

ROXY-PACIFIC HOLDINGS LIMITED

Results Announcement
First Quarter Ended 31 March 2016
5th May 2016



Roxy-Pacific
Holdings Limited

**STRIKING
A BALANCE FOR
SUSTAINABLE
GROWTH**

Agenda

- Financial Performance
- Business Review
- Group Borrowings
- Outlook



Financial Performance

Overview – 1Q2016

- Revenue decreased 48% to S\$103.0 million due to absence of revenue recognition from completion of Centropod@Changi
- Hotel revenue increased 7% to S\$11.7 million due to contribution from Noku Kyoto
- Net profit decreased 76% to S\$10.9 million
- Excluding Centropod@Changi, net profit increased by more than seven times year on year
- Total pre-sale revenue of S\$341.8 million, profits of which will be progressively recognised from 2Q2016 to 2020
- Strong cash and cash equivalents of S\$259.2 million
- Net gearing remains healthy at 0.67 time notwithstanding the completion of purchase of office building at Clarence Street, Sydney, development sites at Glebe, Australia and Jalan Eunos, Singapore

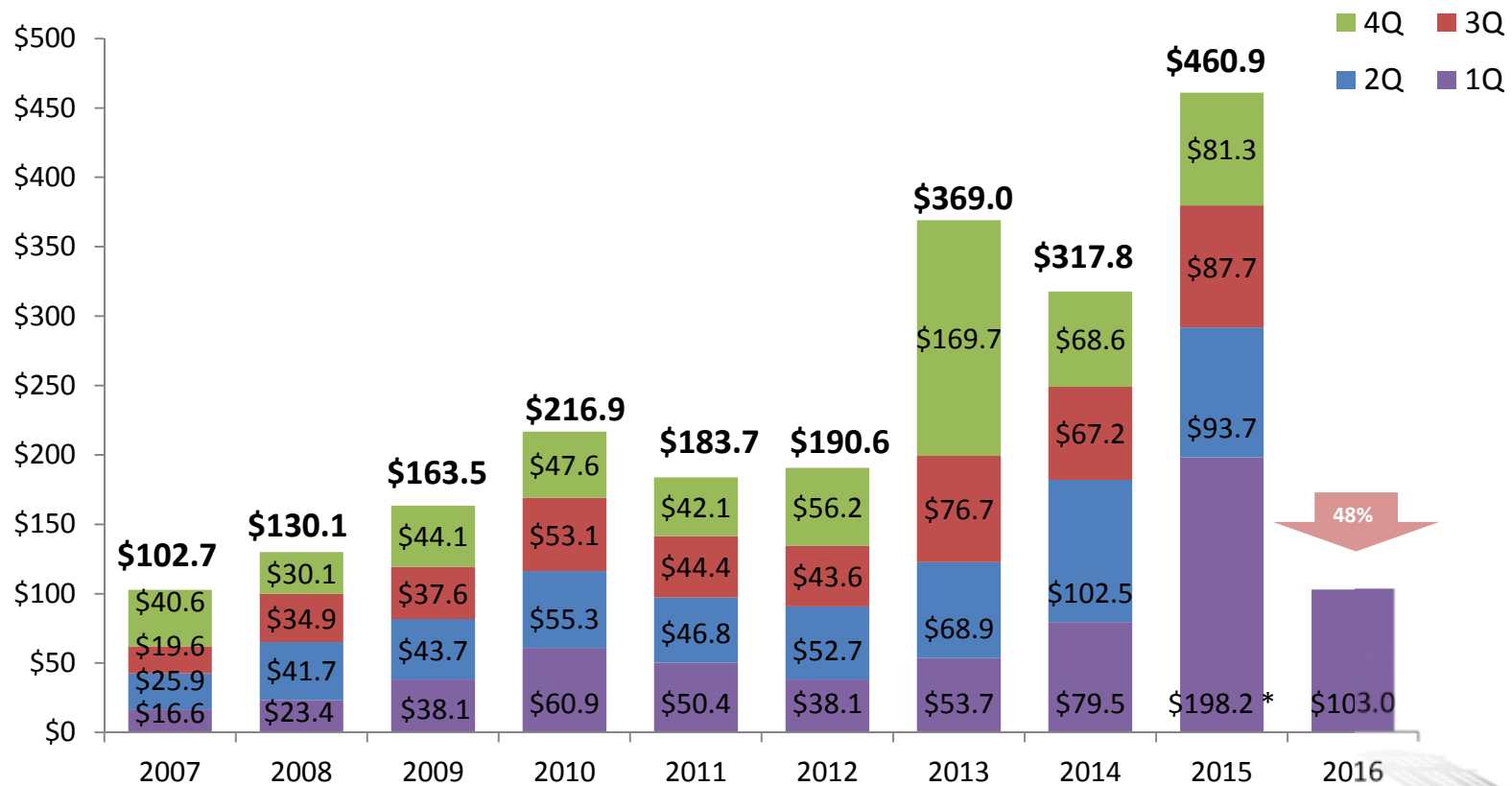
Financial Performance

Financial Results	1Q2016	1Q2015	% change
Revenue (S\$m)	103.0	198.2	-48%
Gross Profit (S\$m)	23.1	70.2	-67%
Gross Margin (%)	22%	35%	-13 ppt
Share of results of associates (net of tax) (S\$m)	2.8	2.7	7%
Pre-tax profit (S\$m)	13.5	57.2	-76%
Net Profit (S\$m)	10.9	46.3	-76%
EPS (SGD cents)	0.83	3.89	-79%

Financial Performance

Financial Performance Turnover Trend (S\$'m)

- ▶ Revenue decreased by 48% in 1Q2016 to \$103.0m mainly due to absence of revenue recognition from Centropod@Changi
- ▶ Excluding Centropod@Changi, revenue increased by 181%.

