ROXY-PACIFIC HOLDINGS LIMITED

Results Briefing
Full Year Ended 31 December 2015
23rd February 2016






Roxy-Pacific Holdings Limited

STRIKING
A BALANCE FOR
SUSTAINABLE
GROWTH

Agenda

- Financial Performance
- Business Review
- Group Borrowings
- Outlook



Roxy-Pacific
Holdings Limited

Financial Performance

Financial Highlights – 4Q2015 & FY2015

- **Revenue in FY2015 surged 45% to S$460.9 million [(1)]**
- **Lifted by 54% growth in Property Development and 85% increase in Property Investment segment revenue**
- **Net profit in 4Q2015 decreased 73% to S$12.5 million due to absence of S$43.3 million profit recognition from completion of sale of strata retail floors at 8 Russell Street, Hong Kong**
- **Net profit in FY2015 decreased 12% to S$85.2 million**
- **Issuance of S$60.0 million in 4.5% Notes in July 2015 under the S$500 million Multicurrency Debt Issuance Programme**
- **Strong cash and cash equivalents of S$313.0 million with a low gearing at 0.54 time**
- **Proposes a final cash dividend of 1.297 SGD cents per share, bringing total dividends for FY2015 to 1.913 SGD cents per share**

[(1)] *includes a 100% revenue recognition from Centropod@Changi amounting to S$141.4m upon obtaining its TOP in Jan 2015.*

Financial Performance

Financial Results	FY2015	FY2014	% change
Revenue (S$'m)	460.9	317.8	45%
Gross Profit (S$'m)	129.7	97.2	33%
Gross Margin (%)	28%	31%	-3 ppt
Share of results of associates (net of tax) (S$'m)	11.1	54.8 [(1)]	-80%
Pre-tax profit (S$'m)	101.1	110.3	-8%
Net Profit (S$'m)	85.2	96.8	-12%
EPS (SGD cents)	7.1	8.1	-12%

[(1)] includes S$43.3 million of profit recognition from completion of sale of strata retail floors at 8 Russell Street, Hong Kong

Financial Performance

Financial Results	4Q2015	4Q2014	% change
Revenue (S$'m)	81.4	68.6	19%
Gross Profit (S$'m)	19.9	24.0	-17%
Gross Margin (%)	24%	35%	-11 ppt
Share of results of associates (net of tax) (S$'m)	1.9	42.7 [(1)]	-96%
Pre-tax profit (S$'m)	16.4	51.4	-68%
Net Profit (S$'m)	12.5	46.7	-73%
EPS (SGD cents)	1.0	3.9	-74%

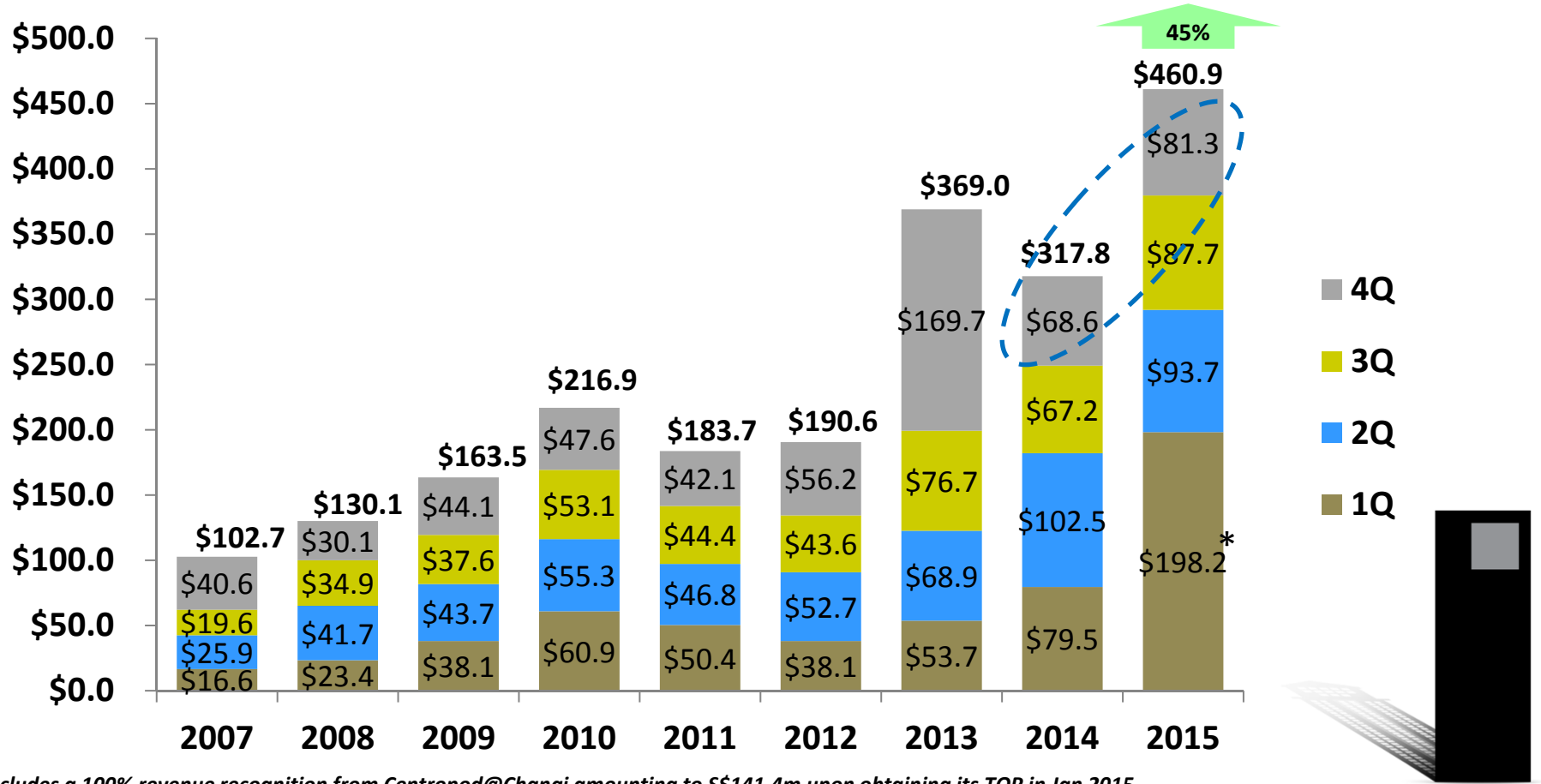
[(1)] includes S$43.3 million of profit recognition from completion of sale of strata retail floors at 8 Russell Street, Hong Kong.

