



TOWARDS
SUSTAINABLE
FUTURE

**ROXY-PACIFIC
HOLDINGS LIMITED**

Results Briefing
Full Year Ended 31 December 2016
28th February 2017

Agenda

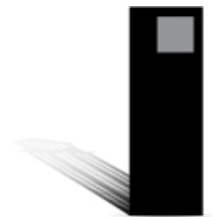
- 1 Financial Performance
- 2 Business Review
- 3 Group Borrowings
- 4 Outlook



Financial Performance

FY2016 Overview

- Net profit attributable to shareholders decreased to S\$49.8 million in FY2016 (FY2015: S\$85.1 million)
- FY2016 Group's revenue was S\$385.4 million as compared to S\$460.9 million mainly due to the absence of revenue recognition from completion of Centropod@Changi
- Total pre-sale revenue of S\$369.3 million, which will be progressively recognised from 1Q2017 to 2020
- Strong cash and cash equivalents of S\$237.3 million
- Net gearing remains healthy at 0.5 time notwithstanding the completion of acquisition of properties in Australia and Singapore and Maldives resort in FY2016
- Proposed final dividend and special dividend totaling 1.164 SGD cents per share, bringing 2016 total dividends to 1.667 SGD cents per share



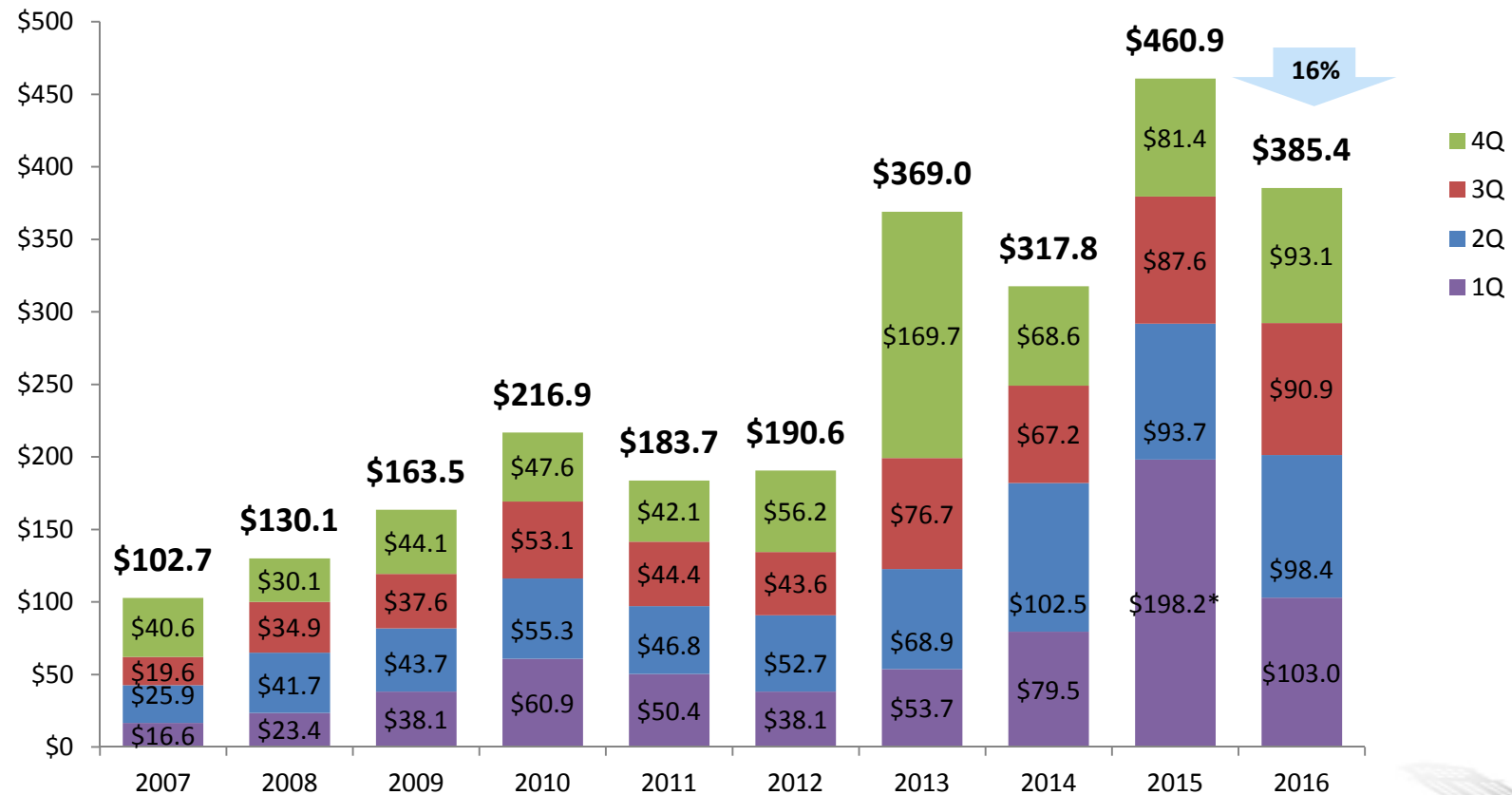
Financial Performance

Financial Results	FY2016	FY2015	% change
Revenue (S\$m)	385.4	460.9	-16%
Gross Profit (S\$m)	81.2	129.7	-37%
Gross Margin (%)	21%	28%	-7ppt
Share of results of associates (net of tax) (S\$m)	18.6	11.1	67%
Pre-tax profit (S\$m)	65.6	101.1	-35%
Net Profit (S\$m)	52.9	85.2	-38%
Net Profit attributable to shareholders (S\$m)	49.8	85.1	-41%
EPS (SGD cents)	4.17	7.13	-41%

Financial Performance

Financial Performance Turnover Trend (\$S'm)

- ▶ FY2016 revenue decreased by 16% to \$S385.4m mainly due to absence of revenue recognition from Centropod@Changi
- ▶ Excluding Centropod@Changi, revenue increased by 21%.

