

**ROXY-PACIFIC
HOLDINGS LIMITED**

**Driving
GROWTH AND
VALUE**

Annual General Meeting
23th April 2019



Agenda

1. Overview of FY2018 Financial Performance
2. Update on Self-managed *Noku hotels* / Hotel Ownership
3. Update on Land Banks & Investment Properties

Challenges in FY2018

- Revenue from Singapore development properties decreased by 61% due to lower revenue recognised from Trilive and absence of revenue from **4** projects that obtained TOP in FY2017
- Revenue and profit can only be recognised upon completion and settlement for our **3** development projects in Australia, which are substantially sold and completed. TOP obtained for The Hensley on 20 Dec 2018. Revenue is recognised from Jan 2019 upon settlement. An estimated revenue of S\$55.2 million and profit before tax of S\$6.6 million will be recognised in 1Q2019
- Change in Accounting Standards on borrowing costs⁽¹⁾ relating to development properties that are ready for its intended sale, resulted in borrowing costs amounting to S\$3.0 million (before tax) being expensed in FY2018
- Showflat and sales & marketing expenses of S\$6.5⁽²⁾ million incurred on development properties were expensed in FY2018

(1) Pursuant to the Agenda Decision issued by the IFRS Interpretations Committee on March 2019 in connection with SFRS(I) 15 relating to capitalisation of borrowing costs for certain development loans.

(2) Incurred for 10 projects, which includes 2 TOP projects, 6 launched projects and 2 projects to be launched in 2019

Financial Performance

Financial Results	FY2018	FY2017 (Restated) ⁽¹⁾	% change
Revenue (S\$'m)	132.9	246.8	-46%
Gross Profit (S\$'m)	50.8	65.7	-23%
Gross Margin (%)	38%	27%	11ppt ⁽²⁾
Share of results of associates (net of tax) (S\$'m)	20.1	13.9	45%
Pre-tax profit (S\$'m)	25.2	49.6 ⁽³⁾	-49%
Net Profit (S\$'m)	21.1	33.8	-38%
Net Profit attributable to shareholders (S\$'m)	21.3	31.7	-33%
EPS (SGD cents) ⁽⁴⁾	1.63	2.42	-33%

(1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) and cessation of capitalisation of borrowing cost for certain development loans.

(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 Position	31 Dec 2018 (S\$m)	31 Dec 2017 (S\$m) (Restated) ⁽¹⁾
Total assets ⁽²⁾	1,676.5	1,517.7
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⁾	496.3	504.5
Revaluation surplus ⁽⁵⁾	485.2	490.3
Adjusted net asset value ("ANAV")	981.5	994.8

(1) The figures have been restated to take into account of the retrospective effect of adoption of SFRS (I) and cessation of capitalisation of borrowing cost for certain development loans

(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, 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)*	38.06	38.47
ANAV per share (SGD cents)* ⁽²⁾	75.27	75.86
Cash holdings per share (SGD cents)* ⁽³⁾	22.36	24.59
Net debt to ANAV (times)	0.77	0.55
Return on equity (%) ⁽⁴⁾	4.3%	6.3%

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

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(2) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, 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

Update on Self-managed *Noku hotels*/Hotel Ownership

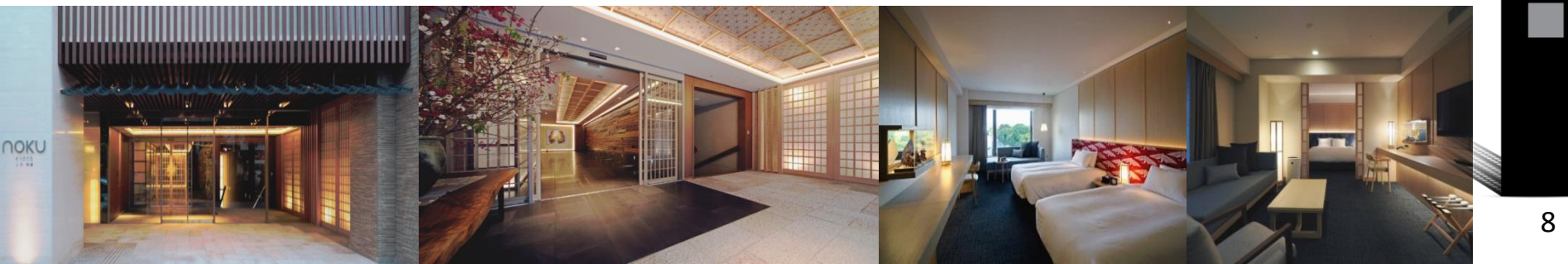
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noku

Update on Hotel Ownership

Properties	Grand Mercure Singapore Roxy	Noku Kyoto	Noku Osaka	Noku Maldives	Noku Phuket (under development)	Total
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	na
Managed by	Roxy under franchise with Accor Group	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	Roxy under "NOKU hotels"	ma
Rooms	576 rooms	81 rooms	154 rooms	50 villas	91 rooms/villas	952 rooms/villas
Date of TOP/acquisition	TOP in Sep 2000	2-Oct-14	17-Oct-17	11-May-16	6-Nov-14	na
Tenure	Freehold	Freehold	Freehold	Remaining 38 years leasehold	Freehold	na
Approximate Land Area (sq m)	15,172	940	886	89,896	46,878	153,772
Gross Floor area (sq m)	35,336	4,780	3,672	16,830	17,973	78,591
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⁾	S\$706.4m

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



The background of the slide features a photograph of several modern, multi-story apartment buildings. The buildings have a mix of glass facades and balconies, some with glass railings. The image is slightly faded and has a blueish tint, especially on the left side where there are some geometric shapes. The text is overlaid on the right side of the image.

Update on Land Banks & Investment Properties

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Business Review

Pre-sale revenue to be recognised by on-going development projects (\$'m)

Project name	Type of development	Group stake %	Total units in project Unit	Unit sold %	Attributable total sale value ^{(i) (ii)} \$'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

Update on Land Bank

	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	View At Kismis	186 units of Residential Development	100,336	140,470	60%	84,282	\$78.4 ⁽¹⁾
3	Wilshire Residences	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

Update on 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 (\$\$)
Held by subsidiary company								
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	
Held by Associate company								
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)
5	33 Arygle Street, Parramatta NSW 2150, Australia	Office building comprising retail ground floor suite and café, 3 levels of above ground parking, 6 levels and roof top plant rooms	8-Jan-19	40%	5,281	100% ⁽³⁾	S\$39.5 m ⁽³⁾ (A\$40.8 m)	S\$2.8m ⁽³⁾ (A\$2.9m)
	Total				40,461		\$ 281.7	

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

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

(3) As at 8 January 2019

Note: Melbourne House and Mavis Street are recorded as property under development



Roxy square



205 Queen Street



NZI Centre

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THANK YOU

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