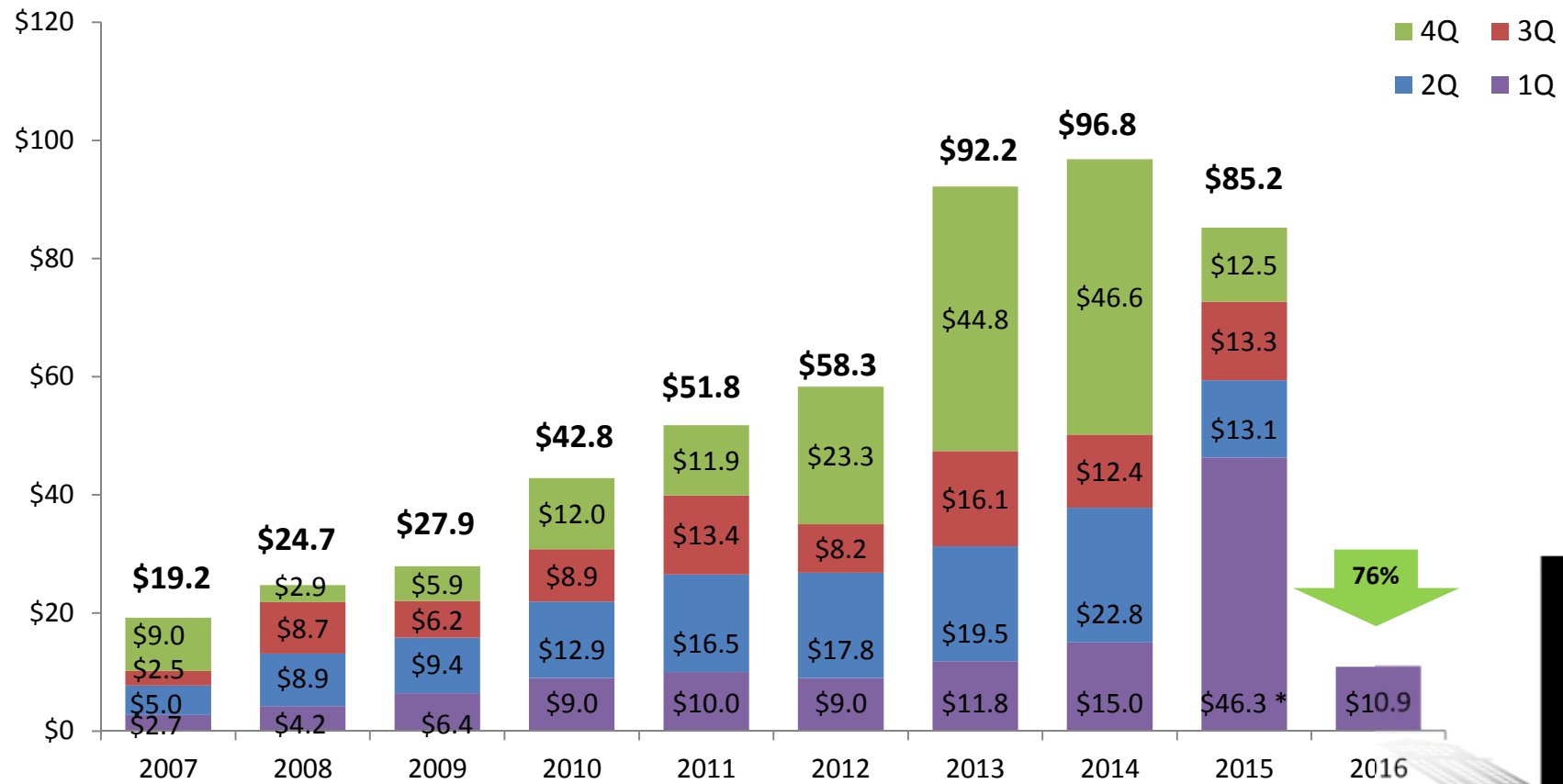


* includes a 100% revenue recognition from Centropod@Changi amounting to S\$141.4 million upon obtaining its TOP in Jan 2015.

Financial Performance

Financial Performance Profit Trend (\$'m)

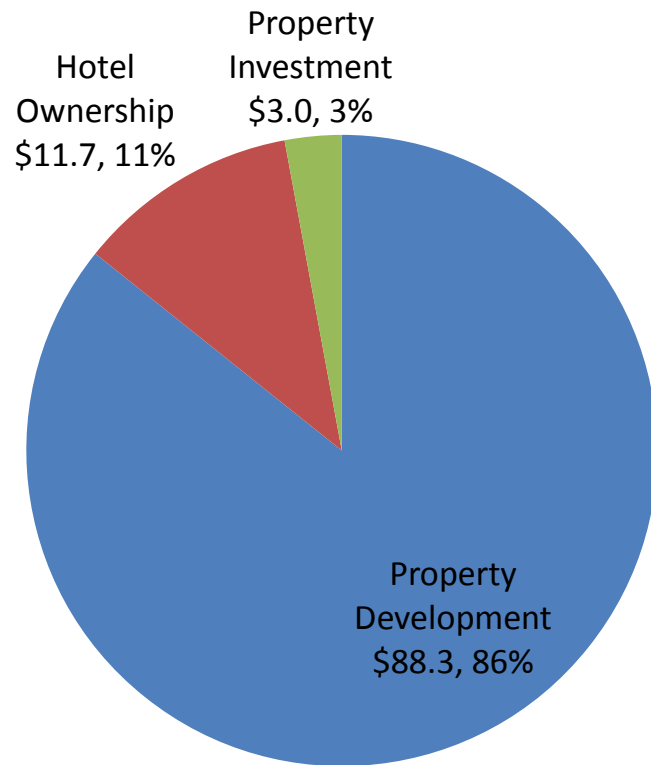
- Net profit decreased by 76% to S\$10.9m in 1Q2016
- Excluding Centropod@Changi, net profit increased by more than 7 times



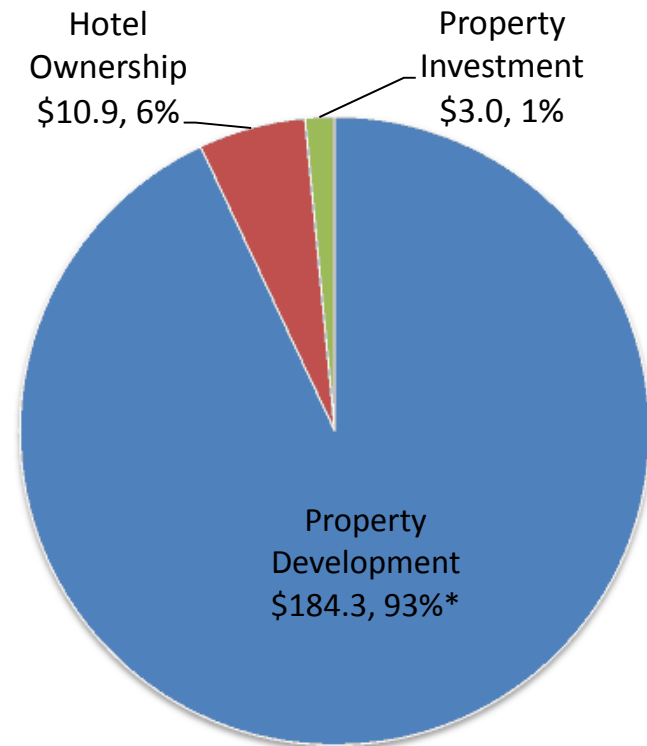
* includes profit on a 100% revenue recognition from Centropod@Changi upon obtaining its TOP in Jan 2015.

