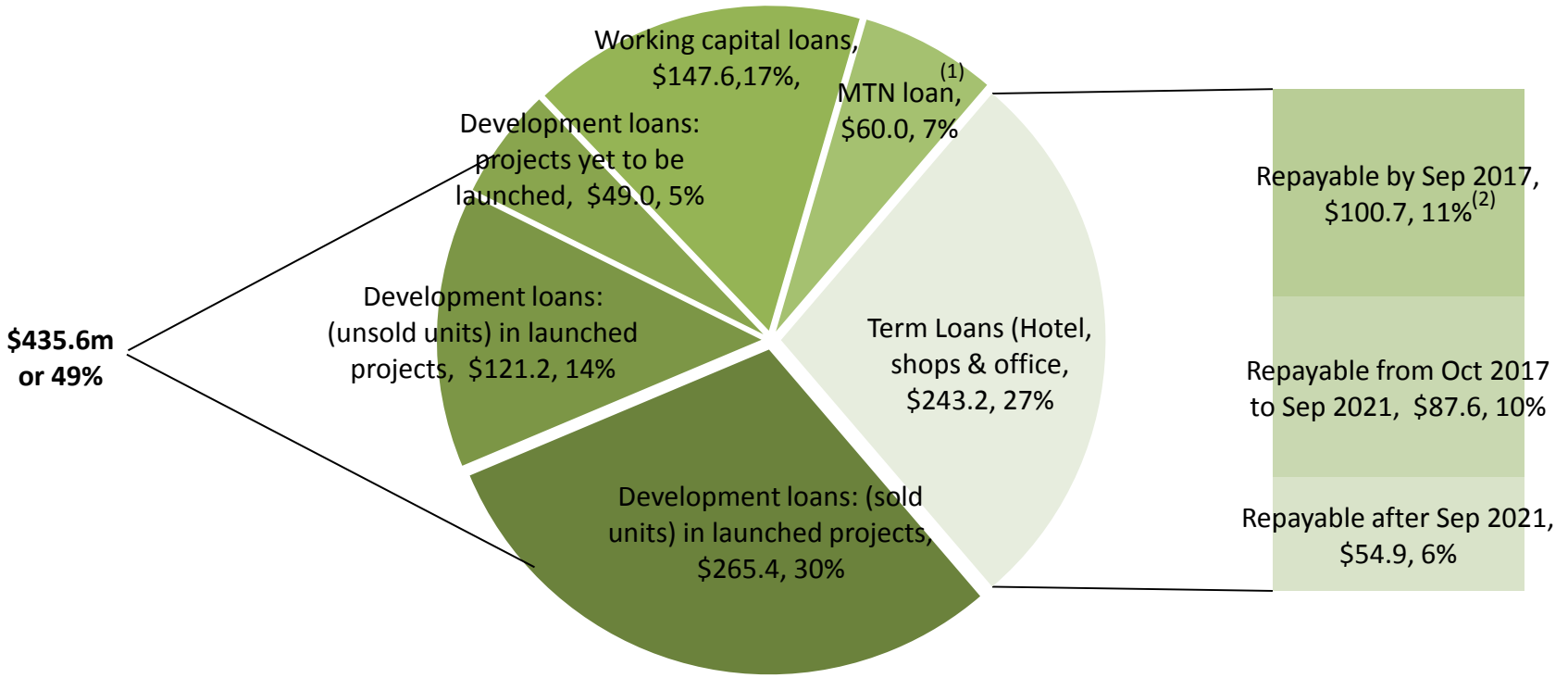
Group Borrowing

Debt Profile	30 Sep 2016	31 Dec 2015	% change
Total borrowings (S$m)	S$886.4	S$807.7	10%
Fixed rate loans (S$m)	S$359.1	S$384.5	-7%
Fixed rate loans as % of total loans	41%	48%	-7ppt
Weighted average term for fixed rate loans	18 months	25 months	-7 months
Weighted average interest rate (fixed rate loans)	3.1%	3.1%	-
Weighted average interest rate (floating rate loans)	2.6%	2.8%	-0.2ppt
Interest coverage ratio (times)	5.6	8.8	-36%

Group Borrowing

Debt Profile as at 30 Sep 2016 (S$m)

Total outstanding debts of S$886.4m as of 30 Sep 2016



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

(2) Includes term loan of S$60.9m for 59 Goulburn Street office building.

Outlook

1. General

- Advance estimates by MTI showed that the Singapore economy grew 0.6% y-o-y in 9M2016, easing from the 2.0% growth in 2Q2016 [1]
- The Reserve Bank of Australia expects growth to remain steady at between 2.5% and 3.5% to December 2016 [2]

2. Property Development

- Statistics by URA indicated a decrease of 1.5% in private residential property prices in 3Q2016, compared with 0.4% decline in 2Q2016 [3]
- The Australia residential property price index (eight capital city, weighted average) rose 4.1% on a y-o-y basis [4]
- The Group property development presale revenue was S$399.2million[5], the profit of which will be progressively recognised from 4Q2016 to 2020
- Strong take-up rate of close to 85% for Straits Mansion, 88% for Octavia and over 84% for The Hensley

3. Hotel Ownership

- Latest statistics from the STB demonstrated a 11.5% y-o-y growth in international visitor arrivals between January to July 2016 [6]
- Grand Mercure Roxy Hotel continues to see high occupancy whilst Noku Kyoto Hotel has achieved high average room rate since opening
- The Group completed acquisition of a hotel and leasehold interest of an island in the Maldives with upgrading works commencing soon
- The Group looks forward to continue strengthening recurring income streams

4. Property Investment

- In 1Q2016, the Group completed the purchase of 117 Clarence Street, Sydney, Australia, with a 50% shareholding interest
- The Group's investment in Goulburn Street has continued to contribute strong recurring income to our Property Investment segment
- 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$238.7 million.

6. Net gearing remains healthy at 0.6 time notwithstanding the completion of acquisition of properties in Australia and Singapore in 1Q2016 and Maldives resort in 2Q2016.

7. Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2016.

[1] *Singapore's GDP Grew by 0.6 Per Cent in the Third Quarter of 2016 – Ministry of Trade and Industry, October 14, 2016*
[2] Economic Forecasting at the Reserve Bank of Australia, April 6, 2016
[3] *Private home prices declined by 0.4% in 3Q2016: URA – The Edge Property, October 3, 2016*
[4] *Residential Property Price Indexes: Eight Capital Cities – Australian Bureau of Statistics, September 20, 2016*
[5] As at October 19, 2016
[6] *International Visitor Arrivals Statistics – Singapore Tourism Board, September 8, 2016*

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THANK YOU









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