Financial Performance

Financial Performance

Turnover Trend (S$'m)

- Record FY2015 turnover since 2007
- 4Q2015 revenue increased by 19% y-o-y
- Overall, revenue increased by 45% to S$460.9m in FY2015



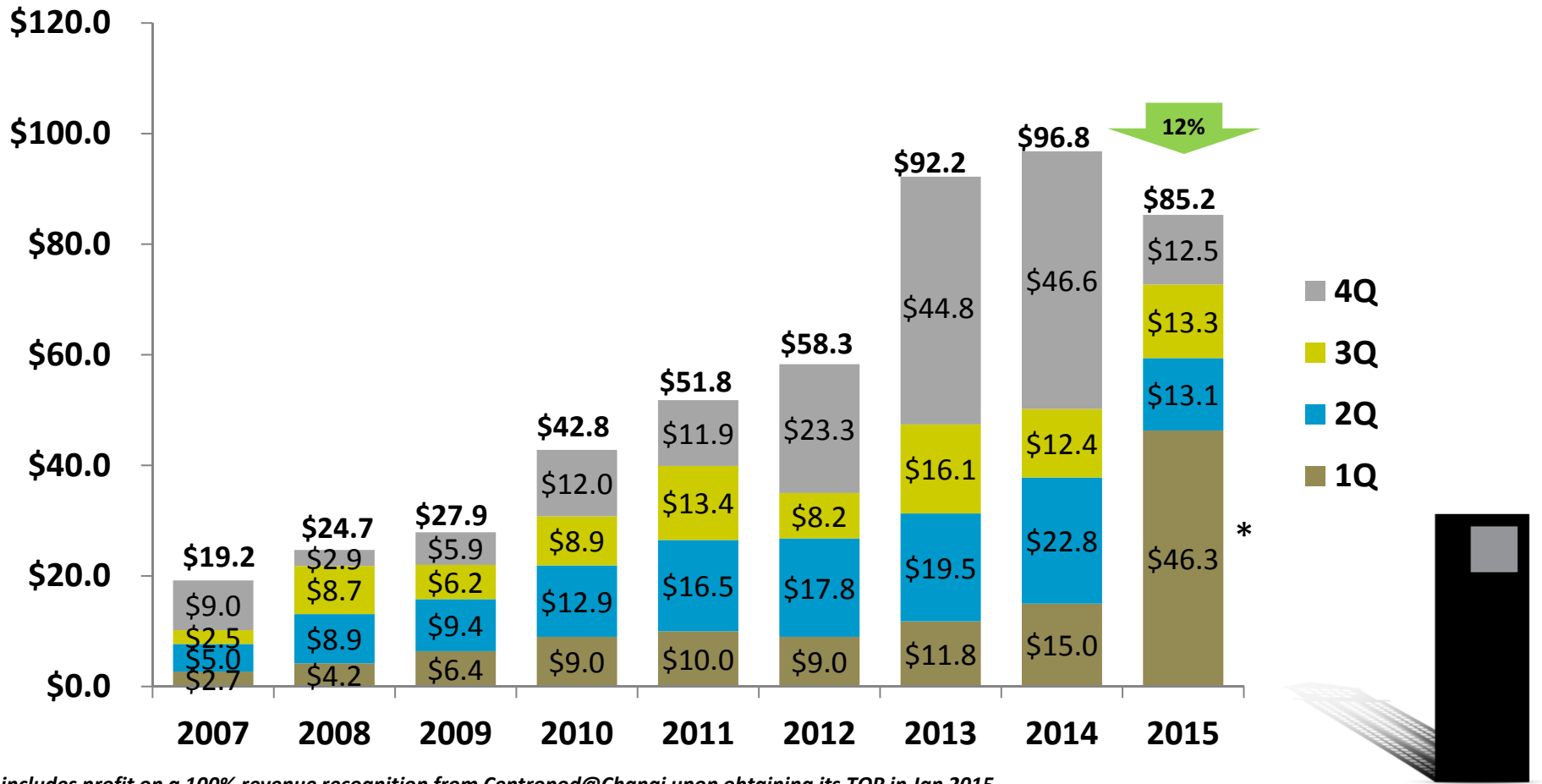
** includes a 100% revenue recognition from Centropod@Changi amounting to S$141.4m upon obtaining its TOP in Jan 2015.*

Financial Performance

Financial Performance

Profit Trend (S$'m)

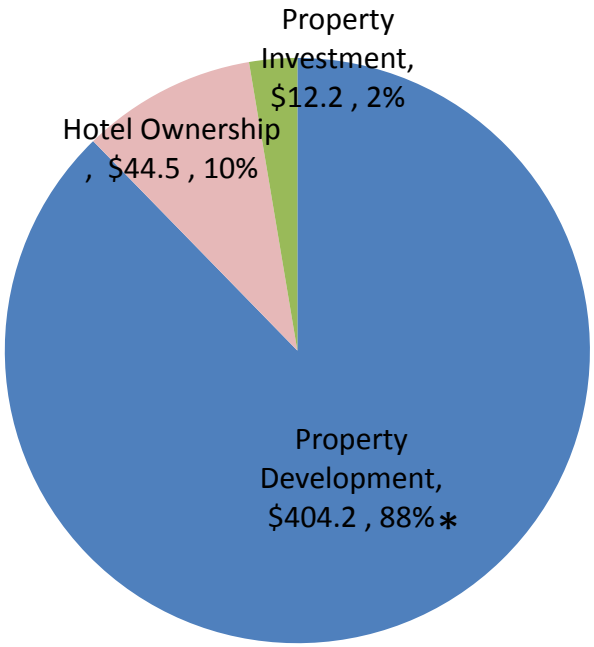
- **Overall, net profit decreased by 12% to S$85.2m in FY2015**



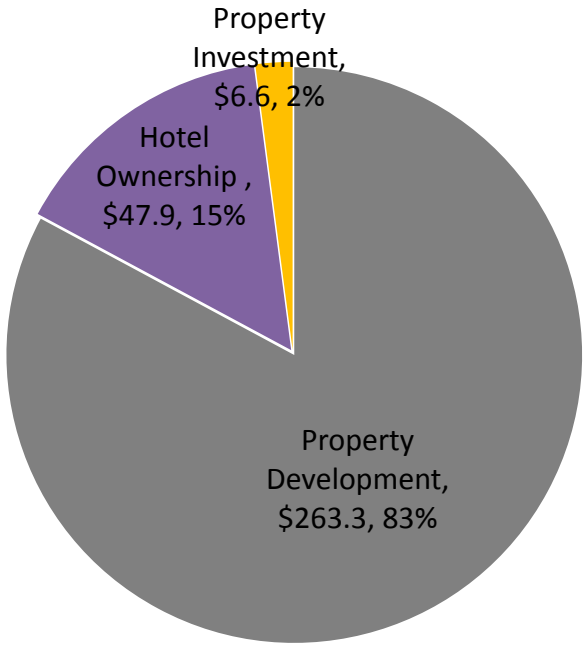
** includes profit on a 100% revenue recognition from Centropod@Changi upon obtaining its TOP in Jan 2015.*

Financial Performance

Segment Results – FY2015
Revenue (S$'m)



