



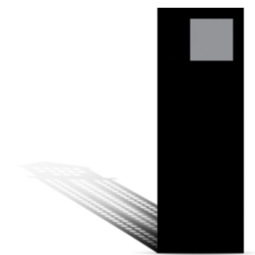
PRIMED FOR
GROWTH

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
Half Year Ended 30 June 2018
31st July 2018

Agenda

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



Financial Performance

2Q2018 & 1H2018 Overview

2Q2018

- Net profit attributable to shareholders was lower at S\$6.4 million (2Q2017: S\$14.7 million)
- Group's revenue was lower at S\$37.0 million (2Q2017: S\$77.8 million)
- Group's gross profit margin increased to 34% (2Q2017: 18%) mainly due to higher percentage contribution from Hotel Ownership segment

1H2018

- Net profit attributable to shareholders was lower at S\$13.4 million (1H2017: S\$20.7 million)
- Excluding fair value gain from 59 Goulburn Street in 1H2017, pre-tax profit increased by 168% to S\$16.6 million
- Group's revenue was lower at S\$83.3 million (1H2017: S\$143.2 million)
- Revenue from Hotel Ownership segment increased to S\$25.2 million (1H2017: S\$21.4 million)
- Strong take-up rate for The Navian (85% sold), Harbour View Gardens (96% sold) and 120 Grange (71% sold)
- Total pre-sale revenue of S\$605.0 million (1H2017: S\$469.3 million), which will be recognised from 3Q2018 to 2021.
- Healthy cash and bank balances of S\$297.3 million
- Net gearing remains healthy at 0.70 time notwithstanding the completion of acquisition of properties in 1Q2018
- Declares interim dividend of 0.195 SGD cents per share

Financial Performance

Financial Results	2Q2018	2Q2017	% change
Revenue (S\$m)	37.0	77.8	-52%
Gross Profit (S\$m)	12.6	13.8	-8%
Gross Margin (%)	34%	18%	16ppt
Share of results of associates (net of tax) (S\$m)	5.6	4.7	19%
Pre-tax profit (S\$m)	8.8	25.4 ⁽¹⁾	-66%
Net Profit (S\$m)	6.5	15.3	-57%
Net Profit attributable to shareholders (S\$m)	6.4	14.7	-57%
EPS (SGD cents) ⁽²⁾	0.49	1.12	-57%

⁽¹⁾ Include S\$28.4 million fair value gain (before tax) from 59 Goulburn Street

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

Financial Performance

Financial Results	1H2018	1H2017	% change
Revenue (S\$m)	83.3	143.2	-42%
Gross Profit (S\$m)	26.0	30.1	-14%
Gross Margin (%)	31%	21%	10ppt
Share of results of associates (net of tax) (S\$m)	11.4	7.3	56%
Pre-tax profit (S\$m)	16.6	34.6 ⁽¹⁾	-52%
Net Profit (S\$m)	13.5	21.6	-37%
Net Profit attributable to shareholders (S\$m)	13.4	20.7	-35%
EPS (SGD cents) ⁽²⁾	1.02	1.57	-35%

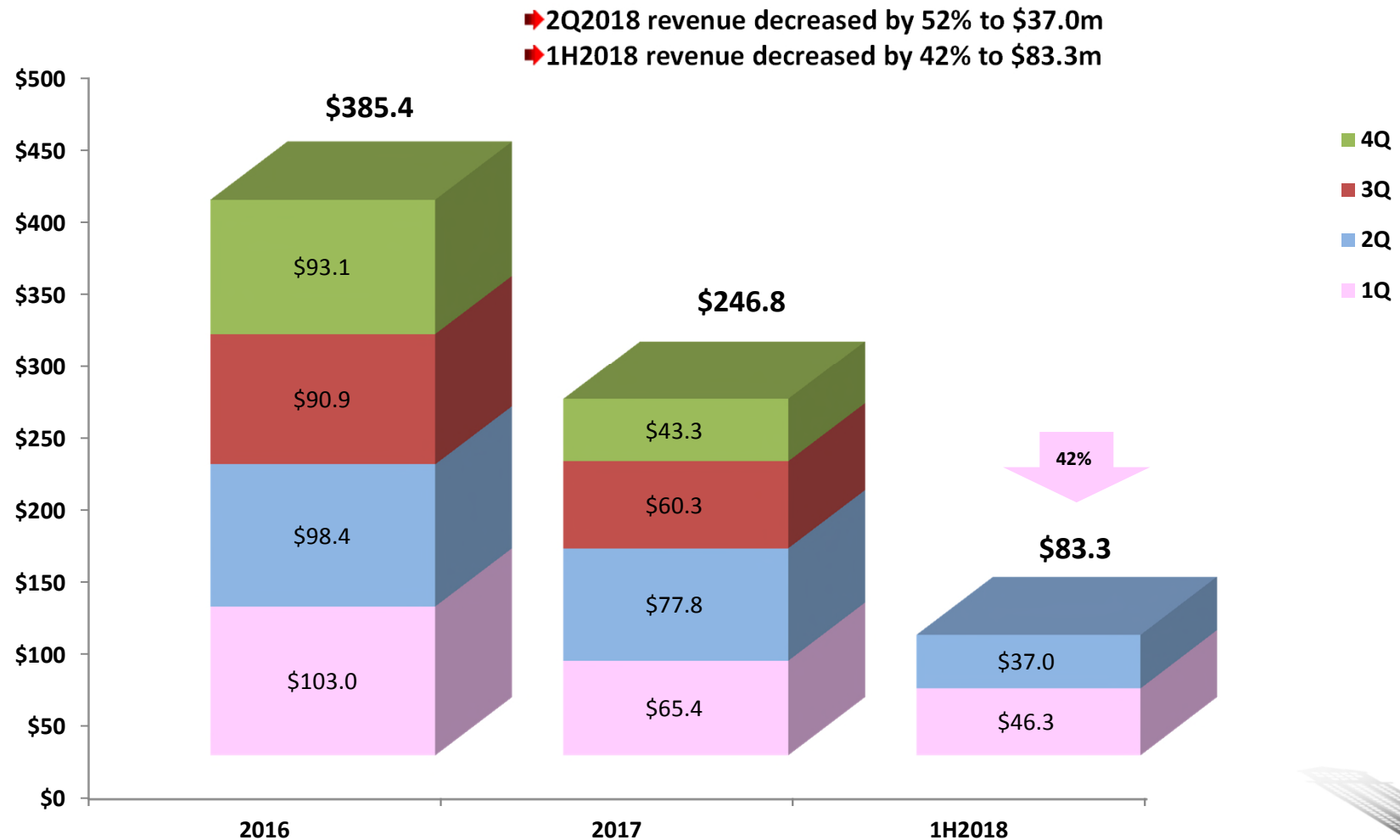
⁽¹⁾ Include S\$28.4 million fair value gain (before tax) from 59 Goulburn Street