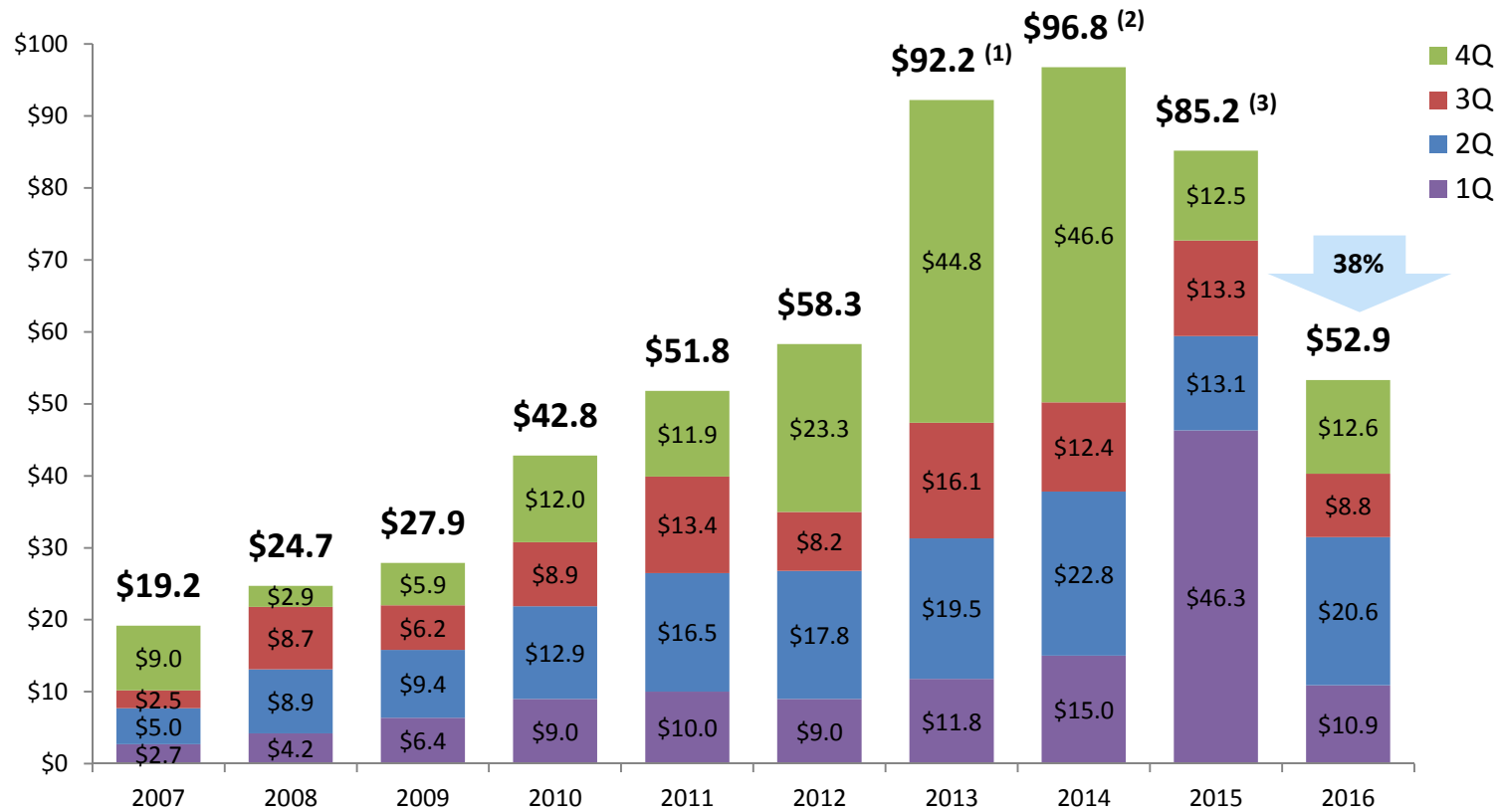


* Includes revenue recognised from Centropod@Changi amounting to \$S141.4m upon obtaining its TOP in Jan 2015

Financial Performance

Financial Performance Profit Trend (\$'m)

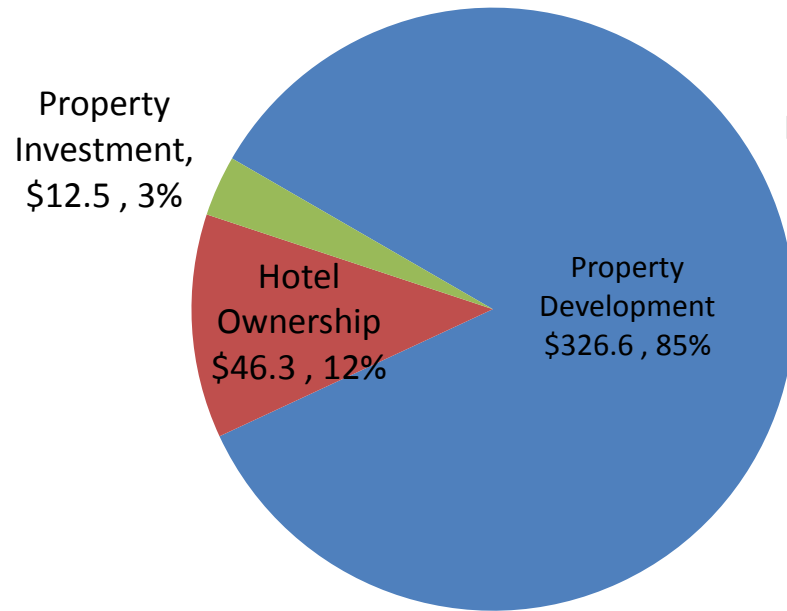
- ▶ FY2016 net profit decreased by 38% to S\$52.9m
- ▶ Excluding Centropod@Changi, net profit increased by 26%



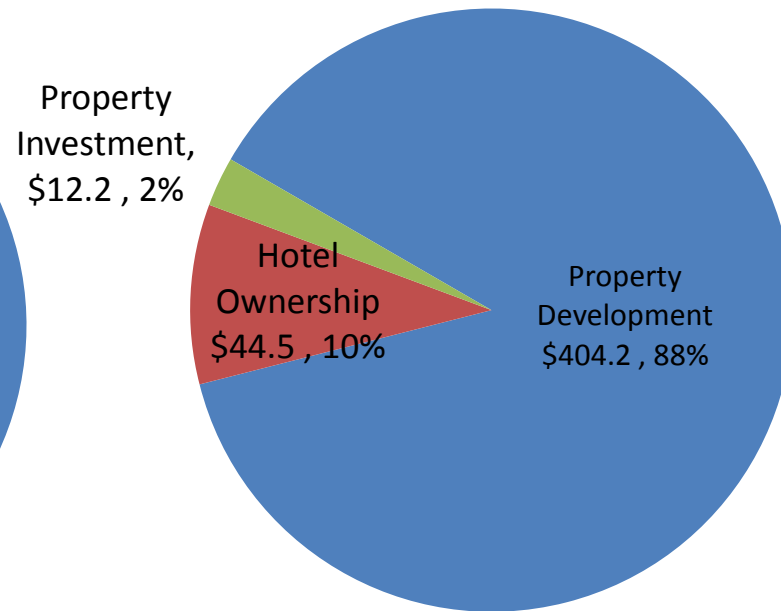
- (1) Includes one-off contribution of profit from revenues recognised from WIS@Changi amounting to S\$21.9m
- (2) Includes one-off share of profit from the sale and revaluation of retail units at 8 Russell Street amounting to S\$43.3m
- (3) Includes one-off contribution of profit from revenues recognised from Centropod@Changi amounting to S\$43.2m upon obtaining its TOP in Jan 2015