FY2015 – Total S$460.9m

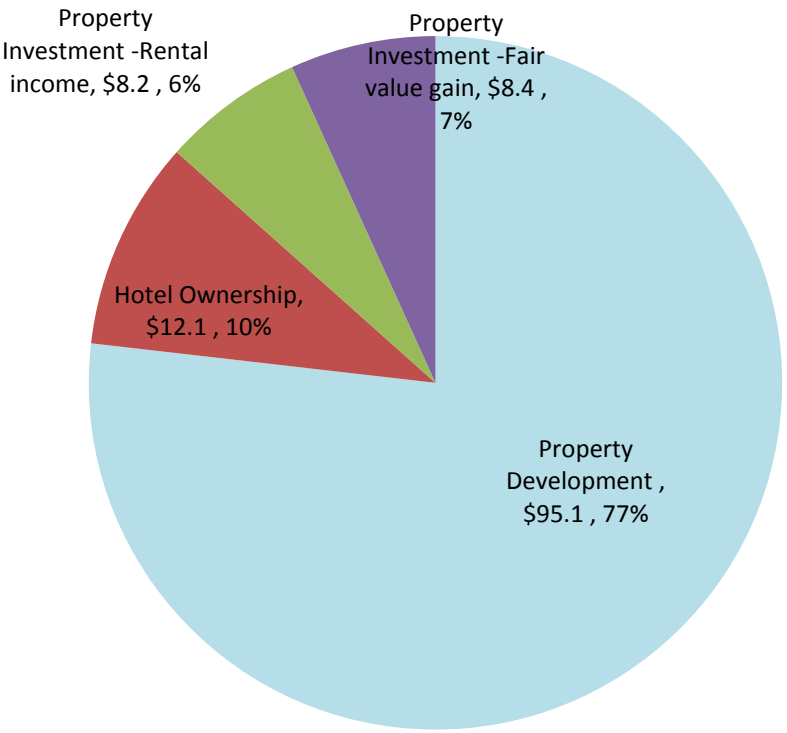


FY2014 – Total S$317.8m

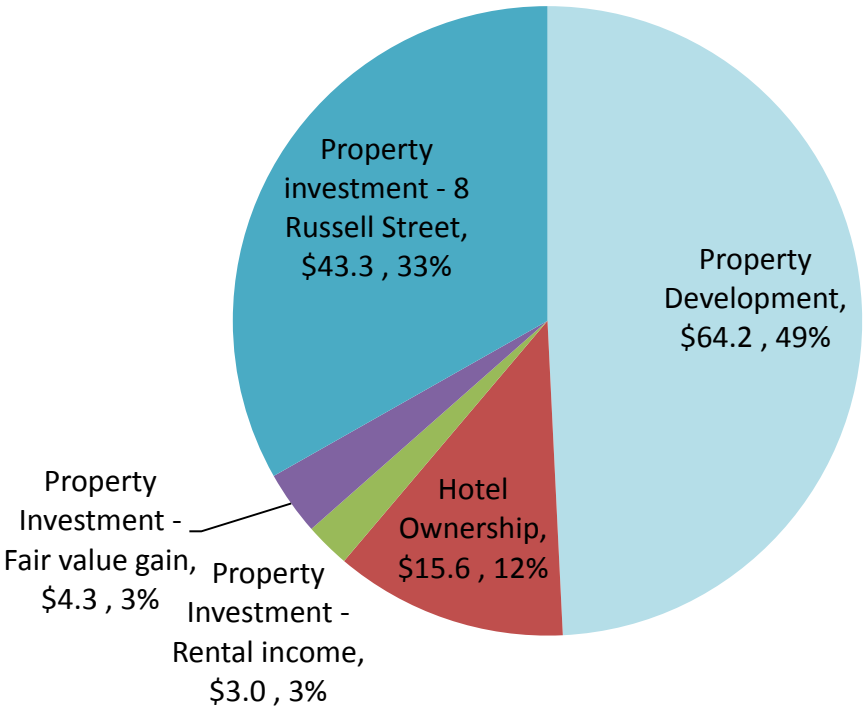
* includes 100% revenue recognised from Centropod@Changi amounting to S$141.4m upon obtaining TOP in January 2015.

Financial Performance

Segment Results – FY2015
Adjusted EBITDA* (S$'m)



FY2015 – Total S$123.8m



FY2014 – Total S$130.4m

* Adjusted EBITDA excludes corporate expenses, depreciation of property, plant and equipment, finance cost (net), FV loss on cross currency swap and gain on disposal of available-for-sale financial assets.

Financial Performance

Financial Position	31 Dec 2015	31 Dec 2014	% change
Total assets (S$m)	1,408.8	1,433.3	-2%
Total debt (S$m)	807.7	917.3	-12%
Cash & cash equivalents (S$m) (1)	313.0	415.3	-25%
Net debt (S$m)	494.7	502.0	-1%
Net asset value ("NAV") (S$m)	457.6	400.3	14%
Revaluation surplus (S$m) (2)	463.4	460.4	1%
Adjusted net asset value ("ANAV")	921.0	860.7	7%

(1) Cash holdings include project account monies amounting to S$82.2m as at 31 December 2015 (31 December 2014: S$176.3m)

(2) The fair value of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket and office premise were estimated to be S$588.3m as at 31 December 2015 (31 December 2014: S$594.8m)

Financial Performance

Financial Ratios	31 Dec 2015	31 Dec 2014	% change
NAV per share (SGD cents)	38.3	33.5	14%
ANAV per share (SGD cents) (1)	77.2	72.1	7%
Cash holdings per share (SGD cents) (2)	26.2	34.8	-25%
Net debt to ANAV (times)	0.54	0.58	-7%
Total debt to ANAV (times)	0.88	1.05	-16%
Return on equity (%)	19%	24%	-5ppt

(1) The fair value of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket and office premise were estimated to be S$588.3m as at 31 December 2015 (31 December 2014 : S$594.8m)

(2) Cash holdings include project account monies amounting to S$82.2m as at 31 December 2015 (31 December 2014: S$176.3m)