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

Financial Performance

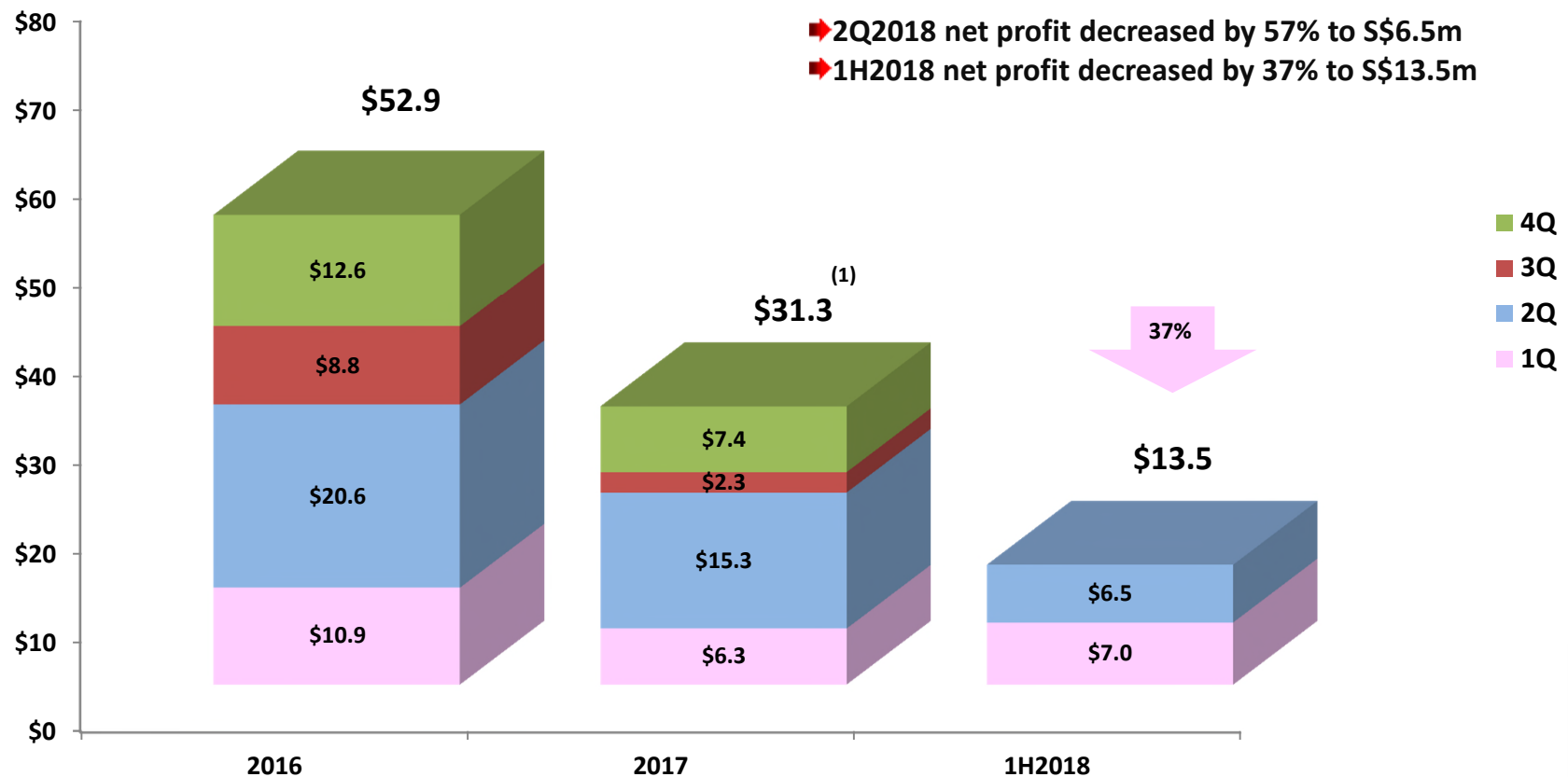
Financial Performance

Turnover (\$S'm)



Financial Performance

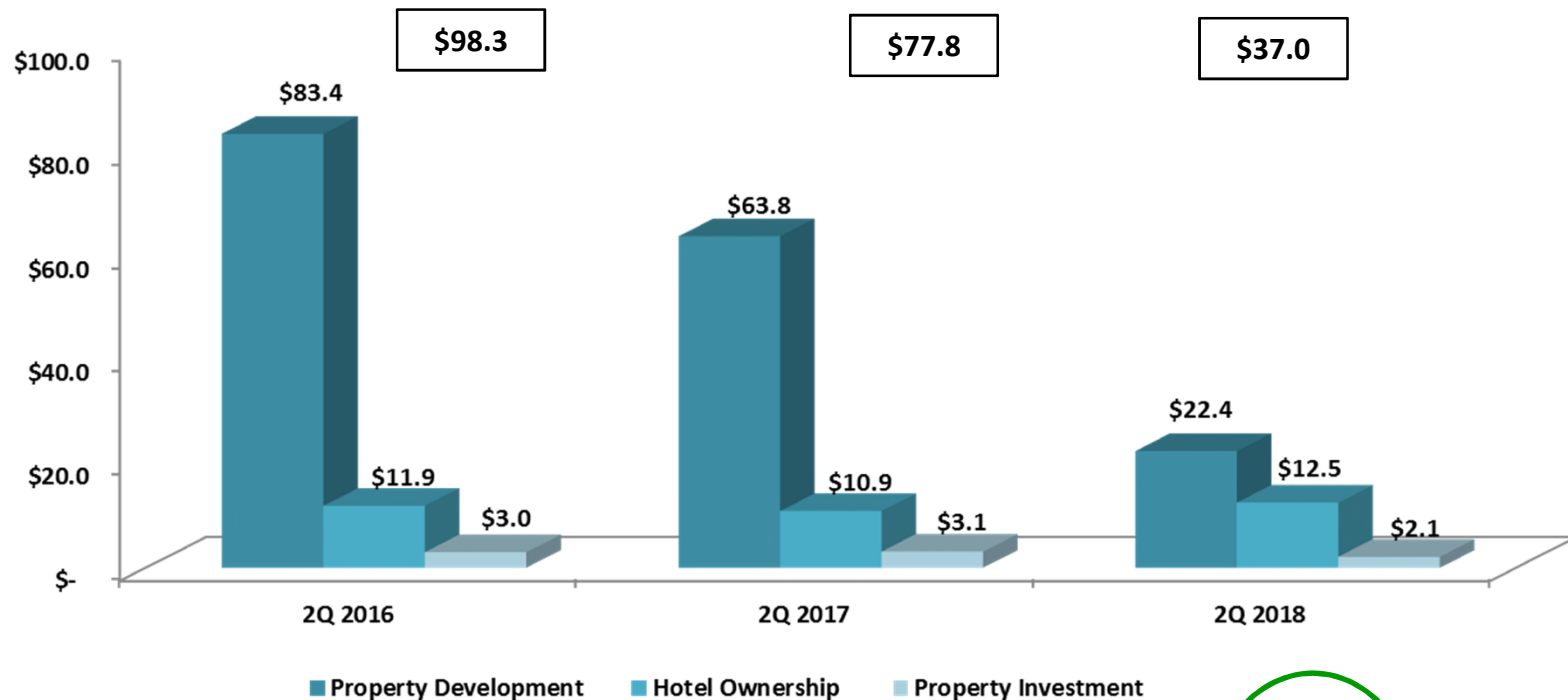
Financial Performance Profit After Tax (\$\$'m)