Financial Performance

Segment Results – FY2016 Revenue (\$\$'m)



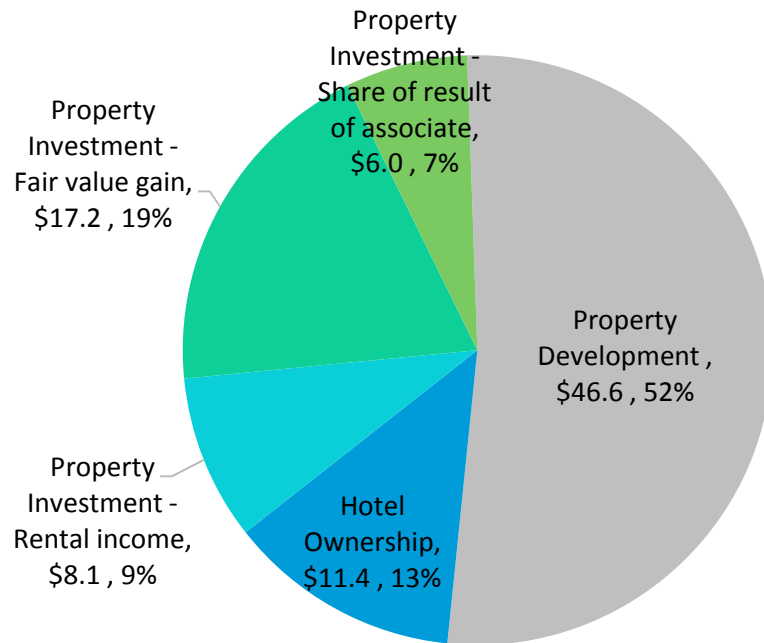
FY2016 – Total S\$385.4m



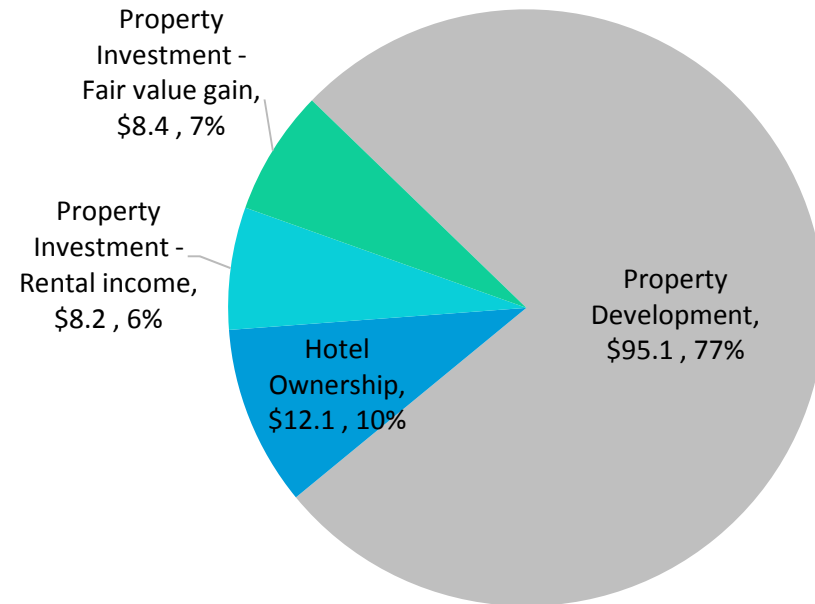
FY2015 – Total S\$460.9m

Financial Performance

Segment Results – FY2016 Adjusted EBITDA* (S\$m)