Business Review

Property Development

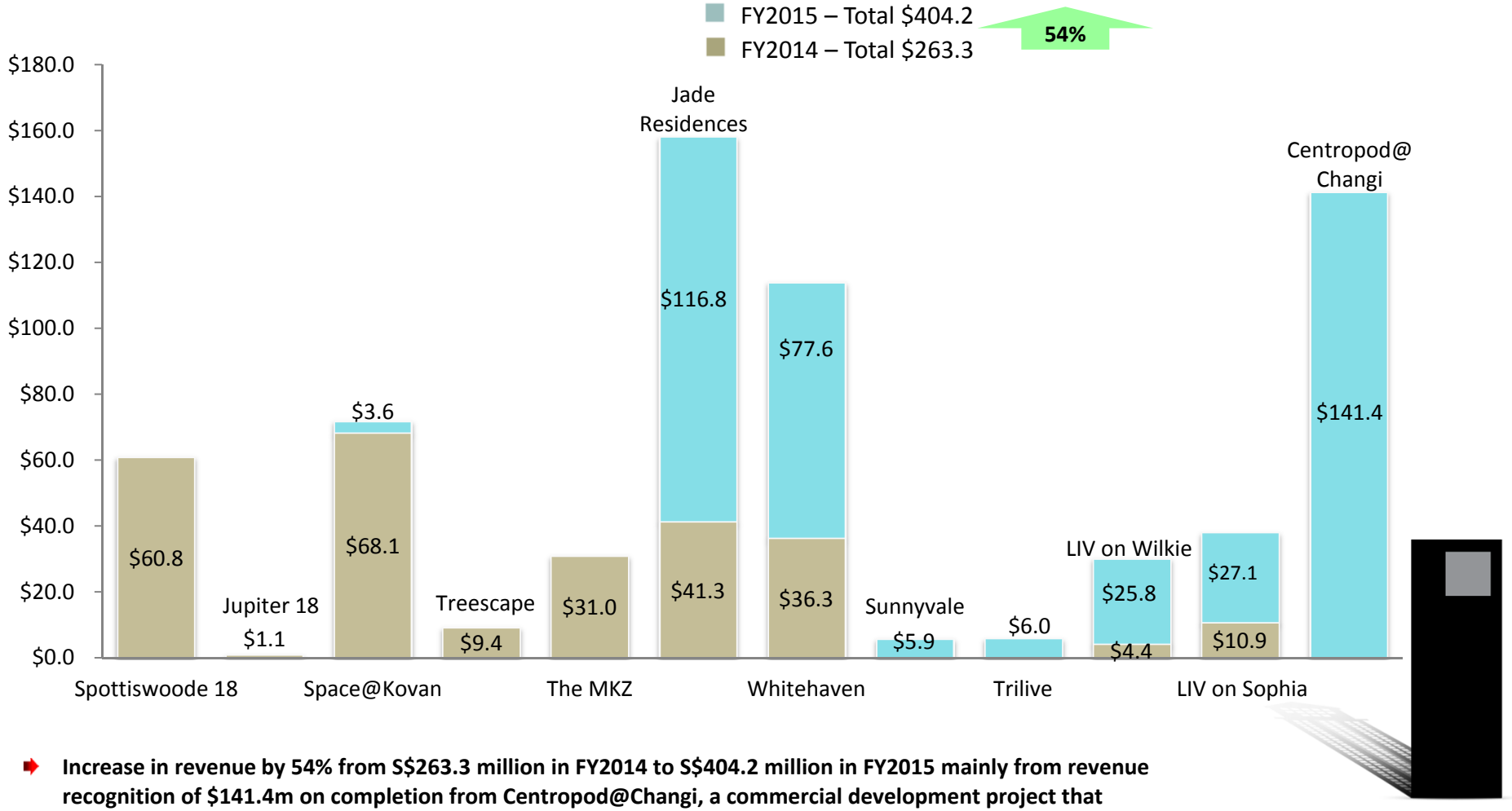
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Business Review

Property Development

Revenue from Property Development (S$'m)

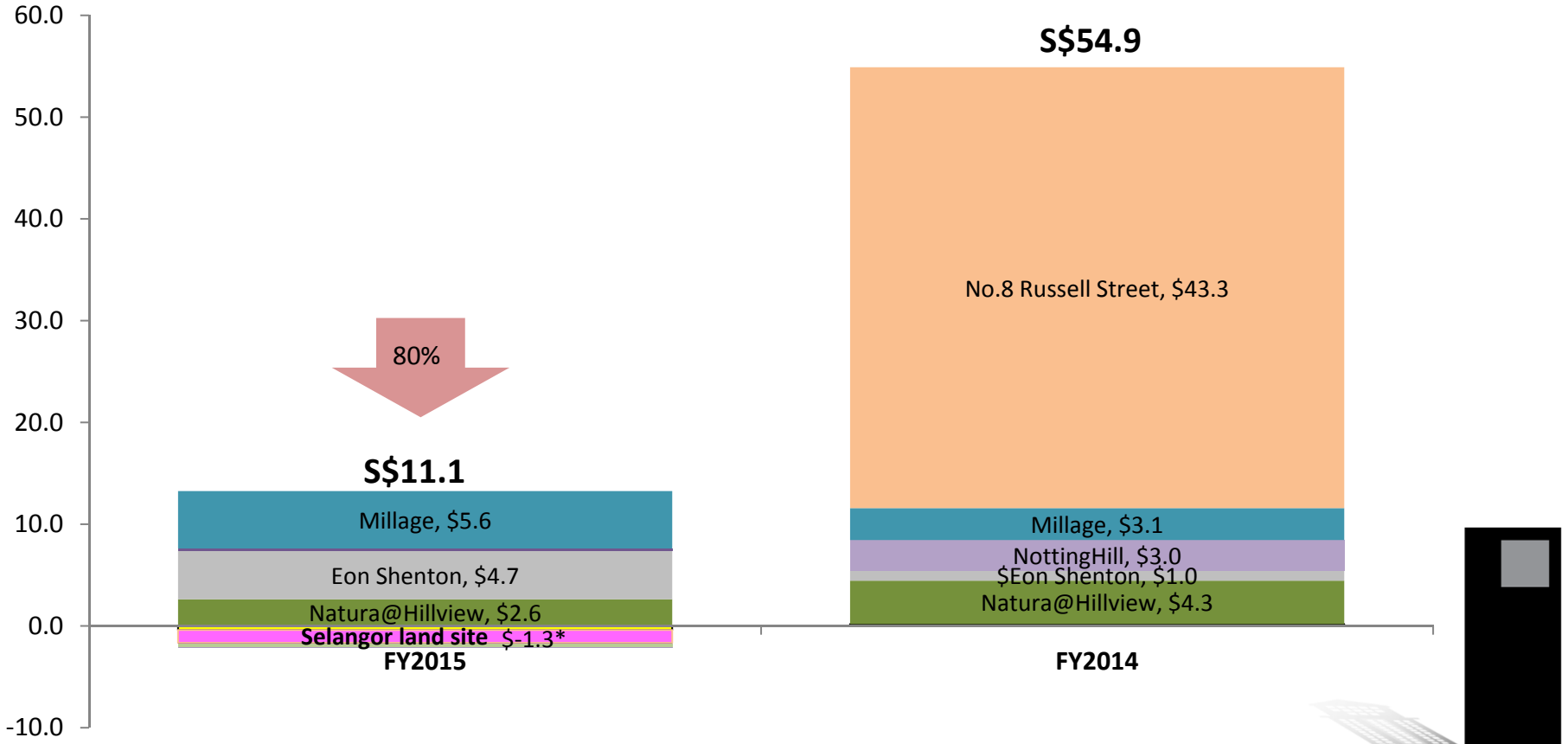


- **Increase in revenue by 54% from S$263.3 million in FY2014 to S$404.2 million in FY2015 mainly from revenue recognition of $141.4m on completion from Centropod@Changi, a commercial development project that obtained TOP in January 2015.**

Business Review

Property Development – FY2015

Share of results in associates (S$'m)