Financial Performance

Segment Results – 1Q2016 Revenue (S\$m)



1Q2016 – Total S\$103.0m

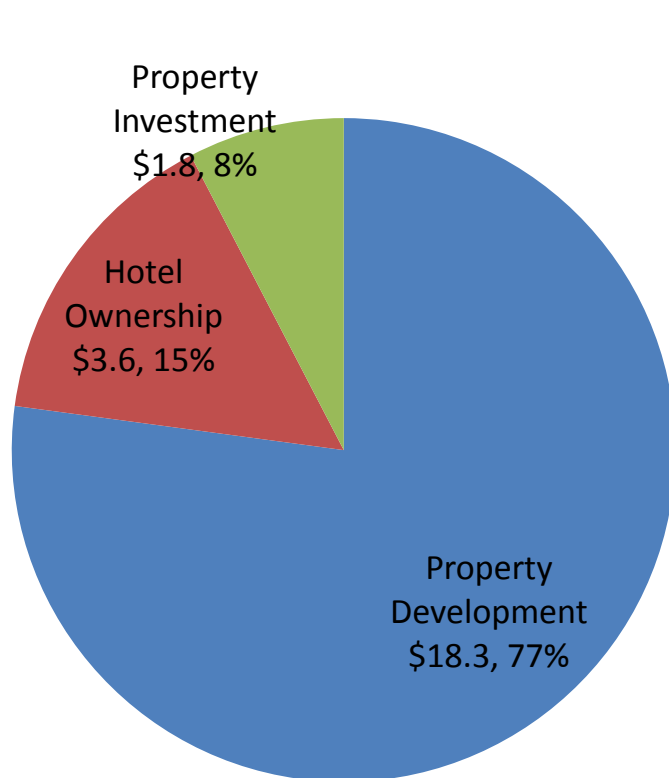


1Q2015 – Total S\$198.2m

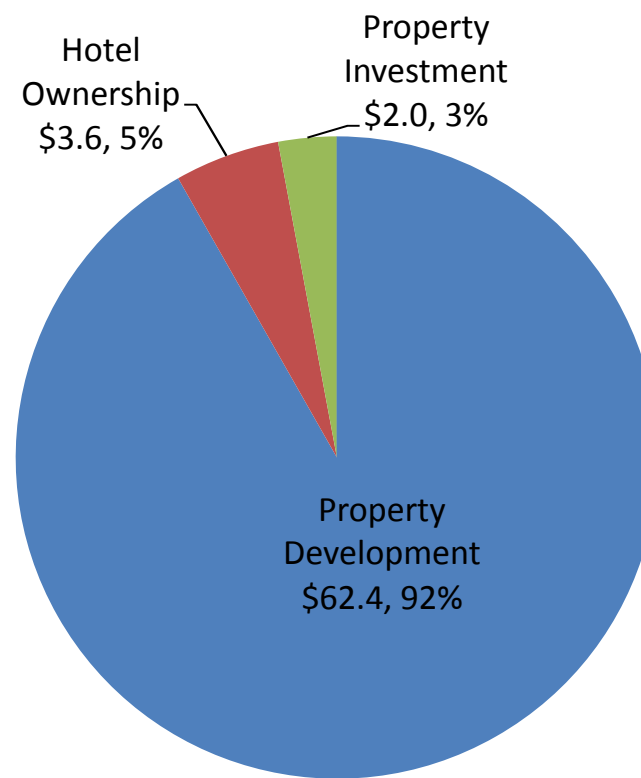
* includes 100% revenue recognised from Centropod@Changi amounting to S\$141.4 million upon obtaining TOP in January 2015.

Financial Performance

Segment Results – 1Q2016 Adjusted EBITDA* (\$S'm)



1Q2016 – Total S\$23.7m



1Q2015 – Total S\$68.0m

* 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 Mar 2016	31 Dec 2015	% change
Total assets (S\$m)	1,492.8	1,408.8	6%
Total debt (S\$m)	883.5	807.7	9%
Cash & cash equivalents (S\$m) ^{(1) (2)}	259.2	313.0	-17%
Net debt (S\$m)	624.3	494.7	26%
Net asset value ("NAV") (S\$m)	469.9	457.6	3%
Revaluation surplus (S\$m) ⁽³⁾	464.8	463.4	0%
Adjusted net asset value ("ANAV")	934.7	921.0	1%

(1) Cash holdings include project account monies amounting to S\$71.2 million as at 31 March 2016 (31 December 2015: S\$82.2 million)

(2) Cash holdings decrease mainly due to acquisition of development sites in 1Q2016

(3) The fair value of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket and office premise were estimated to be S\$588.3 million as at 31 March 2016 (31 December 2015: S\$588.3 million)

Financial Performance

Financial Ratios	31 Mar 2016	31 Dec 2015	% change
NAV per share (SGD cents)	39.4	38.3	3%
ANAV per share (SGD cents) ⁽¹⁾	78.3	77.2	2%
Cash holdings per share (SGD cents) ⁽²⁾	21.7	26.2	-17%
Net debt to ANAV (times)	0.67	0.54	24%
Total debt to ANAV (times)	0.95	0.88	7%
Return on equity (%)	8%	19%	-11ppt

(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\$588.3 million as at 31 March 2016 (31 December 2015: S\$588.3 million)

(2) Cash holdings include project account monies amounting to S\$71.2 million as at 31 March 2016 (31 December 2015: S\$82.2 million)