FY2016 – Total S\$89.3m

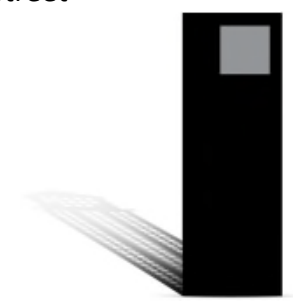
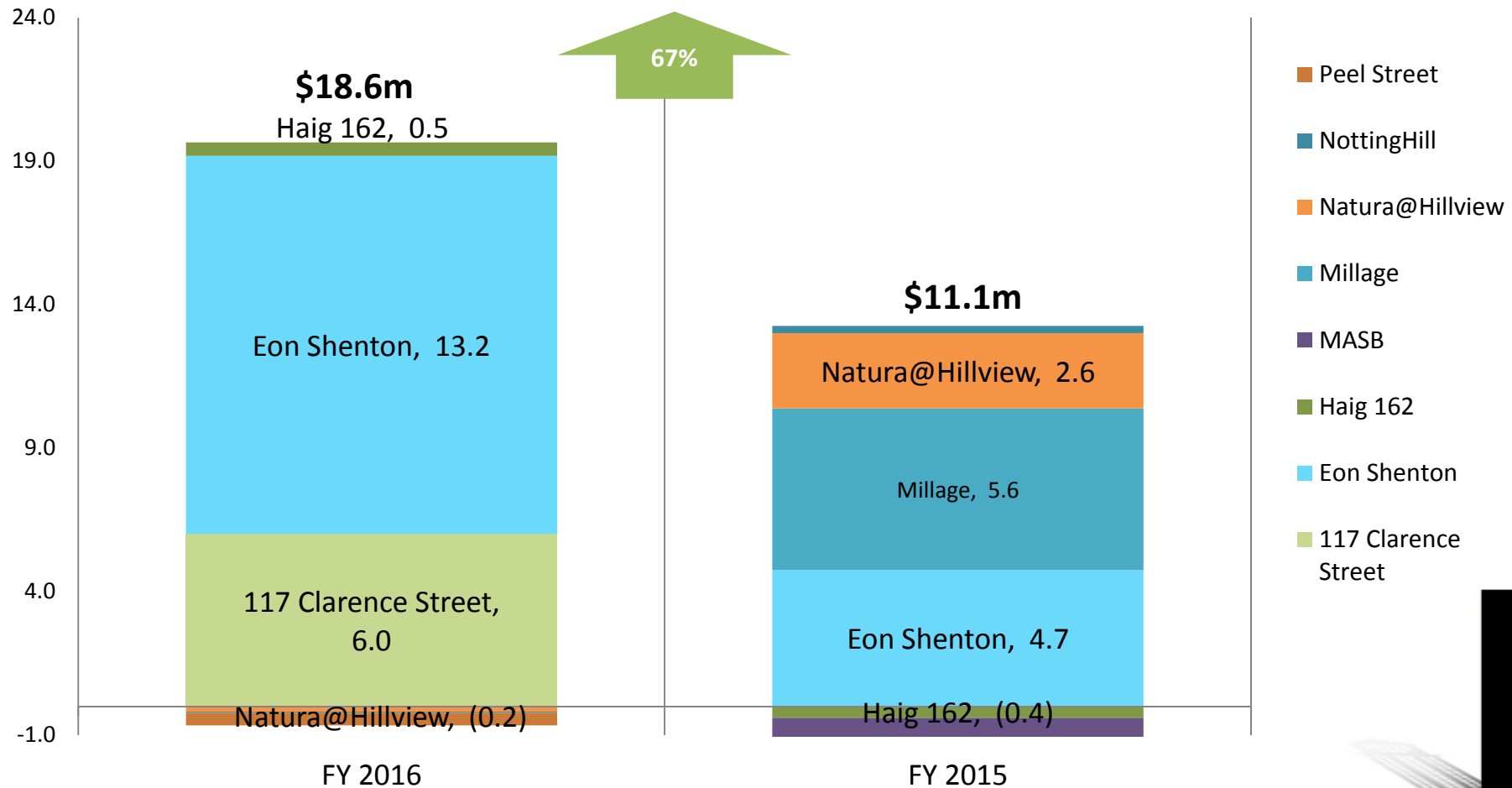


FY2015 – Total S\$123.8m

* 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 (\$\$'m)