* Due to termination of the sale and purchase agreement on acquisition of land parcel at Selangor, Malaysia

Business Review

Pre-Sale Revenue to be recognised by projects (S$'m) – FY2015

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value [1]	Attributable revenue recognised up to 31 Dec 2015	Balance attributable progress billings to be recognised from 1Q2016
1	Millage	Residential	48%	70	100%	23.5	21.9	1.6
		Shop	48%	86	100%	28.7	26.7	2.0
2	Eon Shenton	Office	20%	98	100%	60.1	21.1	39.0
		Residential	20%	132	95%	38.1	13.4	24.7
		Shop	20%	23	100%	4.8	1.7	3.1
3	Jade Residences	Residential	100%	171	100%	216.7	159.6	57.1
		Shop	100%	2	100%	1.7	1.3	0.4
4	Whitehaven	Residential	100%	120	95%	142.8	115.3	27.5
		Shop	100%	1	100%	1.2	1.0	0.2
5	LIV on Sophia	Residential	90%	64	100%	78.5	34.3	44.2
6	LIV on Wilkie	Residential	90%	81	83%	86.1	27.2	58.9
7	Sunnyvale Residences	Residential	100%	30	57%	26.5	5.9	20.6
8	Trilive	Residential	85%	222	45%	93.8	5.1	88.7
		Shop	85%	2	50%	0.7	0.0	0.7
9	Wisma Infinitum	Residential	47%	423[2]	22%	15.9	0.0	15.9
	Total			**1,525**		**819.1**	**434.5**	**384.6**

[1] Included Option to Purchase granted up to 15 February 2016

[2] Represents the sales launch of Block A of the development. The remaining 331 units in Block B have not been launched.

Business Review

Development Land Bank

	Location / Description	Type	Approximate Land Area (sq ft)	Approximate Gross Floor Area (sq ft)	Group's stake	Approximate Attributable Gross Floor Area (sq ft)	Approximate Attributable Land Cost (S$)	Approximate Attributable Land Cost (foreign currency)
	Singapore							
1	26 Sea Avenue	25 units of Residential Development	19,474	27,264	100%	27,264	S$21.5 m	NA
2	178 & 180A Jalan Eunos	32 units of Residential Development	17,237	24,132	100%	24,132	S$14.2 m	NA
	Overseas							
1	64 Peel Street & 9 Cordelia Street in Brisbane, Australia	426 units of Residential & 3 units of Commercial Development	27,674	332,271	40%	132,908	S$14.3m	AUD13.4m
2	54 & 85 Bracks Street, North Fremantle, Australia (1)	Industrial land; to be rezoned for commercial and residential use	489,284	TBC	20.20%	TBC	S$12.8m	AUD11.9m
3	6A and 8 Buckingham Road, Killara NSW, Australia	43 units of Residential Development	40,819	47,382	100%	47,382	S$16.2m	AUD15.65m
4	37-41 Bayswater Road, Potts Point, NSW, Australia	46 units of Residential & 1 unit of Commercial Development	10,010	38,545	100%	TBC	S$28.5m	AUD27.5m
5	No. 14 Cowper Street and No. 8 Elger Street, Glebe, Australia (2)	248 units of Residential Development	76,693	204,084	100%	204,084	S$69.7m	AUD67.38m
	Total		**681,191**				**S$177.2m**	

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

(2) Pending completion of purchase

Business Review

Hotel Ownership

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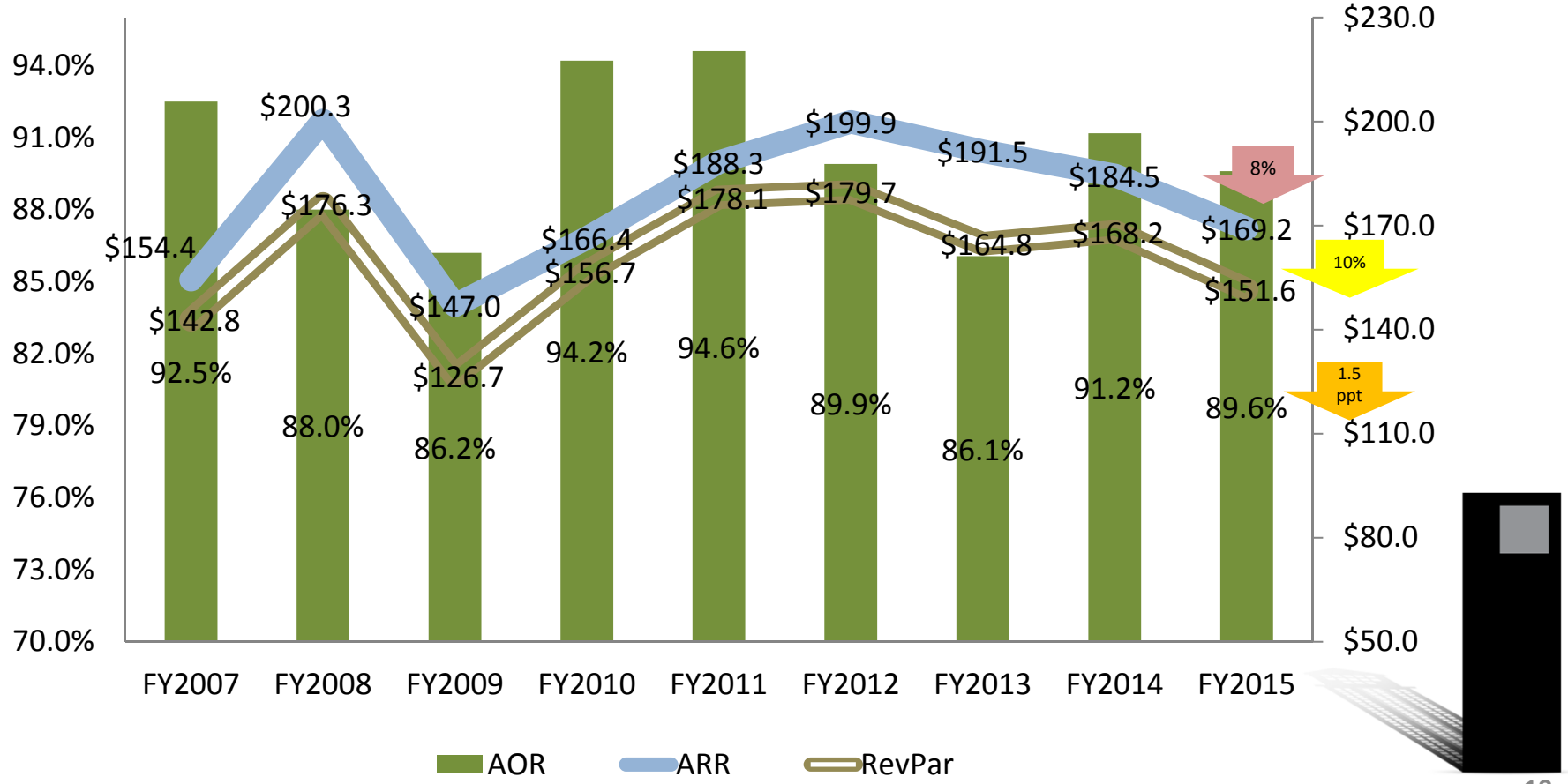
Business Review