Business Review

Property Development

Results Announcement

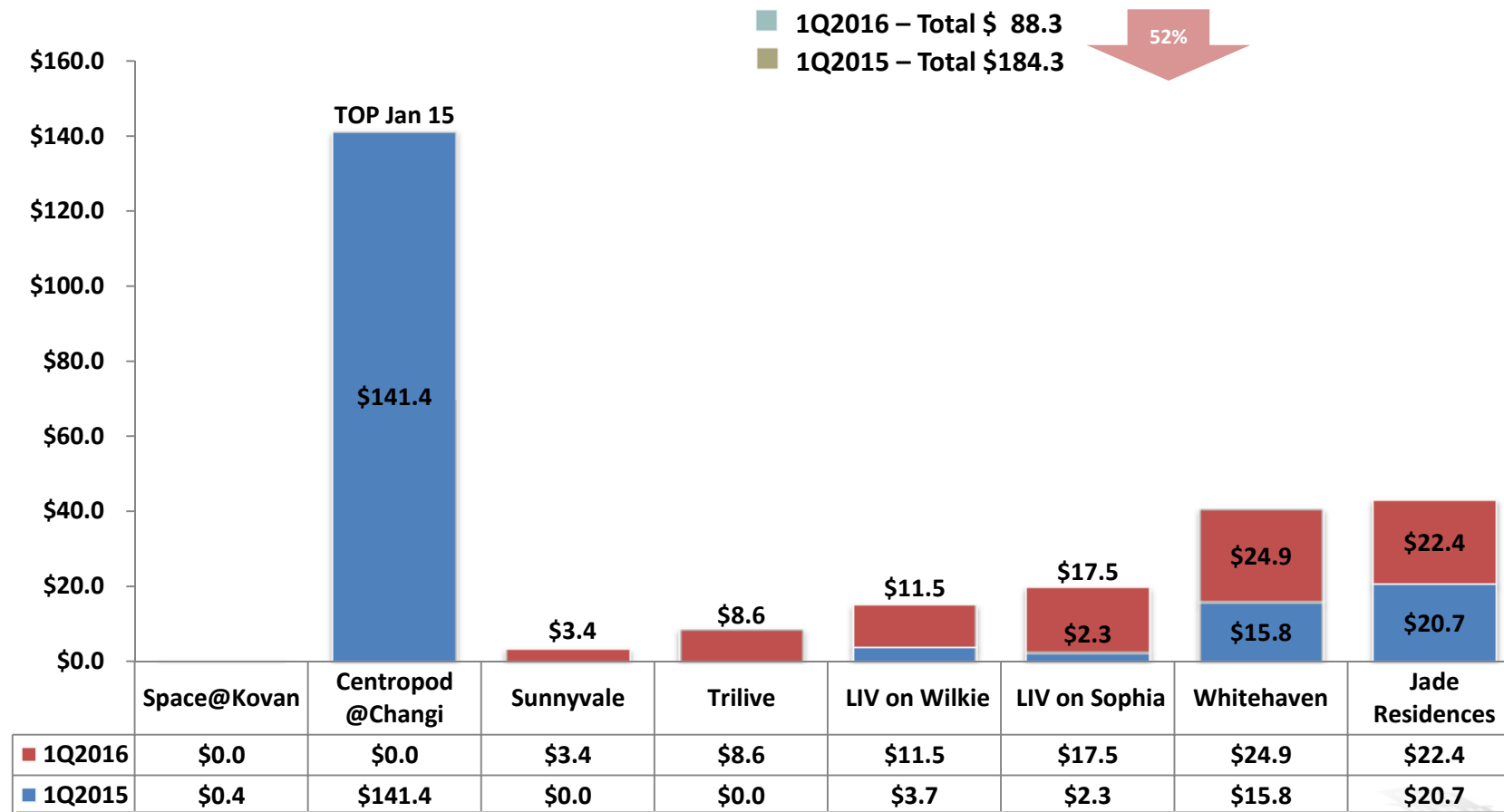
First Quarter Ended 31 March 2016

5th May 2016

Business Review

Property Development

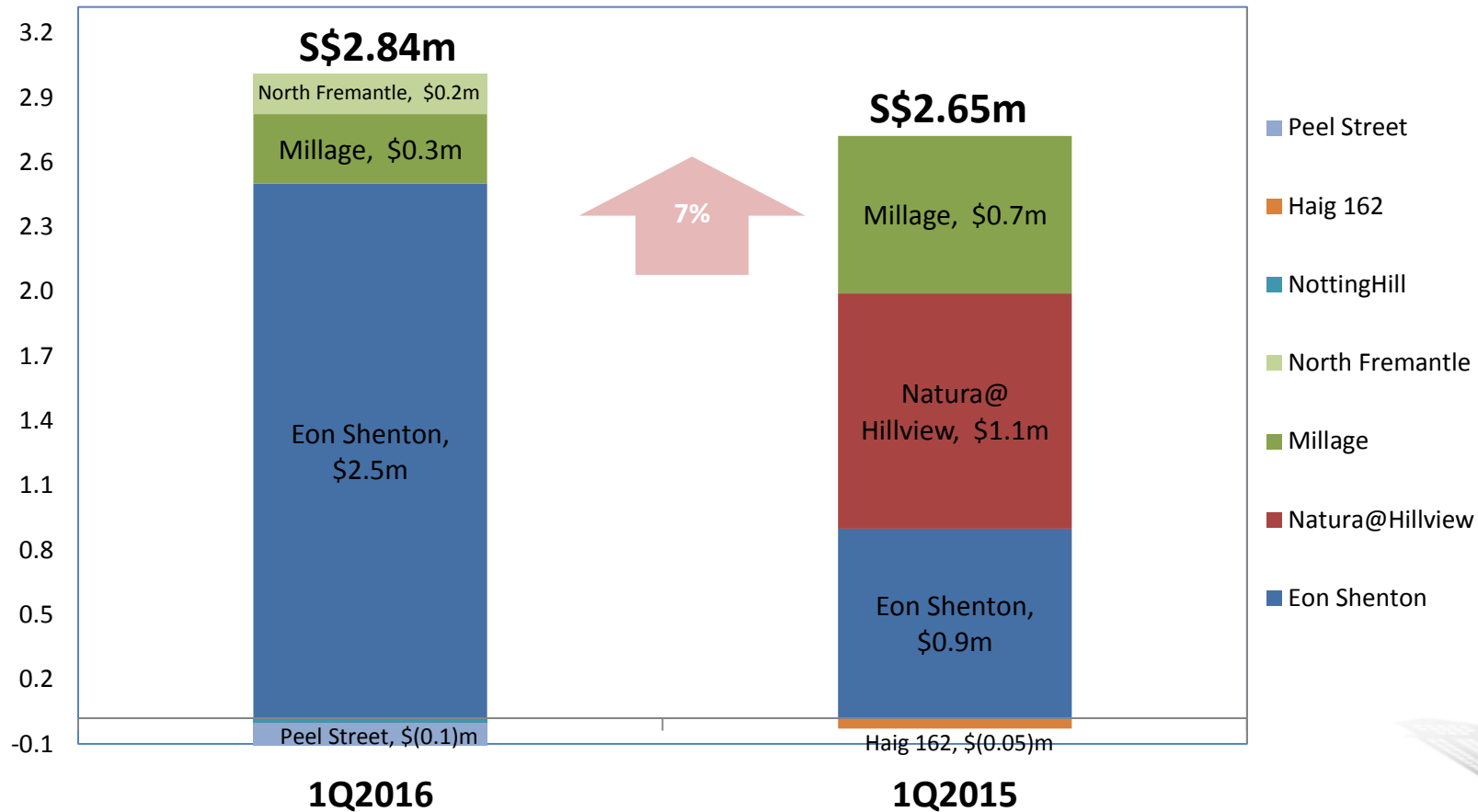
Revenue from Property Development (S\$m)



- ➔ Decrease in revenue by 52% from S\$184.3 million in 1Q2015 to S\$88.3 million in 1Q2016 mainly from the absence of revenue recognition of \$141.4 million on completion from Centropod@Changi, a commercial development project that obtained TOP in January 2015.