⁽¹⁾ Include S\$19.9 million fair value gain (after tax) from 59 Goulburn Street

Financial Performance

Segment Results – 2Q2018 Revenue (\$\$'m)

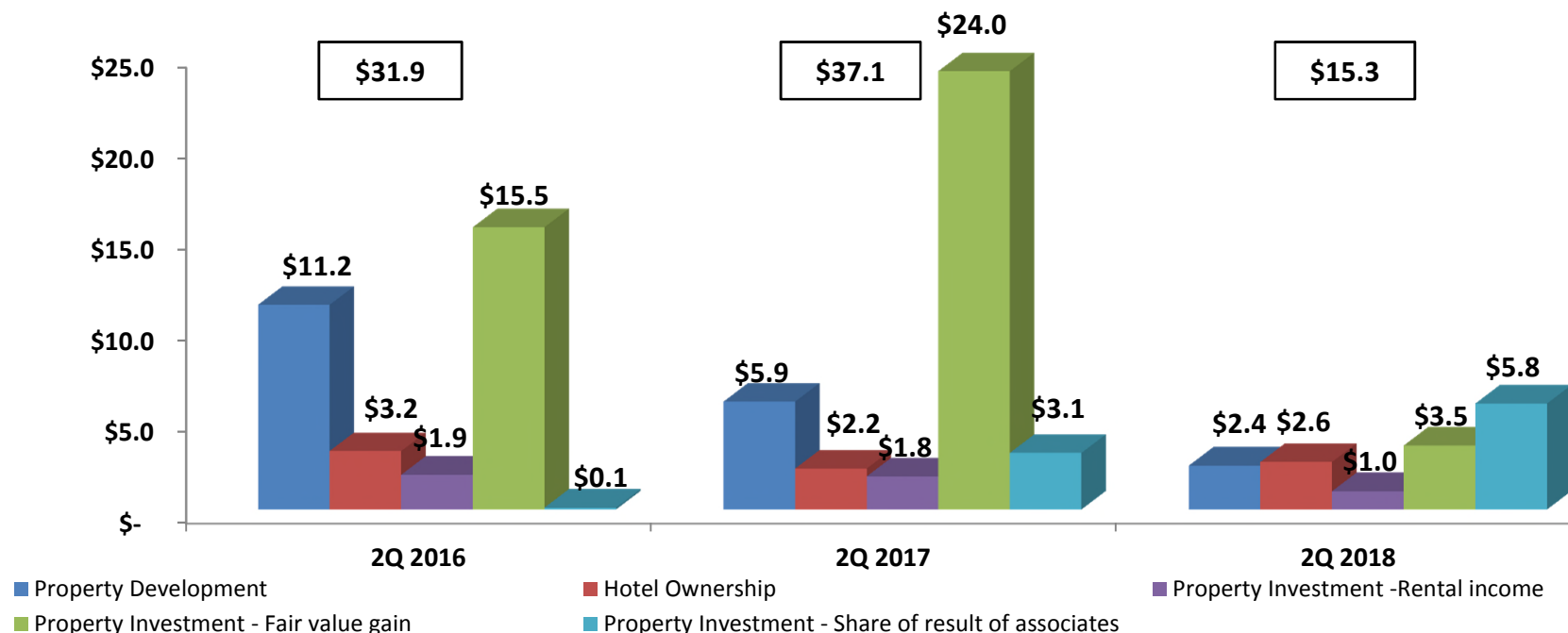


	2Q 2016	2Q 2017	2Q 2018
Property Development	85%	82%	60%
Hotel Ownership	12%	14%	34%
Property Investment	3%	4%	6%
	100%	100%	100%

Financial Performance

Segment Results – 2Q2018

Adjusted EBITDA* (\$\$'m)

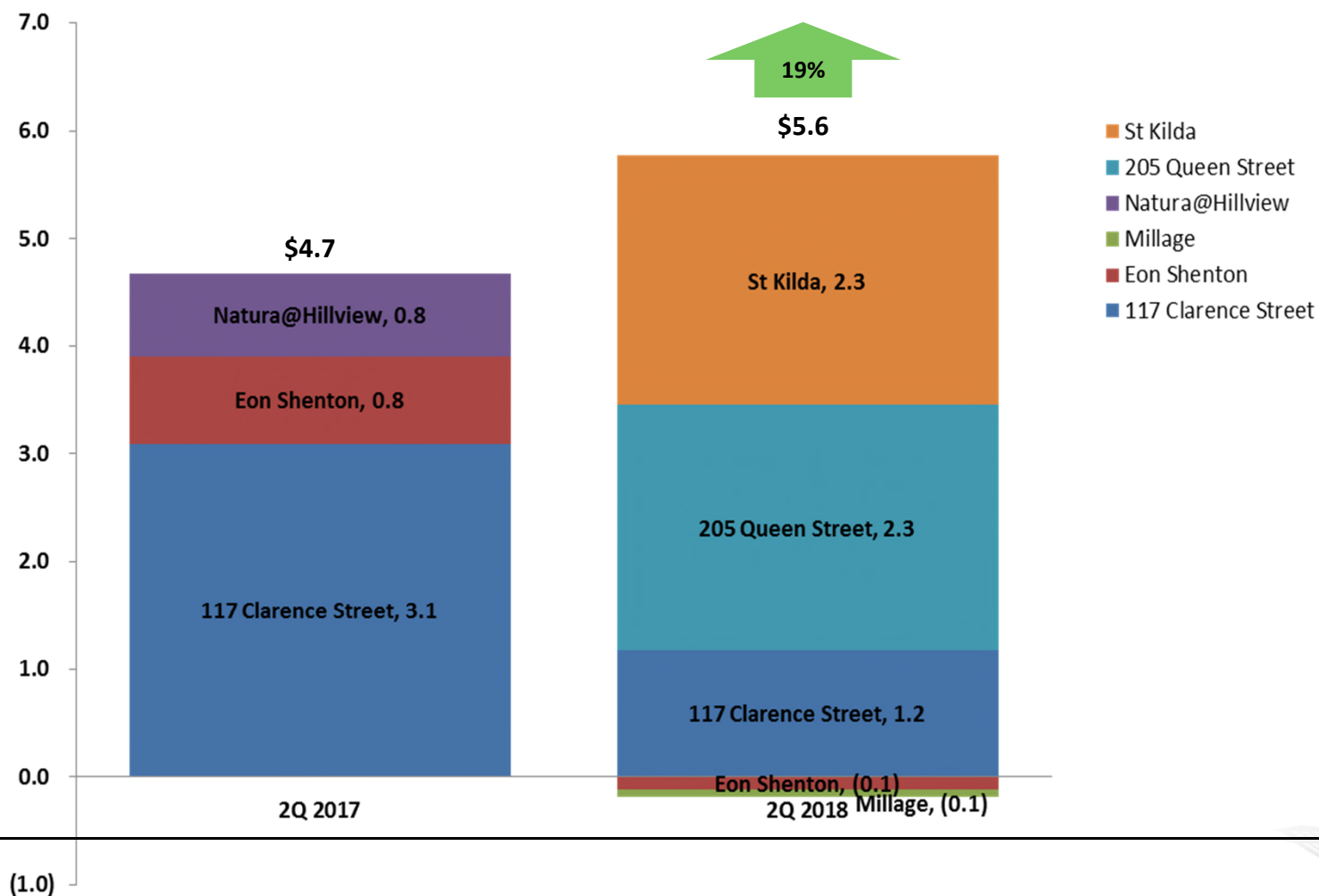


	2Q 2016	2Q 2017	2Q 2018
Property Development	35%	16%	16%
Hotel Ownership	10%	6%	17%
Property Investment -Rental income	6%	5%	6%
Property Investment - Fair value gain	49%	65%	23%
Property Investment - Share of result of associates	0%	8%	38%
	100%	100%	100%