Hotel Ownership – FY2015

AOR , ARR & RevPar

- Grand Mercure Roxy Hotel

RevPar decreased by 10% to $151.6 in FY2015 from $168.2 in FY2014

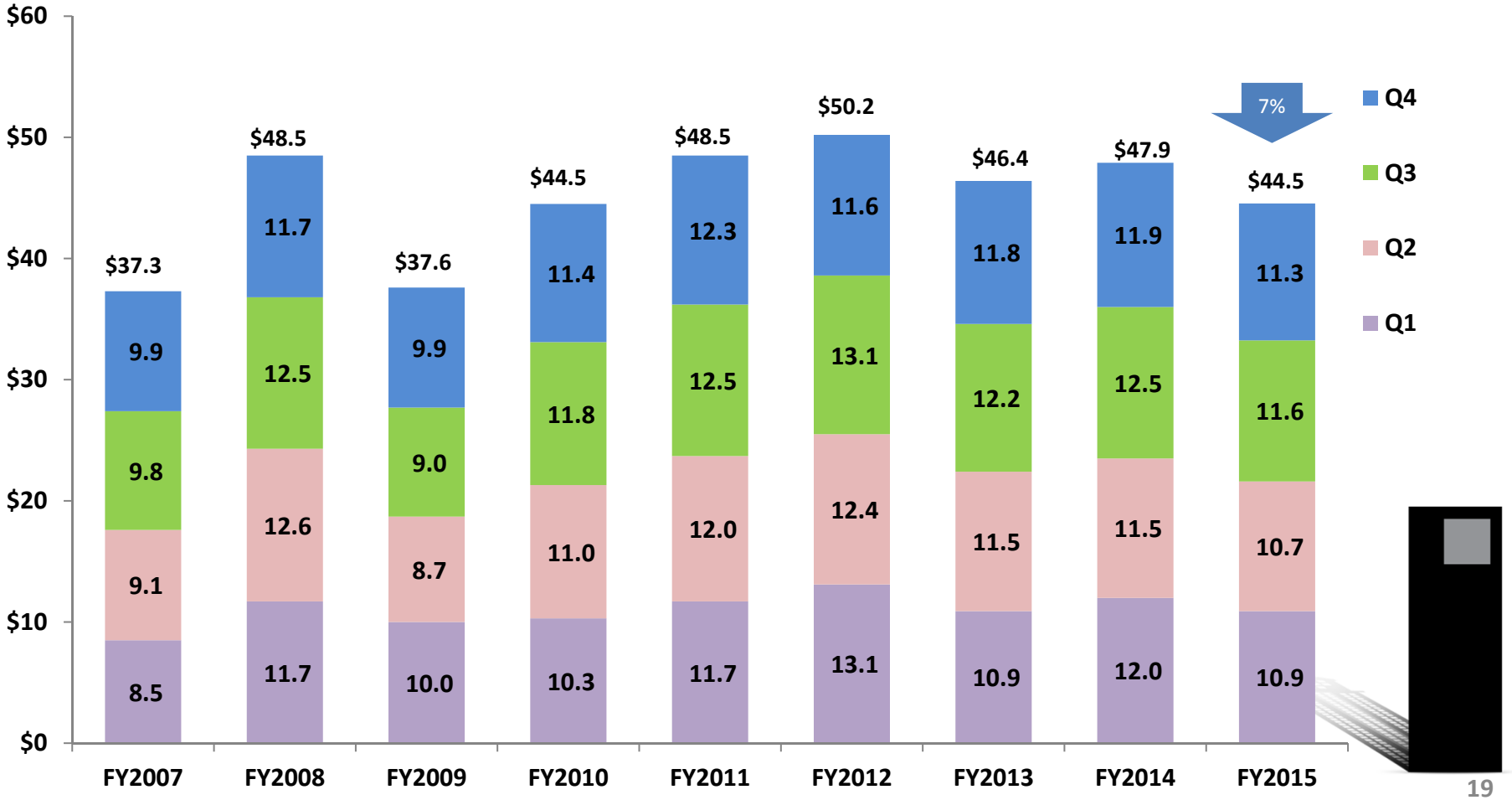


Business Review

Hotel Ownership – FY2015

Hotel Revenue (S$m)