Business Review

Property Development – 1Q2016 Share of results in associates (S\$m)



Business Review

Pre-Sale Revenue to be recognised by projects (S\$'m) – 1Q2016

	Project name	Type of development	Group stake	Total units in project	Unit sold	Attributable total sale value ⁽¹⁾	Attributable revenue recognised up to 31 Mar 2016	Balance attributable progress billings to be recognised from 2Q2016
	Singapore							
1	Millage	Residential	48%	70	100%	23.5	22.6	0.9
		Shop	48%	86	100%	28.7	27.5	1.2
2	Eon Shenton	Office	20%	98	100%	60.1	26.8	33.3
		Residential	20%	132	95%	38.1	17.0	21.1
		Shop	20%	23	100%	4.8	2.1	2.7
3	Jade Residences	Residential	100%	171	100%	216.7	181.8	34.9
		Shop	100%	2	100%	1.7	1.4	0.3
4	Whitehaven	Residential	100%	120	95%	142.8	140.0	2.8
		Shop	100%	1	100%	1.2	1.2	-
5	LIV on Sophia	Residential	90%	64	100%	78.5	50.0	28.5
6	LIV on Wilkie	Residential	90%	81	83%	86.1	37.5	48.6
7	Sunnyvale Residences	Residential	100%	30	57%	26.5	9.3	17.2
8	Trilive	Residential	85%	222	52%	109.0	12.3	96.7
		Shop	85%	2	50%	0.7	0.1	0.6
	Malaysia							
9	Wisma Infinitem	Residential	47%	423 ⁽²⁾	38%	28.7	-	28.7
	Australia							
10	Octavia Killara	Residential	100%	43	49%	24.3	-	24.3
	Total			1,568		871.4	529.6	341.8

⁽¹⁾ Includes Option to Purchase granted up to 25 April 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 m)	Approximate Gross Floor Area (sq m)	Group's stake	Approximate Attributable Gross Floor Area (sq m)	Approximate Attributable Land Cost (SGD)	Approximate Attributable Land Cost (foreign currency)
<u>Singapore</u>								
1	26 Sea Avenue	25 units of Residential Development	1,809	2,533	100%	2,533	S\$21.5 m	NA
2	178 & 180A Jalan Eunus	32 units of Residential Development	1,601	2,242	100%	2,242	S\$14.2 m	NA
<u>Overseas</u>								
1	64 Peel & 9 Cordelia Street in Brisbane, Australia	426 units of Residential & 3 units of Commercial Development	2,571	30,869	40%	12,348	S\$14.3m	AUD13.4m
2	54 & 85 Bracks Street, North Fremantle, Australia ⁽¹⁾	Industrial land; to be rezoned for commercial and residential use	45,456	TBC	20.2%	TBC	S\$12.8m	AUD11.9m
3	37-41 Bayswater Road, Potts Point, NSW, Australia	46 units of Residential & 1 unit of Commercial Development	930	3,581	100%	TBC	S\$28.5m	AUD27.5m
4	14 Cowper & 8 Elger Street, Glebe, Australia	248 units of Residential Development	7,125	18,960	100%	18,960	S\$69.7m	AUD67.4m
Total			59,493				S\$161.0m	

⁽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.



Business Review

Hotel Ownership

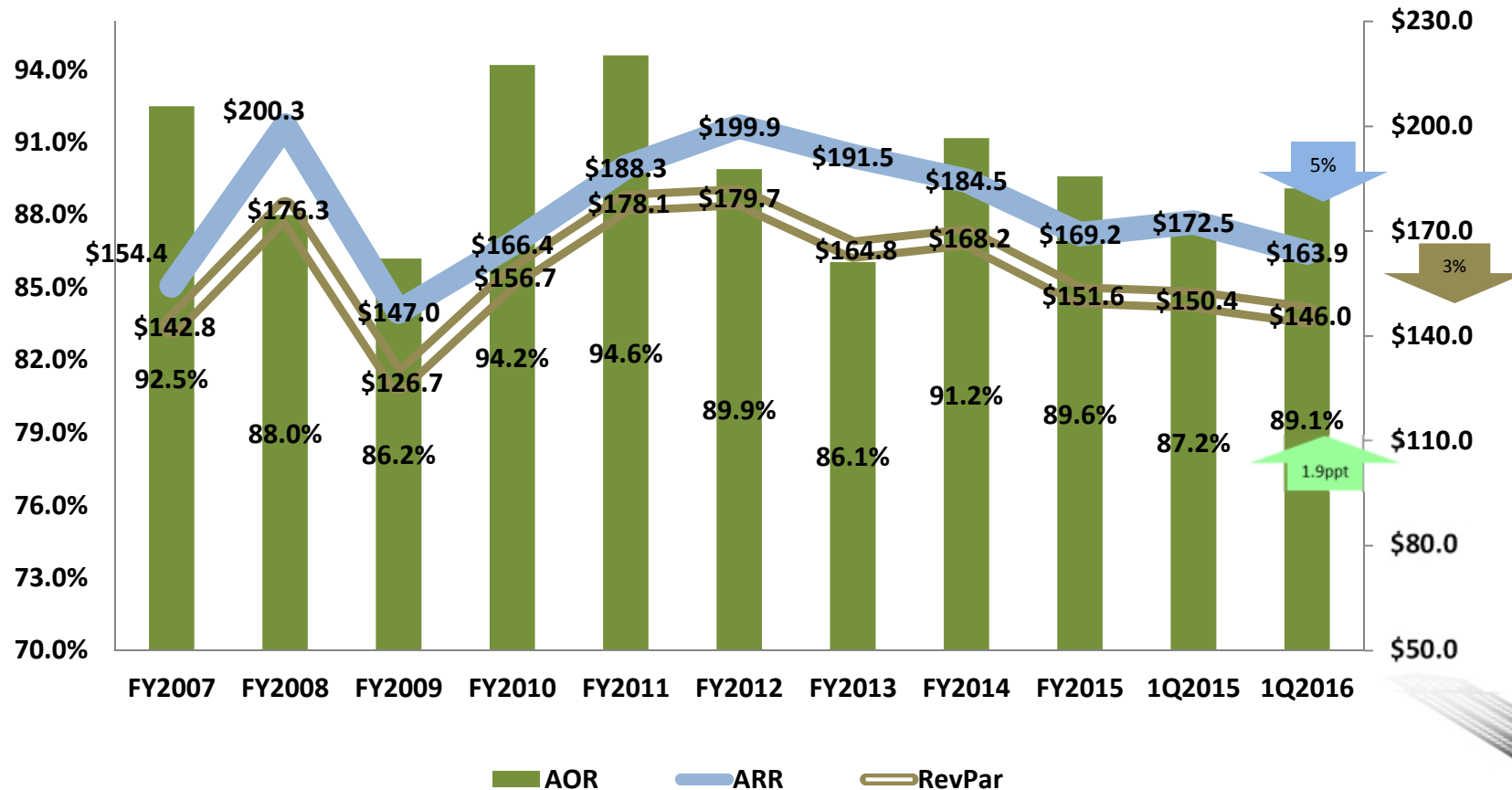
Results Announcement First Quarter Ended 31 March 2016