* 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) – 2Q2018



Financial Performance

Financial Position	30 Jun 2018 (S\$m)	31 Dec 2017 (S\$m)
Total assets	1,605.0	1,489.1
Total debt	992.6	871.8
Cash & bank balances ⁽¹⁾	297.3	322.5
Net debt	695.3	549.4
Net asset value ("NAV")	498.2	502.7
Revaluation surplus ⁽²⁾	488.4	490.3
Adjusted net asset value ("ANAV")	986.6	992.9

(1) Cash holdings include project account monies amounting to S\$45.1m as at 30 June 2018 (31 December 2017: S\$82.7m) and S\$82.2m (31 December 2017: S\$88.2m) pledged to banks and financial institution

(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\$683.3m as at 30 June 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$194.9m (31 December 2017: S\$192.1m)

Financial Performance

Financial Ratios	30 Jun 2018	31 Dec 2017
NAV per share (SGD cents) *	38.10	38.44
ANAV per share (SGD cents)* ⁽¹⁾	75.45	75.94
Cash holdings per share (SGD cents)* ⁽²⁾	22.74	24.66
Net debt to ANAV (times)	0.70	0.55
Total debt to ANAV (times)	1.01	0.88
Return on equity (%) ⁽³⁾	5.4%	5.9%

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

- (1) 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\$683.3m as at 30 June 2018 (31 December 2017: S\$682.4m) as compared to net book value of S\$194.9m (31 December 2017: S\$192.1m)
- (2) Cash holdings include project account monies amounting to S\$45.1m as at 30 June 2018 (31 December 2017: S\$82.7m) and S\$82.2m (31 December 2017: S\$88.2m) pledged to banks and financial institution
- (3) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value

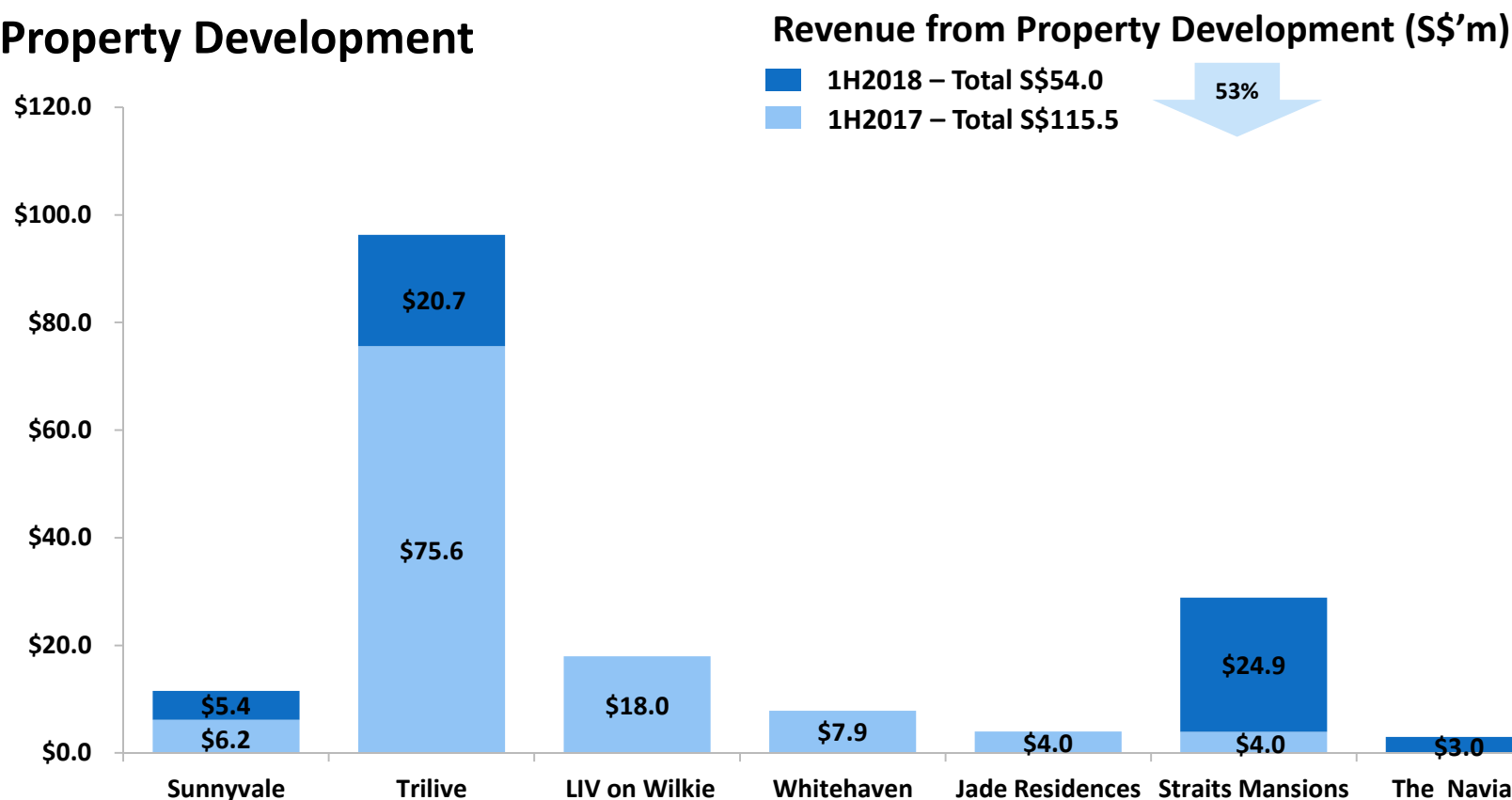
**Results Announcement
Half Year Ended 30 June 2018**