Hotel revenue decreased 7% from $47.9m in FY2014 to $44.5m in FY2015

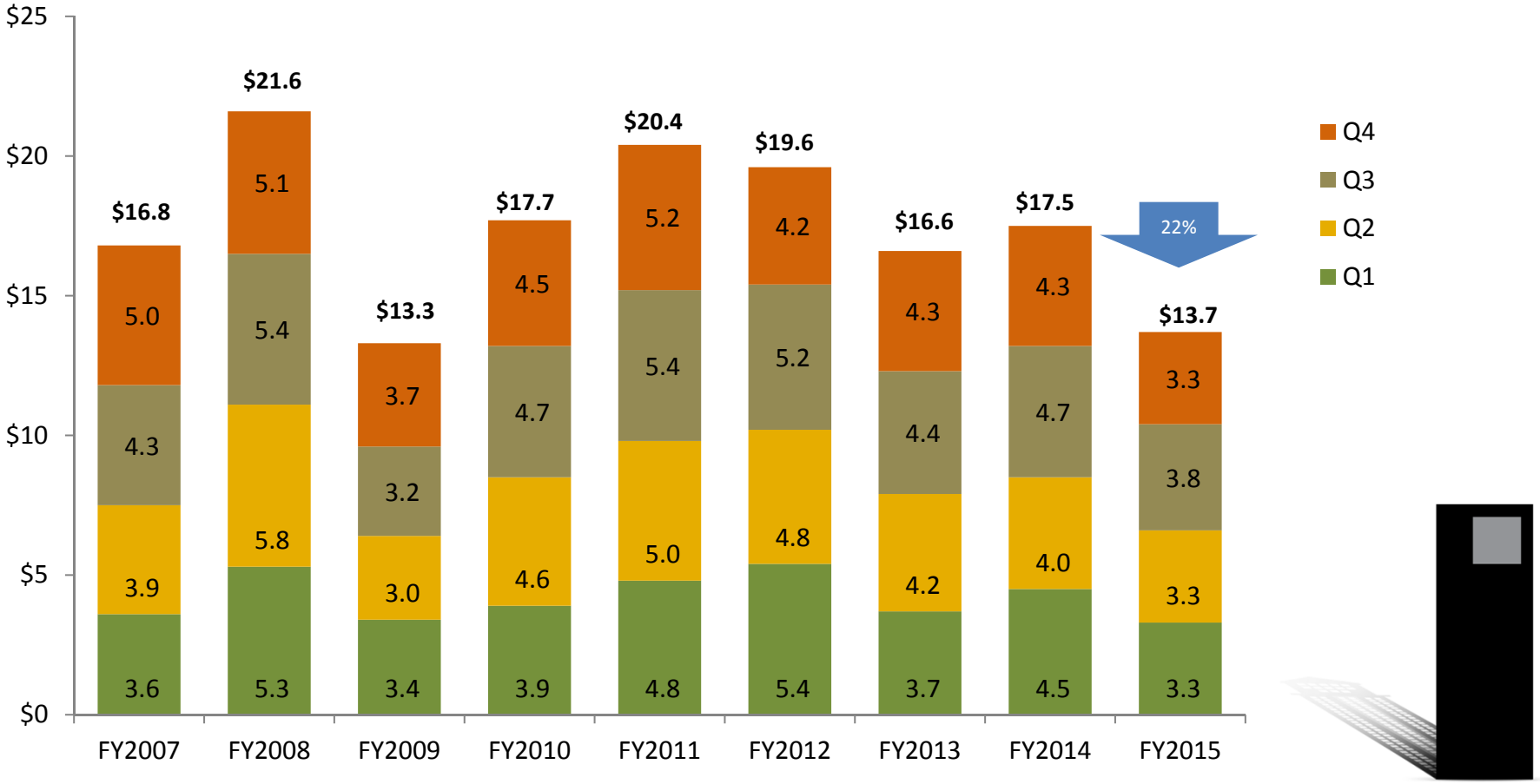


Business Review

Hotel Ownership – FY2015

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

- Hotel remain profitable, however NOP decreased 22%, from $17.5m in FY2014 to $13.7m in FY2015



Business Review

Hotels under development

	Hotel Details	Location	Acquisition date	Group's stake	Tenure	Land area (sq ft)	Attributable acquisition cost	Description of development	No. of rooms/ villas on completion	Estimated date of completion
1	Phuket, Thailand	Chalong Subdistrict, Mueang District	Nov-14	100%	Freehold	504,586	S$16.8 million (THB 397.2 million)	Existing 13 villas and 2 adjacent land plots that will be developed into a full service villa resort	Approximately 85 villas	2018
2	Perth, Australia	Wellington Street	Mar-15	49%	Freehold	15,048	S$8.7 million (AUD 8.3 million)	A hotel development land parcel to be developed into a 23 level, 332 room Marriott Courtyard hotel	332 rooms	2017
					Total	**529,789**	**S$50.6m**			

* On 5 February 2016, a subsidiary of the Group had entered into an sale and purchase agreement for the acquisition of the leasehold interest in Kudafunafaru island in Maldives.







Business Review

Property Investment

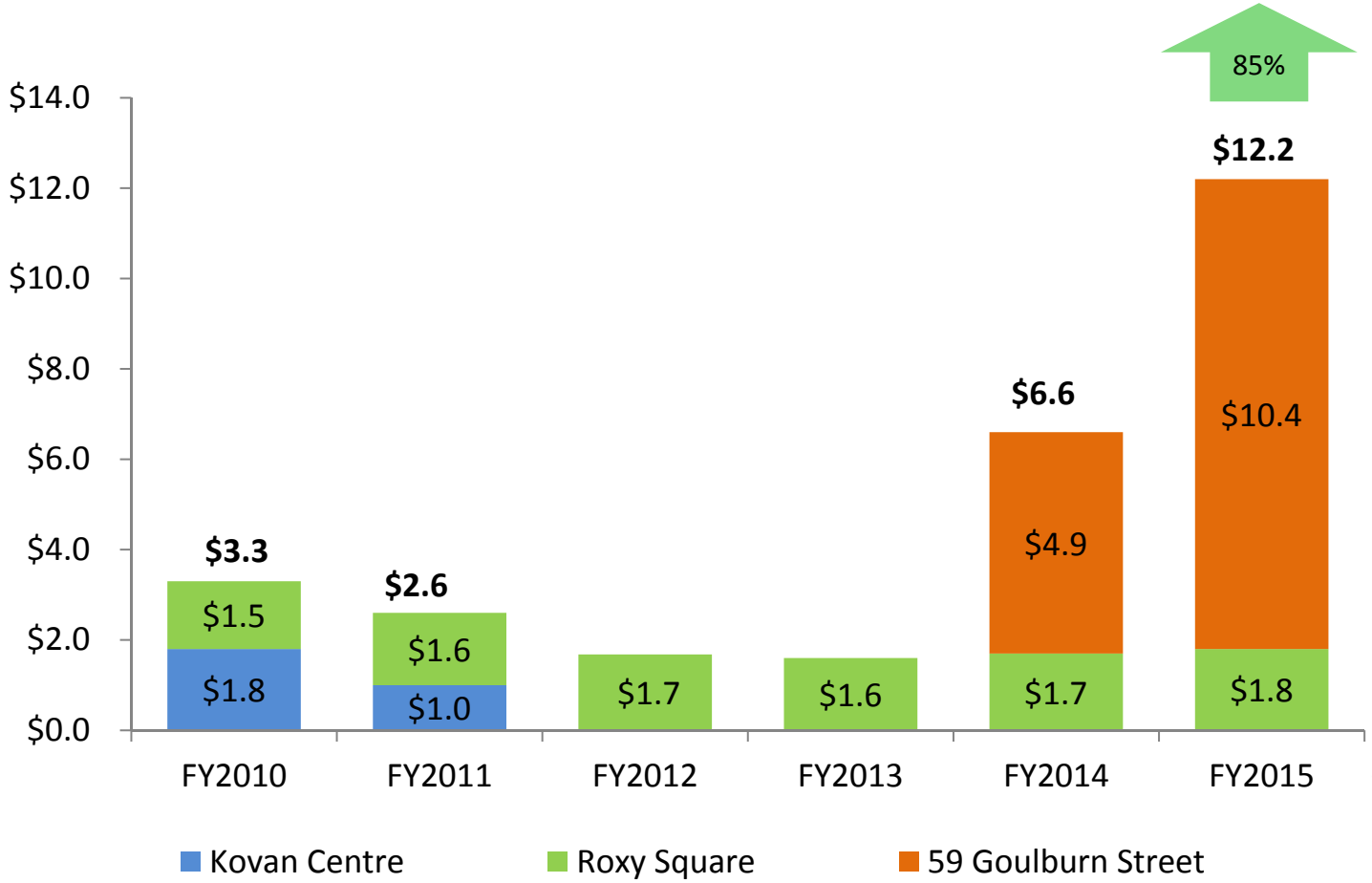
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Business Review

Property Investment – FY2015 Revenue (S$'m)

- Rental income increased from $6.6 m to $12.2 m as a result of full-year rental income from 59 Goulburn Street Building in Australia, which was acquired in July 2014



Business Review

Investment Properties

	Location	Description	Type	Net Lettable Area/ Floor Area (sqm)	% Occupancy rate @ 31 Dec 2015 (on Lettable Area)	Valuation (1) (S$m)	Estimated Total Annual Gross Income (S$m)
	Singapore						
1	50 East Coast Road, Roxy Square	shop units (2)	Commercial retail shops	2,352.0	97%	70.3	1.8
	Overseas						
2	No 59 Goulburn Street, Sydney, Australia	office units	Commercial office building	19,397.2	97%	109.5	10.4
			Total	**21,800.2**		**179.8**	**12.2**

(1) Based on latest valuation as of 31 December 2015.
(2) One shop unit was transferred from owner-use property to investment property .
(3) On 11 February 2016, the Group acquires a 14-storey freehold commercial building at 117 Clarence Street in Sydney's CBD, of which the Group hold 50% shareholding interest.