5th May 2016

Business Review

Hotel Ownership – 1Q2016 AOR , ARR & RevPar - Grand Mercure Roxy Hotel

RevPar decreased by 3% to \$146.0 in 1Q2016 from \$150.4 in 1Q2015

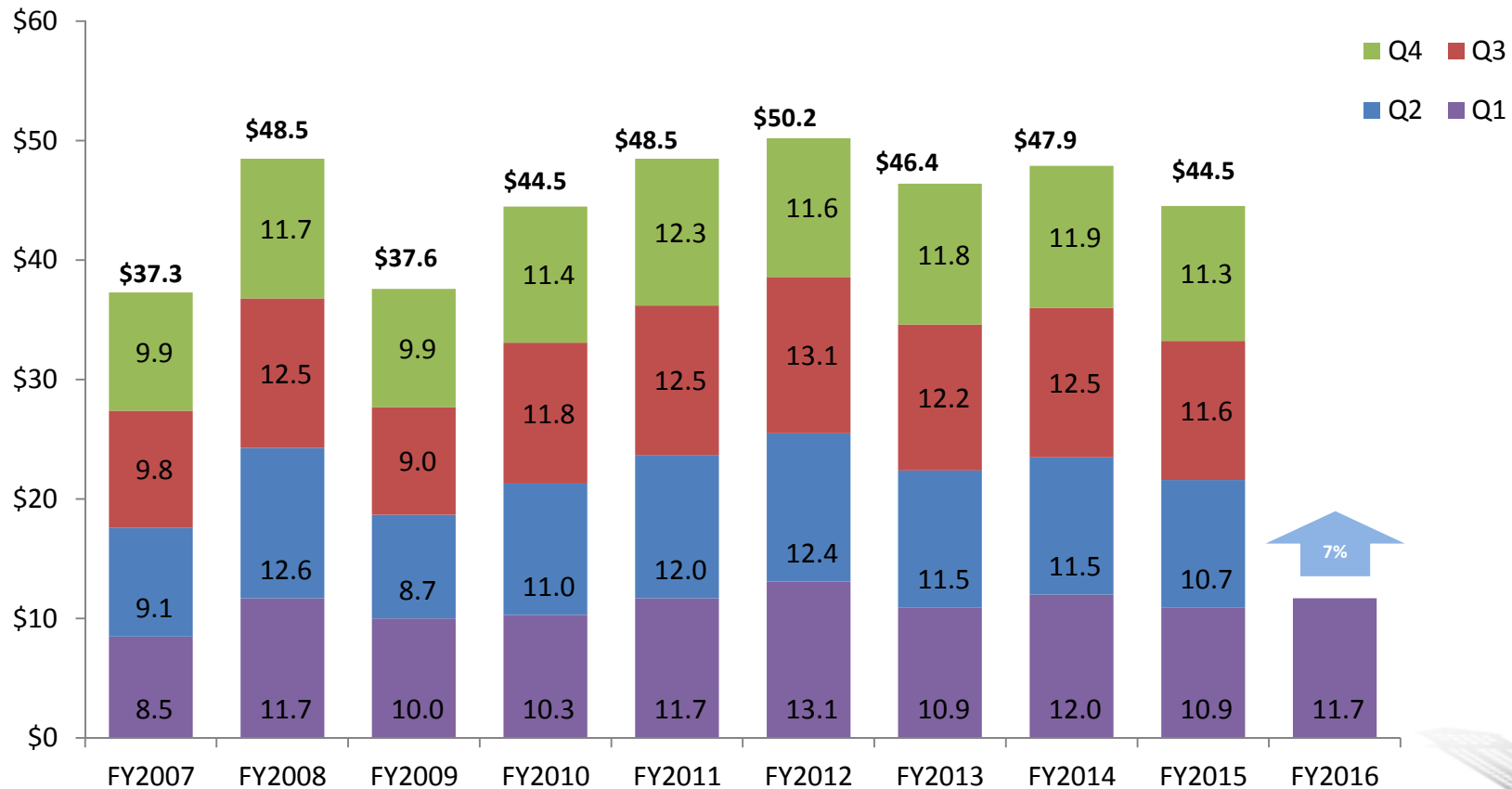


Business Review

Hotel Ownership – 1Q2016

Hotel Revenue (\$m)

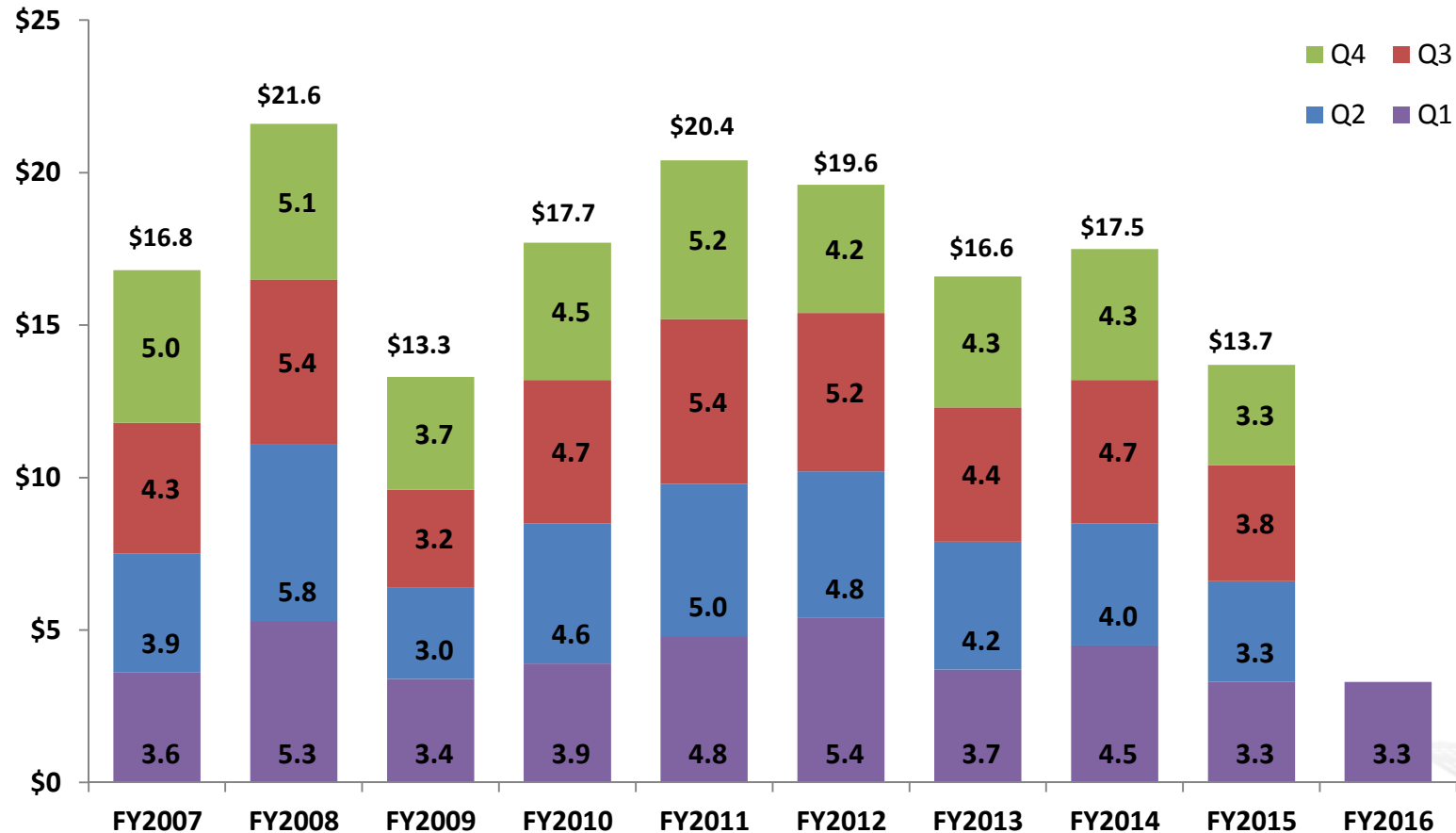
Hotel revenue increased 7% from \$10.9m in 1Q2015 to \$11.7m in 1Q2016 mainly due to contribution from Noku Kyoto Hotel of \$0.9m