31st July 2018

BUSINESS REVIEW
Property Development

Business Review

Property Development



- 1H2018 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 and Malaysia, unlike in Singapore, 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 (\$'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 30 June 2018 \$'m	Balance attributable progress billings to be recognised from 3Q2018 \$'m
Singapore							
1 Straits Mansions	Residential	100%	25	100%	\$ 48.2	\$ 41.7	\$ 6.5
2 The Navian ⁽ⁱⁱⁱ⁾	Residential	100%	48	85%	\$ 48.6	\$ 3.0	\$ 45.6
3 Harbour View Gardens ^(iv)	Residential	100%	57	96%	\$ 70.6	-	\$ 70.6
4 120 Grange ^(v)	Residential	90%	56	71%	\$ 65.4	-	\$ 65.4
Malaysia							
5 Wisma Infinitum - The Colony	Residential	47%	423	68%	\$ 50.5	-	\$ 50.5
Wisma Infinitum - The Luxe	Residential	47%	300 ^(vi)	35%	\$ 22.8	-	\$ 22.8
Australia							
Sydney							
6 The Hensley, Potts Point	Residential	100%	44	95%	\$ 69.4	-	\$ 69.4
	Shop	100%	1	100%	\$ 1.1	-	\$ 1.1
7 Octavia, Killara	Residential	100%	43	98%	\$ 48.3	-	\$ 48.3
8 West End Glebe, Tower 1 (Foundry)	Residential	100%	140	87%	\$ 142.9	-	\$ 142.9
West End Glebe, Tower 2 (Art House)	Residential	100%	91	71%	\$ 81.0	-	\$ 81.0
Total			1,228		\$ 649.7	\$ 44.7	\$ 605.0

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 20 July 2018

(ii) For overseas projects, sale value is based on contract signed up to 20 July 2018

(iii) Launched in January 2018

(iv) Launched in April 2018

(v) Launched in June 2018

(vi) Represents Block B - The Luxe by Infinitum. An additional 31 commercial units are pending launch

Note: Pre-sale revenue of overseas projects will be 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	Bukit 828	34 units of Residential Development	10,258	25,640	80%	20,512	\$13.6
2	RV Millenia	140 units of Residential Development	28,793	80,632	100%	80,632	\$110.0
3	Arena Residences	98 units of Residential Development	26,454	74,072	50%	37,036	\$28.3 ⁽²⁾
4	386/A/B, 388/A/B, 390/A/B, 392/A/B Dunearn Road	35 units of Residential Development	19,203	26,884	100%	26,884	\$36.3
5	5 Derbyshire Road	71 units of Residential Development	18,506	53,154	100%	53,154	\$73.9
6	15, 17 & 19 Lorong Kismis	186 units of Residential Development	100,336	140,470	60%	84,282	\$78.5 ⁽³⁾
7	22 Farrer Road ⁽¹⁾	86 units of Residential Development	39,130	64,310	40%	25,724	\$39.5
8	27 Moulmein Rise	87 units of Residential Development	22,198	65,585	50%	32,793	\$53.0
Total		737 units	264,879	530,747		361,016	\$433.1

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

(2) Includes state land cost

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



Results Announcement Half Year Ended 30 June 2018

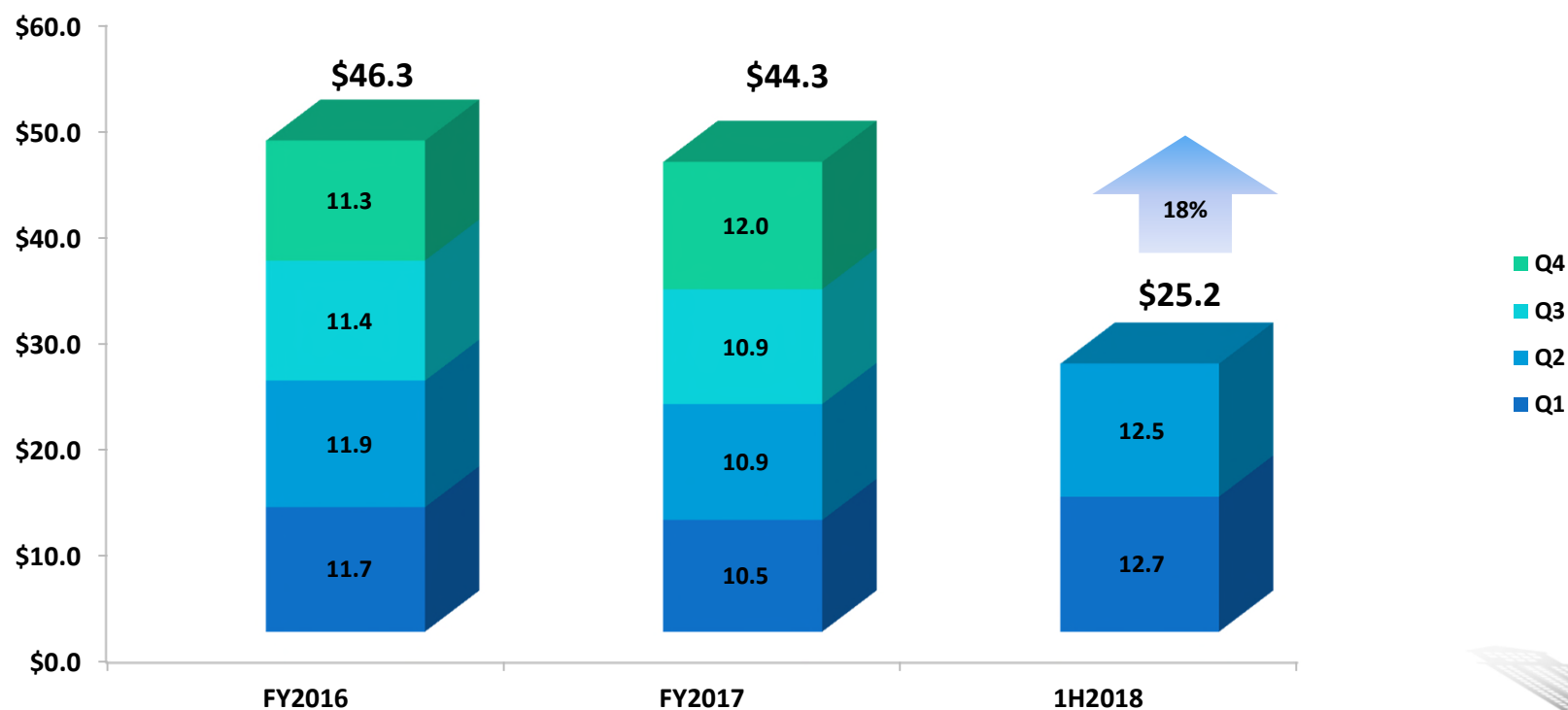
31st July 2018

BUSINESS REVIEW *Hotel Ownership*

Business Review

Hotel Ownership – 1H2018 Hotel Revenue (\$\$m)

► Hotel revenue increased 18% in 1H2018 to S\$25.2m mainly due to newly acquired hotel in Osaka, Japan and higher revenue from resort in Maldives after its partial opening