59 GOULBURN STREET, SYDNEY

Group Borrowing

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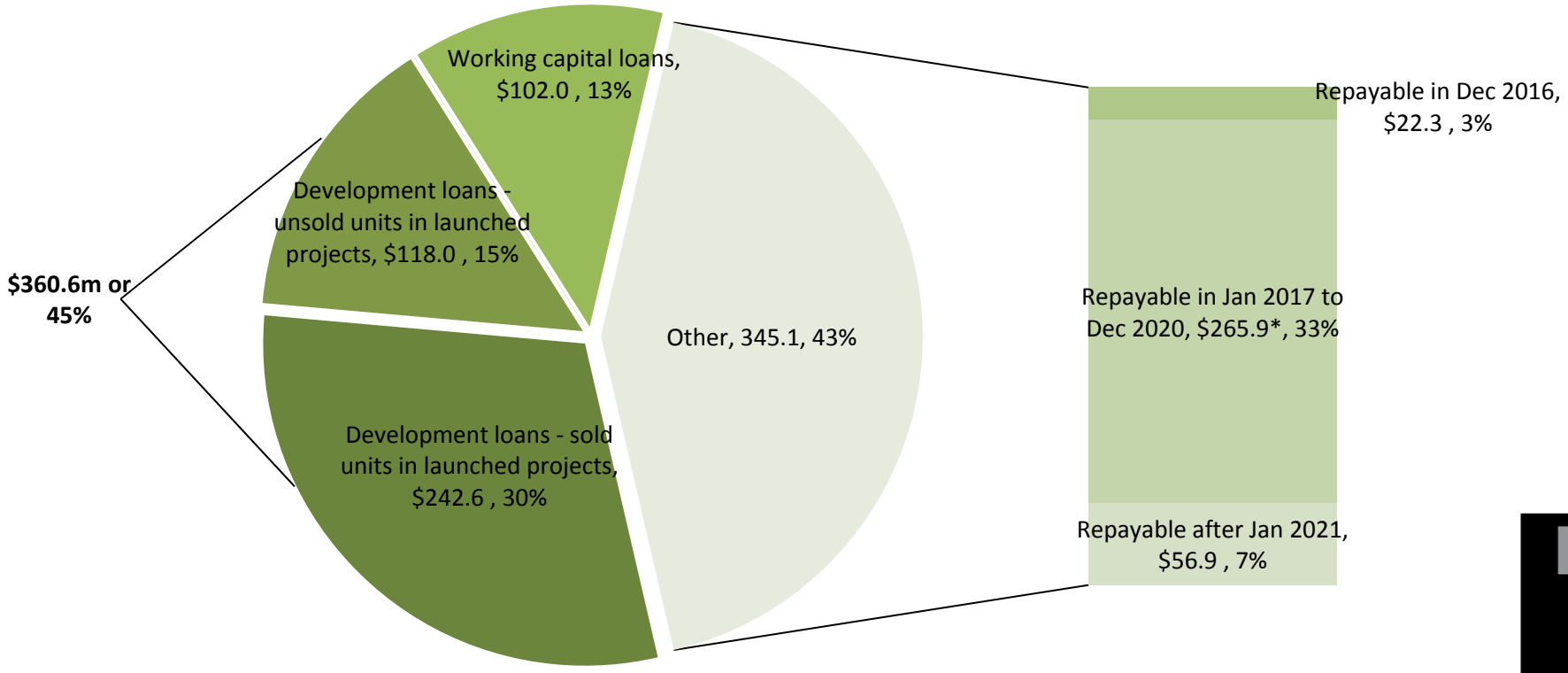
Group Borrowing

Debt Profile	31 Dec 2015	31 Dec 2014	% change
Total borrowings (S$m)	$807.7	$917.3	-12%
Fixed rate loans (S$m)	$384.5	$349.5	10%
Fixed rate loans as % of total loans	48%	38%	10ppt
Weighted average term for fixed rate loans	25 months	35 months	-10 months
Weighted average interest rate (fixed rate loans)	3.1%	2.8%	0.3ppt
Weighted average interest rate (floating rate loans)	2.8%	2.1%	0.7ppt
Interest coverage ratio (times)	8.8	12.1	-26%

Group Borrowing

Debt Profile as at 31 Dec 2015 (S$m)

Total outstanding debts of $807.7m as of 31 Dec 2015



* Include $60.0m MTN repayable in July 2018

Outlook

1. **General**
- Advance estimates by MTI indicated that the Singapore economy grew 2.1% in 2015 compared to 2.9% in 2014 [1].

2. **Property Development**
- Latest statistics by URA indicated that the overall private residential property index fell 3.7% in 2015 compared to 4.0% in 2014.
- As at 15th Feb 2016, the Group has a total presale revenue of S$384.6 million, revenue to be progressively recognised from 1Q2016 to 2020.
- In Australia, the Group has acquired three development sites in Sydney, Australia. New residential projects continue to sell well in Sydney and Brisbane in 2015. The Group expects the project launches in Australia to be well received.

3. **Hotel Ownership**
- Latest statistics from the STB indicated that arrivals for YTD Nov 2015 registered a 0.4% increase y-o-y.
- STB has maintained its forecast of 15.1 million to 15.5 million tourists for 2015 [2].
- The Group has officially opened its first upscale boutique hotel in Kyoto, Japan, under the new Noku Roxy brand name in Nov 2015. In Feb 2016, it has entered into an agreement to acquire a hotel and the leasehold interests of an island in the Maldives.
- The Group looks forward to further strengthening the recurring income streams.

4. **Property Investment**
- The Groups' investment in Goulburn Street has continued to contribute strong recurring rental income to the Property Investment segment. It has also acquired a freehold commercial building at 117 Clarence Street located in Sydney's CDB, which the Group has 50% shareholding interest.
- 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$313.0 million with a low net gearing of 0.54 time.**

6. **Barring any unforeseen circumstances, the directors expect the Group to be profitable in 2016. However, in view of the absence of revenue recognition on completion from Centropod@Changi, which obtained its TOP in January 2015, the profits for 1Q2016 is expected to be significantly lower than 1Q2015.**

[1] *Singapore's GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015 - Ministry of Trade and Industry, January 4, 2016*
[2] *S'pore on target for 15m tourists despite slow start – TODAY, September 18, 2015*

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THANK YOU






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