Business Review

Hotel Ownership – 1Q2016 Hotel Net Operating Profits (“NOP”) (\$\$m)

▶ Hotel net operating profits remain consistent as compared with 1Q2015



Business Review

Noku Roxy Hotels

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
Noku Kyoto	205-1 Okuracho, Kyoto, Japan	100%	Freehold	940	4,780	81	Nov 2015
Hotel under development in Phuket	48/13 Moo 6, Soi Sai-Namyen, Chaofa Road, Chalong Subdistrict, Mueang District	100%	Freehold	46,878	TBC	Approx. 85 villas	2018
			Total	47,818			

* 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. The acquisition is subject to certain conditions, including approval from the authorities.





Business Review

Property Investment

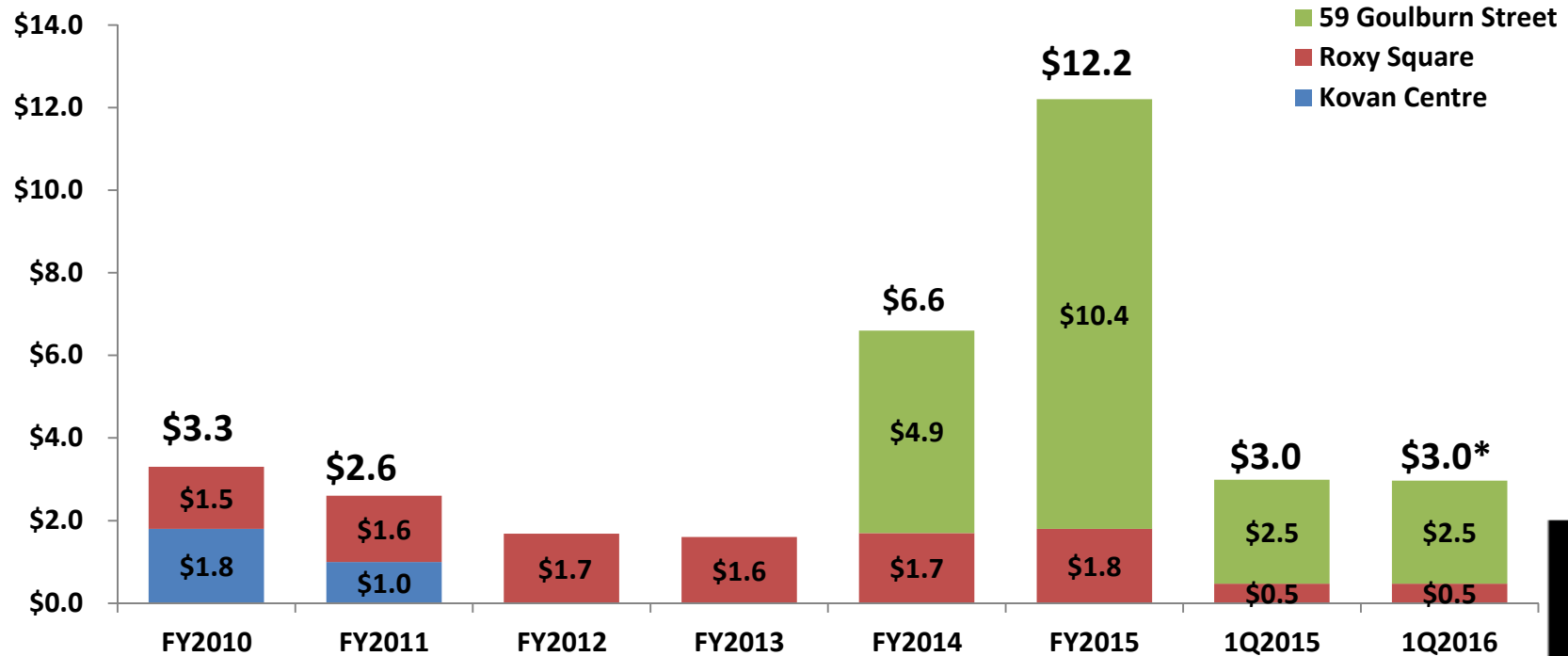
Results Announcement First Quarter Ended 31 March 2016

5th May 2016

Business Review

Property Investment – 1Q2016 Revenue (\$\$'m)

▀ Rental income remain consistent as compare with 1Q2015



* 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 (sq m)	Occupancy (%) as at 31 Mar 2016 (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	100%	2,352	88%	S\$70.3 m	1.8 m
2	59 Goulburn Street, Sydney, Australia	100%	19,407	100%	S\$109.3 m	10.4 m
Total			21,759		S\$179.6 m	
<u>Held by an Associate company</u>						
1	117 Clarence Street, Sydney, Australia	50%	12,585	76%	S\$83.4 m (A\$81.0 m)	7.5 m
Total			12,585		S\$83.4 m	