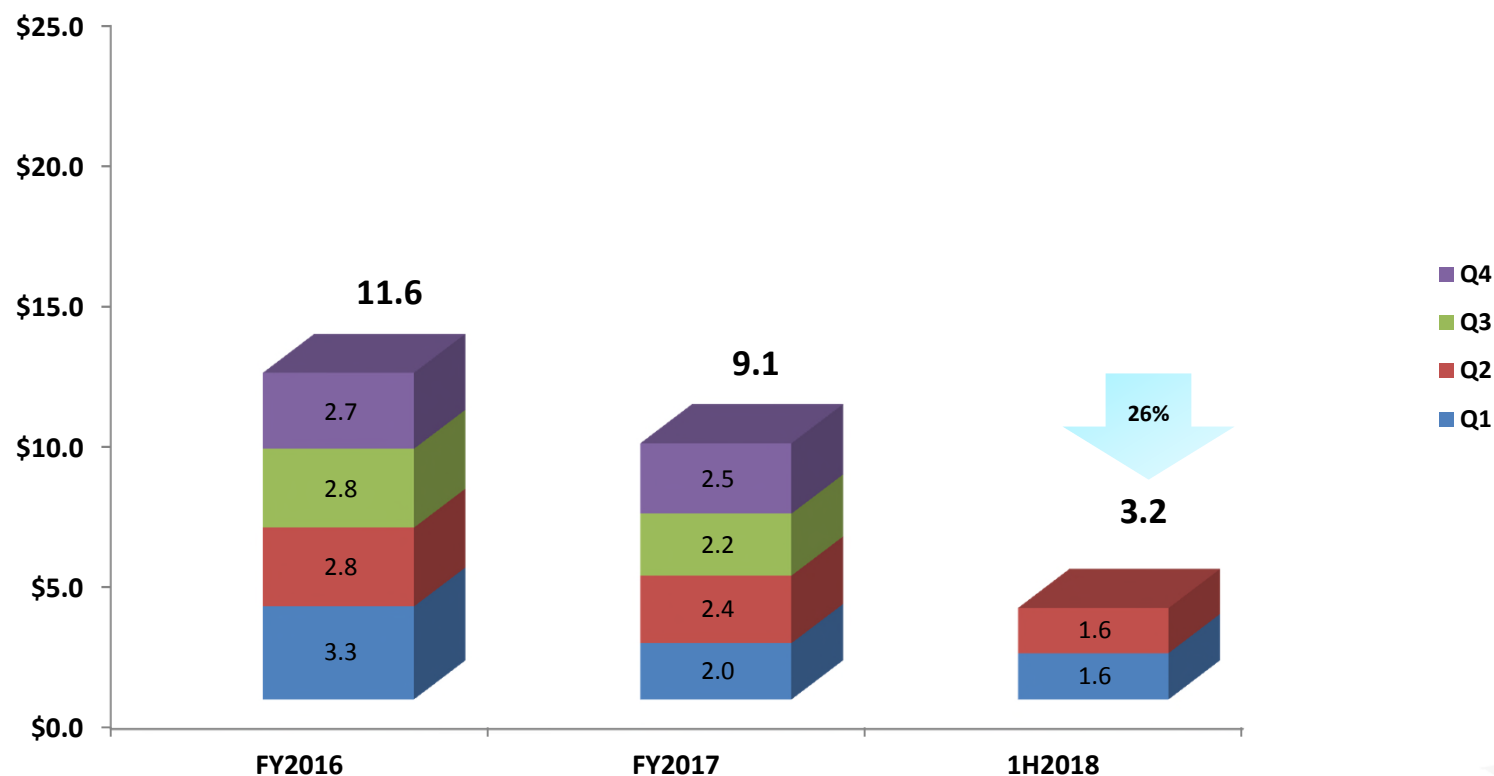


Business Review

Hotel Ownership – 1H2018

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

► Hotel net operating profit decreased 26% in 1H2018 to S\$3.2m from S\$4.4 m in 1H2017



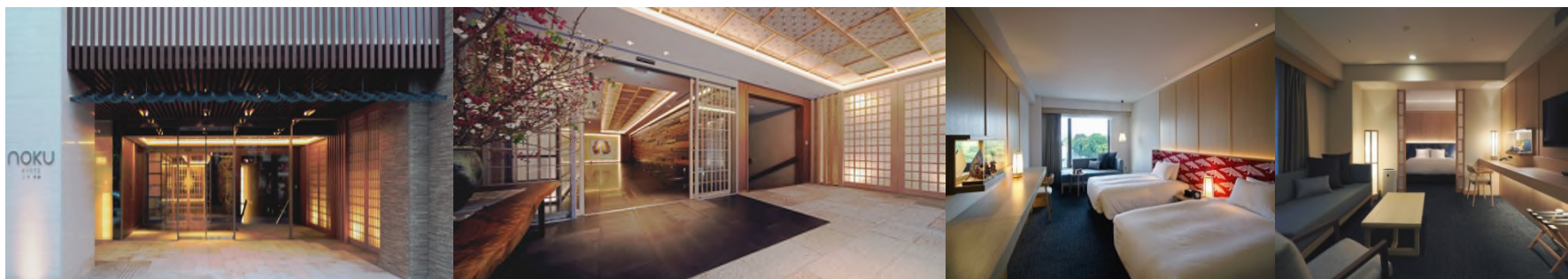
Hotel Net Operating Profits is defined as the earnings before interest, taxes, depreciation and amortisation.

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	Noku Roxy	Noku Roxy	Noku Maldives
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)

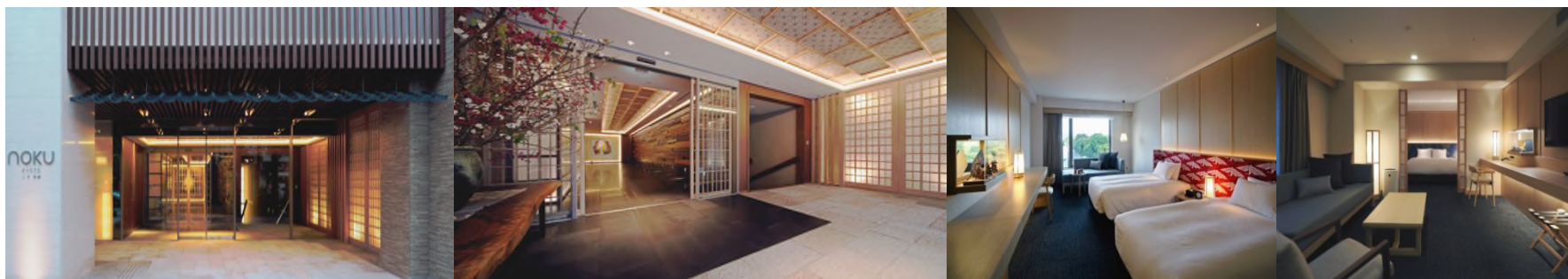
*Noku Maldives was soft opened in December 2017. It is expected to be in full operation by 3Q2018