Financial Performance

Financial Position	31 Dec 2016	31 Dec 2015	% change
Total assets (S\$m)	1,461.6	1,408.8	4%
Total debt (S\$m)	832.7	807.7	3%
Cash & cash equivalents (S\$m) ^{(1) (2)}	237.3	313.0	-24%
Net debt (S\$m)	507.4	412.7	23%
Net asset value ("NAV") (S\$m)	491.3	457.6	7%
Revaluation surplus (S\$m) ⁽³⁾	471.9	463.4	2%
Adjusted net asset value ("ANAV")	963.2	921.0	5%

- (1) Cash holdings include project account monies amounting to S\$112.1m as at 31 December 2016 (31 December 2015: S\$82.2m)
- (2) Cash holdings decreased mainly due to acquisition of office building in Australia through its associate and acquisition of development sites in Singapore, Australia and the Maldives resort in FY2016
- (3) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, hotel under development in Phuket, property in Maldives and the Head office premise were estimated to be S\$636.2m as at 31 December 2016 (31 December 2015: S\$588.3m)

Financial Performance

Financial Ratios	31 Dec 2016	31 Dec 2015	% change
NAV per share (SGD cents)	41.2	38.3	8%
ANAV per share (SGD cents) ⁽¹⁾	80.8	77.2	5%
Cash holdings per share (SGD cents) ⁽²⁾	19.9	33.1	-40%
Net debt to ANAV (times)	0.53	0.54	-2%
Total debt to ANAV (times)	0.86	0.88	-2%
Return on equity (%)	10.1%	18.6%	-9ppt

(1) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, hotel under development in Phuket, property in Maldives and the head office premise were estimated to be S\$636.2m as at 31 December 2016 (31 December 2015: S\$588.3m)

(2) Cash holdings include project account monies amounting to S\$112.1m less fixed deposits pledged for working capital loan facilities of S\$88.0m as at 31 December 2016 (31 December 2015: S\$82.2m & S\$82.0m respectively)