(1) Based on latest valuation as of 31 December 2015

(2) Exclude 5 units which are for owner-use premises



59 Goulburn Street



Group Borrowing

Results Announcement First Quarter Ended 31 March 2016

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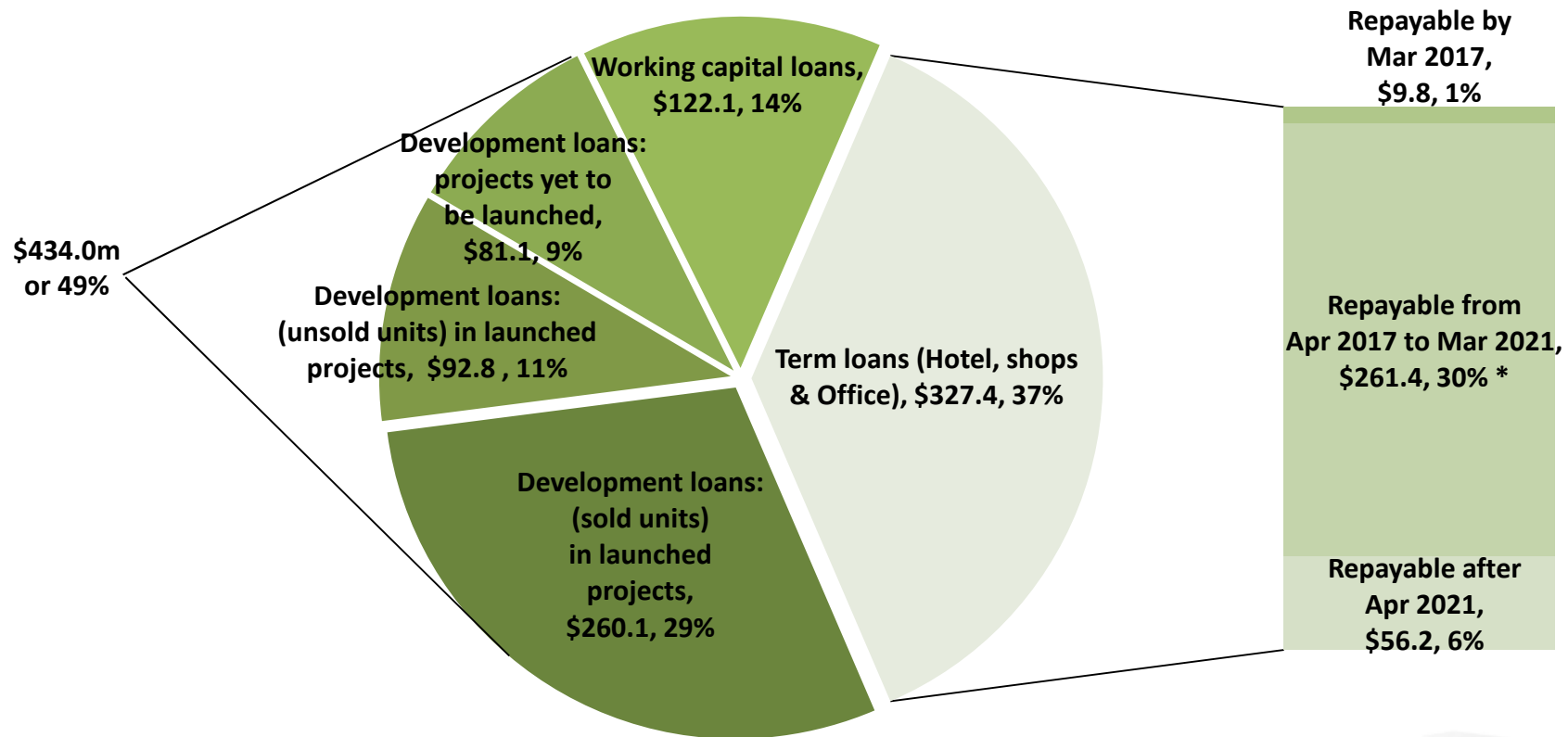
Group Borrowing

Debt Profile	31 Mar 2016	31 Dec 2015	% change
Total borrowings (S\$m)	\$883.5	\$807.7	9%
Fixed rate loans (S\$m)	\$382.8	\$384.5	-%
Fixed rate loans as % of total loans	43%	48%	-5ppt
Weighted average term for fixed rate loans	23 months	25 months	-2 months
Weighted average interest rate (fixed rate loans)	3.1%	3.1%	-
Weighted average interest rate (floating rate loans)	2.9%	2.8%	0.1ppt
Interest coverage ratio (times)	5.1	8.8	-42%

Group Borrowing

Debt Profile as at 31 Mar 2016 (S\$m)

Total outstanding debts of \$883.5m as of 31 Mar 2016



* Include \$60.0 million MTN repayable in July 2018

Outlook

1. General

- Advance estimates by MTI indicated that the Singapore economy grew 1.8% in 1Q2016, the same pace of growth as in 4Q2015¹.
- The Australian bureau of Statistics has shown annual growth in GDP of 3.0%, (seasonally adjusted) y-o-y ². The Reserve Bank of Australia expects growth to remain steady at between 2.5% and 3.5% to December 2016 ³.

2. Property Development

- Latest statistics by URA indicated that the overall private residential property prices decline 0.7% in 1Q2016, compared to a decline of 0.5% in 4Q2015.
- As at 25th April 2016, the Group has a total presale revenue of S\$341.8 million, profits of which will be progressively recognised from 2Q2016 to 2020.
- The Group will focus on sales launch of the development sites in 2016.

3. Hotel Ownership

- Latest statistics from the STB indicated that arrivals for YTD Nov 2015 registered a 0.9% y-o-y growth⁴.
- Noku Kyoto Hotel is seeing warm reception since opening in November 2015.
- The Group has also recently 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 recurring income streams.

4. Property Investment

- In 1Q2016, the Group completed the purchase of 117 Clarence Street, Sydney, Australia, which the Group has 50% shareholding interest.
- The Groups' investment in Goulburn Street has continued to contribute strong recurring rental income to the 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\$259.2 million.

6. Net gearing remains healthy at 0.67 time notwithstanding the completion of purchase of office building at Clarence Street, Sydney, development sites at Glebe, Australia and Jalan Eunus, Singapore.

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

¹ <https://www.mti.gov.sg/NewsRoom/Pages/Singapore-GDP-Grew-by-1.8-Per-Cent-in-the-First-Quarter-of-2016.aspx>

² <http://www.abs.gov.au/ausstats/abs@.nsf/mf/5206.0>

³ <http://www.abc.net.au/news/2016-02-05/rba-cautiously-upbeat-on-australian-economy/7143358>

⁴ <https://www.stb.gov.sg/news-and-publications/lists/newsroom/dispform.aspx?ID=643>

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THANK YOU



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