Business Review

Noku Roxy 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



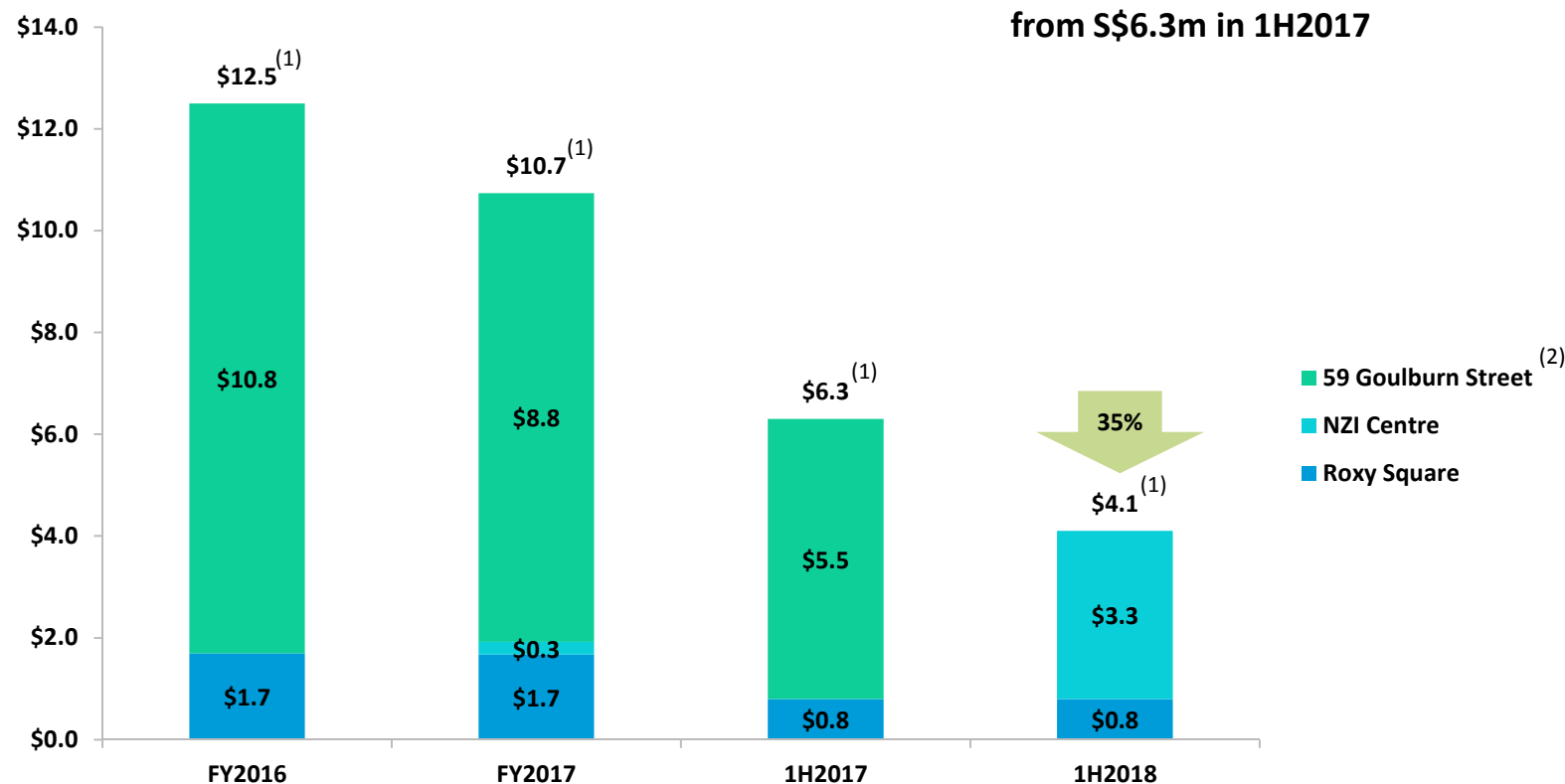
**Results Announcement
Half Year Ended 30 June 2018**

31st July 2018

BUSINESS REVIEW
Property Investment

Business Review

Property Investment – 1H2018 Revenue (S\$m)



(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 June 2018 (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	88%	S\$63.8 m	1.7m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-Storey commercial building	15-Dec-17	100%	9,446	100%	S\$61.6m (NZ\$66.8 m)	S\$6.3m (NZ\$6.8m)
	Total				11,817		\$ 125.4	

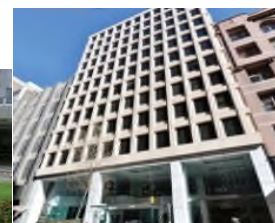
Held by an Associate company

3	117 Clarence Street, Sydney, Australia ⁽³⁾	14-Storey commercial building	10-Feb-16	50%	12,517	100%	S\$154.2 m (A\$153.0 m)	S\$9.1m (A\$9.0m)
4	205 Queen Street, Auckland, New Zealand	2 Office Tower with 17 and 22 Storey	20-Dec-17	50%	25,367	85%	S\$166.1 m (NZ\$180.0 m)	S\$12.9m (NZ\$13.9m)
5	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,813	88%	S\$80.1 m (A\$79.5 m)	S\$4.5m (A\$4.5m)
	Total				47,697		\$ 400.4	

- (1) Based on latest valuations as of 30 June 2018
 (2) Excludes 3 units which are for owner-use premises
 (3) The Group has entered into a definitive sale and purchase agreement on 25th June 2018 to sell the office building for AUD153.0 million. The sale is expected to be completed in August 2018



Roxy square



117 Clarence Street

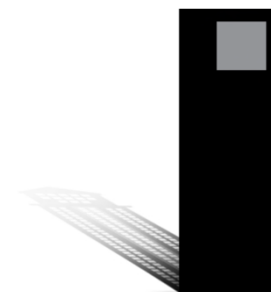


NZI Centre

Group Borrowing

Results Announcement Half Year Ended 30 June 2018

31st July 2018



Group Borrowing

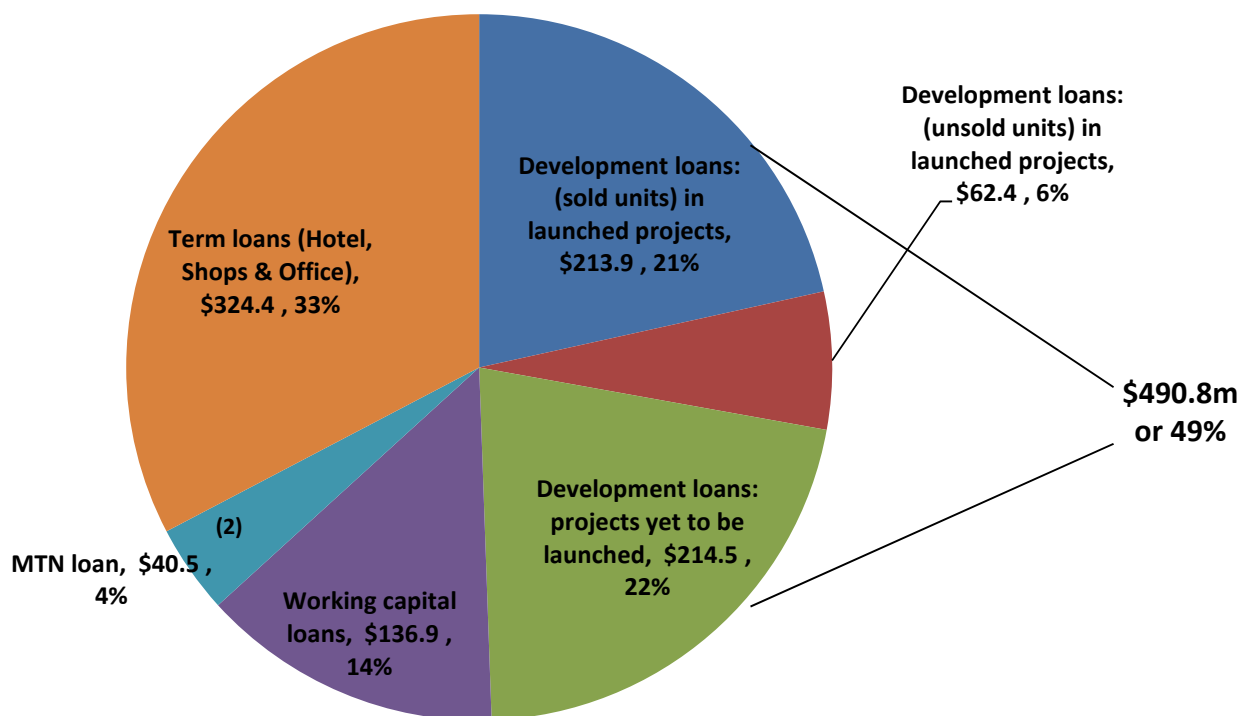
Debt Profile	30 Jun 2018	31 Dec 2017
Total borrowings (S\$m)	S\$992.6	S\$871.8
Net borrowings (S\$m)	S\$695.3	S\$549.4
Fixed rate loans (S\$m)	S\$269.7	S\$271.6
Fixed rate loans as % of total loans	27%	31%
Weighted average term for fixed rate loans	23 months	29 months
Weighted average interest rate (fixed rate loans)	3.3%	3.3%
Weighted average interest rate (floating rate loans)	2.7%	2.6%
Interest coverage ratio (times) ⁽¹⁾	3.6	4.3