Results Briefing
Full Year Ended 31 December 2016

28th February 2017

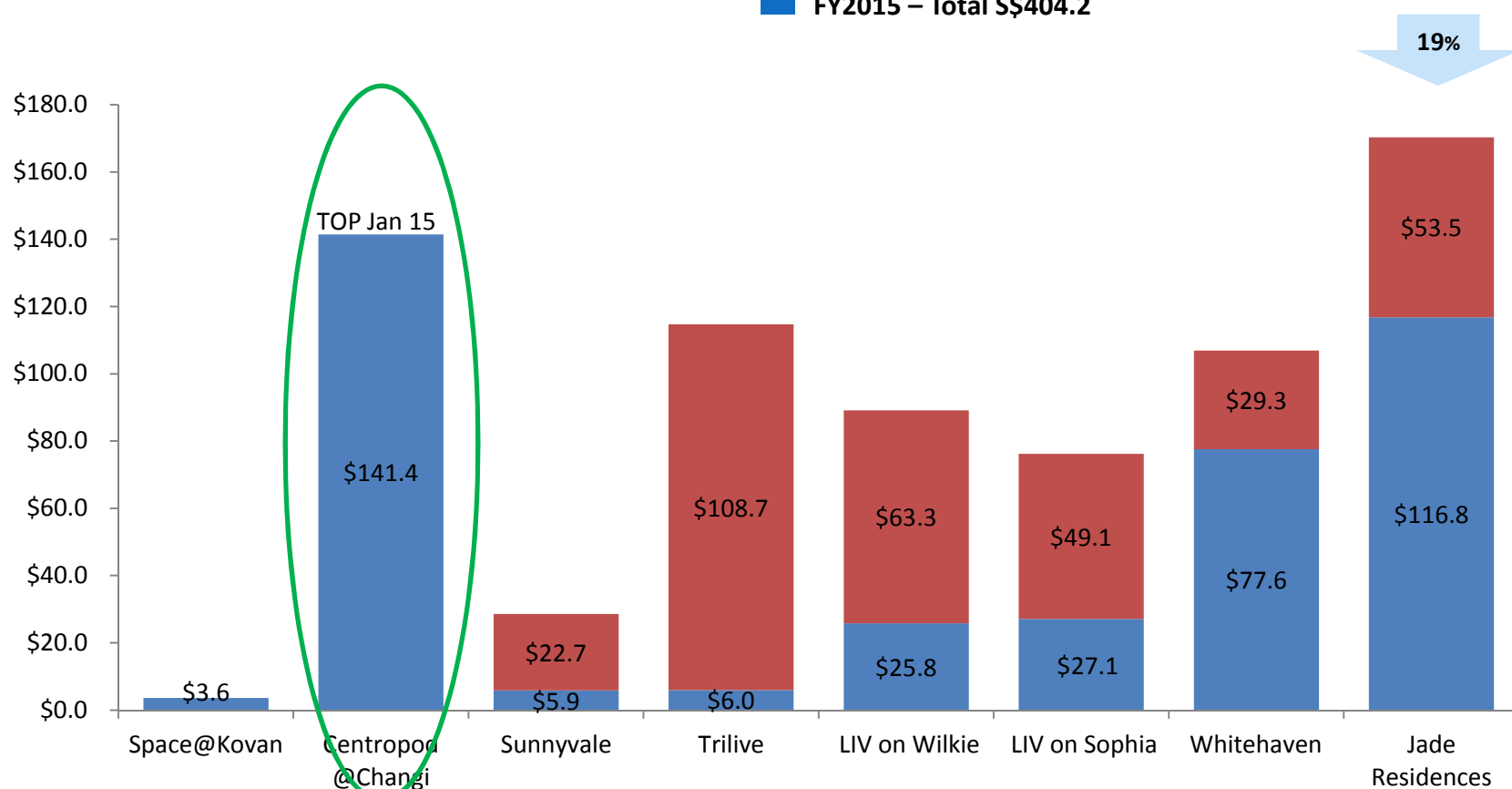
BUSINESS REVIEW
Property Development

Business Review

Property Development

Revenue from Property Development (S\$'m)

■ FY2016 – Total S\$326.6
■ FY2015 – Total S\$404.2



➔ Decrease in revenue by 19% from S\$404.2m in FY2015 to S\$326.6m in FY2016 was mainly from the absence of revenue recognition of \$141.4m on completion of Centropod@Changi, a commercial development project that obtained TOP in January 2015.

Business Review

Pre-Sale Revenue to be recognised by projects (S\$'m) – FY2016

	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 2016	Balance, attributable progress billings to be recognised from 1Q2017
Singapore								
1	Eon Shenton	Office	20%	98	100%	60.1	49.6	10.5
		Residential	20%	132	96%	38.4	31.7	6.7
		Shop	20%	23	100%	4.8	4.0	0.8
2	Jade Residences	Residential	100%	171	100%	216.7	212.7	4.0
		Shop	100%	2	100%	1.7	1.7	0.0
3	LIV on Wilkie	Residential	90%	81	91%	94.2	84.1	10.1
4	Sunnyvale Residences	Residential	100%	30	70%	32.8	28.6	4.2
5	Trilive	Residential	85%	222	86%	185.7	97.1	88.6
		Shop	85%	2	50%	0.7	0.4	0.3
6	Straits Mansions	Residential	100%	25	100%	48.1	-	48.1
Malaysia								
7	Wisma Infinitum – The Colony by Infinitum	Residential	47%	423 ⁽²⁾	67%	46.8	-	46.8
Australia								
8	The Hensley, Potts Point	Residential	100%	44	91%	68.1	-	68.1
		Shop	100%	1	100%	1.2	-	1.2
9	Octavia, Killara	Residential	100%	43	91%	48.0	-	48.0
10	New World Towers, Peel Street	Residential	40%	195 ⁽³⁾	61%	31.9	-	31.9
Total				1,492		879.2	509.9	369.3

(1) Includes Option to Purchase granted up to 16 February 2017

(2) Represents Block A – The Colony by Infinitum. An additional 331 units in Block B are pending launch


(3) Represents Tower 1 of the development, Tower 2 with an estimated 240 units are 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 Eunus	48 units of Residential Development	2,315	3,242	100%	3,242	S\$25.2m	NA
2	211 – 223A Pasir Panjang Road	57 units of Residential Development	2,856	3,998	100%	3,998	S\$33.3m	NA
3	120 Grange Road	56 units of Residential Development	1,466	3,079	100%	3,079	S\$48.5m	NA
4	826/A-834/A Upper Bukit Timah Road	34 units of Residential Development	953	2,382	80%	1,906	S\$13.6m	NA
Australia								
1	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
2	No. 14 Cowper Street and No. 8 Elger Street, Glebe, Australia	231 units of Residential Development	7,125	18,960	100%	18,960	S\$69.7m	AUD67.4m
Indonesia								
1	Jalan Kramat Raya No 110, Jakarta, Indonesia	Commercial Development	1,703	7,152	49%	3,504	S\$3.3m	IDR33.4b
Total			61,874				S\$206.4m	