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

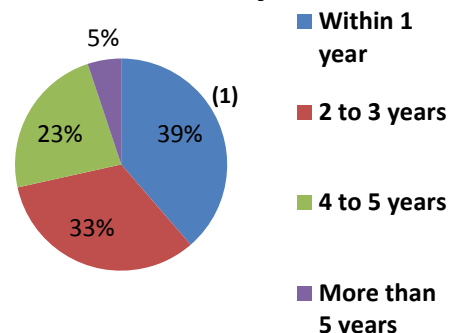
Group Borrowing

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

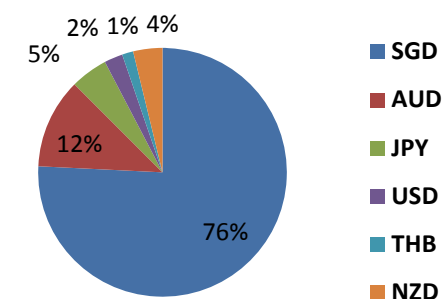
Total outstanding debts of S\$992.6m as of 30 Jun 2018



Debt Maturity



Debt Currency Mix



- (1) S\$167.9 m relates to loans for sold units which is expected to be repaid upon obtaining TOP and collections from buyers of the properties. S\$88.2 m relates to revolving loans for Grand Mercure Roxy Hotel, Singapore and S\$48.7 m loans is secured by fixed deposits
- (2) S\$40.5m MTN loan has been fully repaid on 20 July 2018

Outlook

1. General

- Latest statistics from MTI showed that the Singapore economy grew 3.8% y-o-y in 2Q2018¹
- Australia's economy also posted positive growth of 1% on a y-o-y in 1Q2018²
- Japan's economy contracted 0.6% q-on-q in 1Q2018³

2. Property Development

- URA reported that prices of private residential properties increased by 3.4% in 2Q2018 grew 3.4%, compared with the 3.9% growth recorded in 1Q2018⁴
- The Singapore Government announced a raise of Additional Buyer's Stamp Duty (ABSD) rates and tightening of Loan-to-Value (LTV) limits to cool the property market and keep prices increases aligned with economic fundamentals⁵. Analysts believe that the cooling measures are unlikely to dampen the market psychology severely⁶ as the market is still in the nascent stage of recovery and the adjusted property prices may still be affordable to buyers
- In Australia, residential property prices rose 2.0% in 1Q2018. Key cities like Sydney and Brisbane registered a 2.0% and 6.2% growth y-o-y⁷
- In Singapore, the Group currently has eight development sites as its land bank and of which five are planned to be launched in FY2018
- 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 80% sold.
- As at 20th July 2018, pre-sale revenue from the development projects was S\$605.0 million, the profit of which will be recognised from 3Q2018 to FY2021

¹ Ministry of Trade and Industry Singapore, July 13, 2018 – Singapore's GDP Grew by 3.8 Per Cent in the Second Quarter of 2018

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

³ DBS Treasures Research, May 16, 2018 – Japan: Recovery intact but faces more risks

⁴ Urban Redevelopment Authority, July 27, 2018 – Release of 2nd Quarter 2018 real estate statistics

⁵ Monetary Authority of Singapore, July 5, 2018 – Raising Additional Buyer's Stamp Duty Rates and Tightening Loan-to-Value Limits to Promote a Stable and Sustainable Property Market

⁶ Business Times, July 10, 2018 – What cooling measures? Weekend buyers still flocking to showflats

⁷ Australian Bureau of Statistics, Mar 2018 – Residential Property Price Indexes: Eight Capital Cities

Outlook

3. Hotel Ownership

- Latest statistics from STB⁸ showed a 6.7% growth in visitor arrivals for the first four months of 2018. For 2018, STB expects further growth in visitor arrivals between 1% to 4%, while tourism receipts are expected to grow between 1% and 3%
- According to Japan National Tourism Organisation⁹, the estimated number of international travelers to Japan has reached 2.675 million (+16.6% from the previous year) for the month of May 2018
- The Group resort in Maldives, was partially opened for operation in December 2017. It is expected to be in full operation in 3Q2018
- The Group targets to open Phuket resort in 2019

4. Property Investment

- For the Australian office sector¹⁰, 1Q2018 saw a 4% rise in the NAB Commercial Property Index, with expectations for the overall property market to continue growing in the next 1 to 2 years, except for Queensland. New South Wales and Victoria is expected to lead the growth
- The Group's associate company has entered into a definitive sale and purchase agreement on 25 June 2018 to sell 117 Clarence Street for AUD153.0 million
- The Group will continue to explore opportunities to strengthen its income streams and enhance shareholder value

5. Healthy cash and bank balances of S\$297.3 million

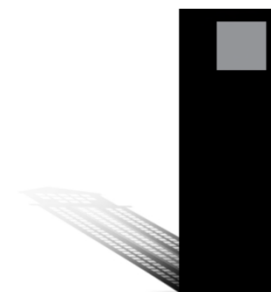
6. Net gearing remains healthy at 0.70 time, notwithstanding the completion of acquisition of development sites and office building in 1Q2018

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

⁸ Singapore Tourism Board, June 19, 2018 – International Visitor Arrivals Statistics

⁹ Japan National Tourism Organisation – Japan Tourism Statistics

¹⁰ National Australia Bank, April 18, 2018 – NAB Quarterly Australian Commercial Property Survey Q1 2018



**ROXY-PACIFIC
HOLDINGS LIMITED**

**Results Announcement
Half Year Ended 30 June 2018
31st July 2018**

PRIMED FOR
GROWTH

THANK YOU