- (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



**Results Briefing
Full Year Ended 31 December 2016**

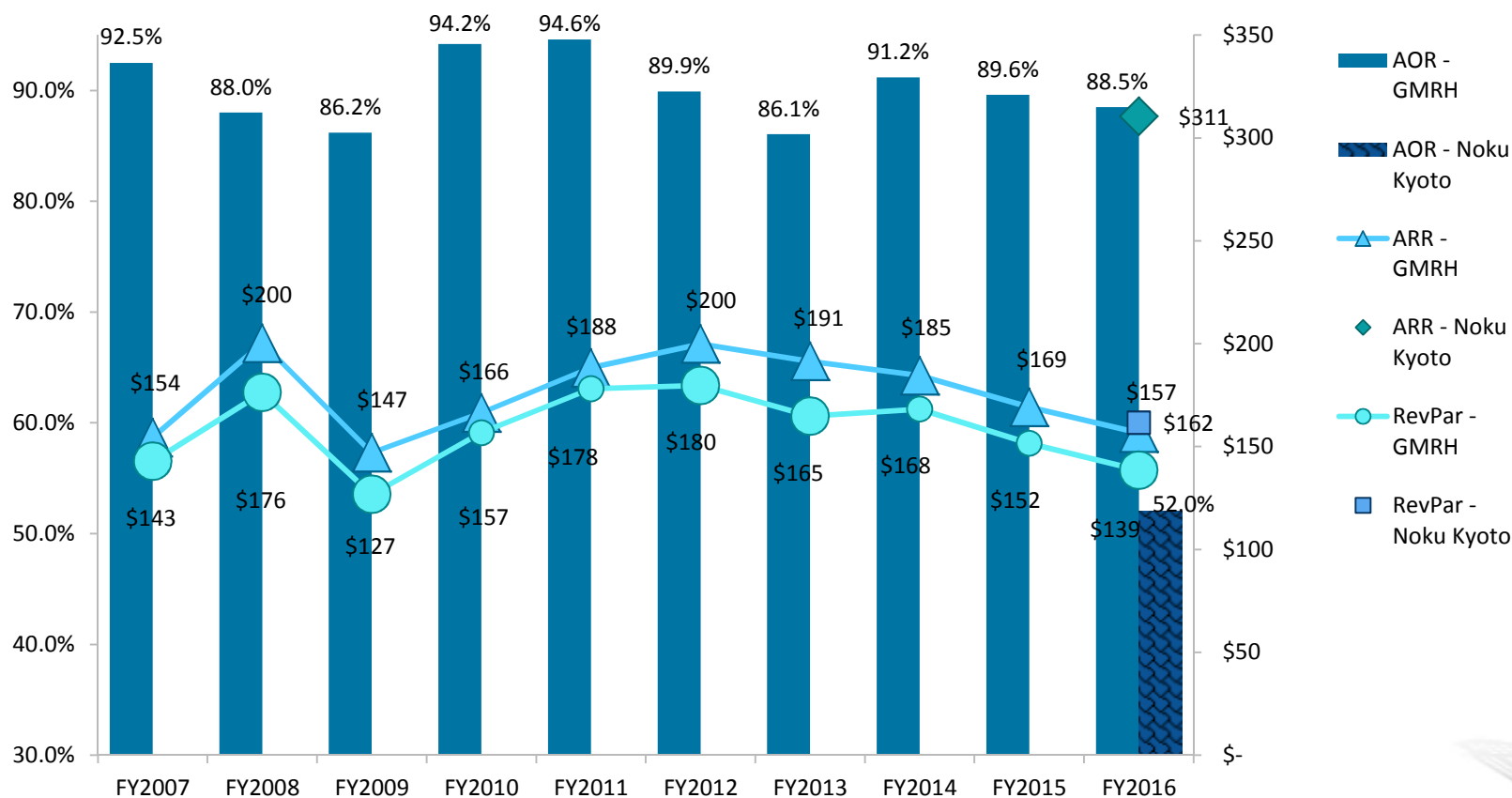
28th February 2017

BUSINESS REVIEW
Hotel Ownership

Business Review

Hotel Ownership – FY2016 AOR, ARR & RevPar

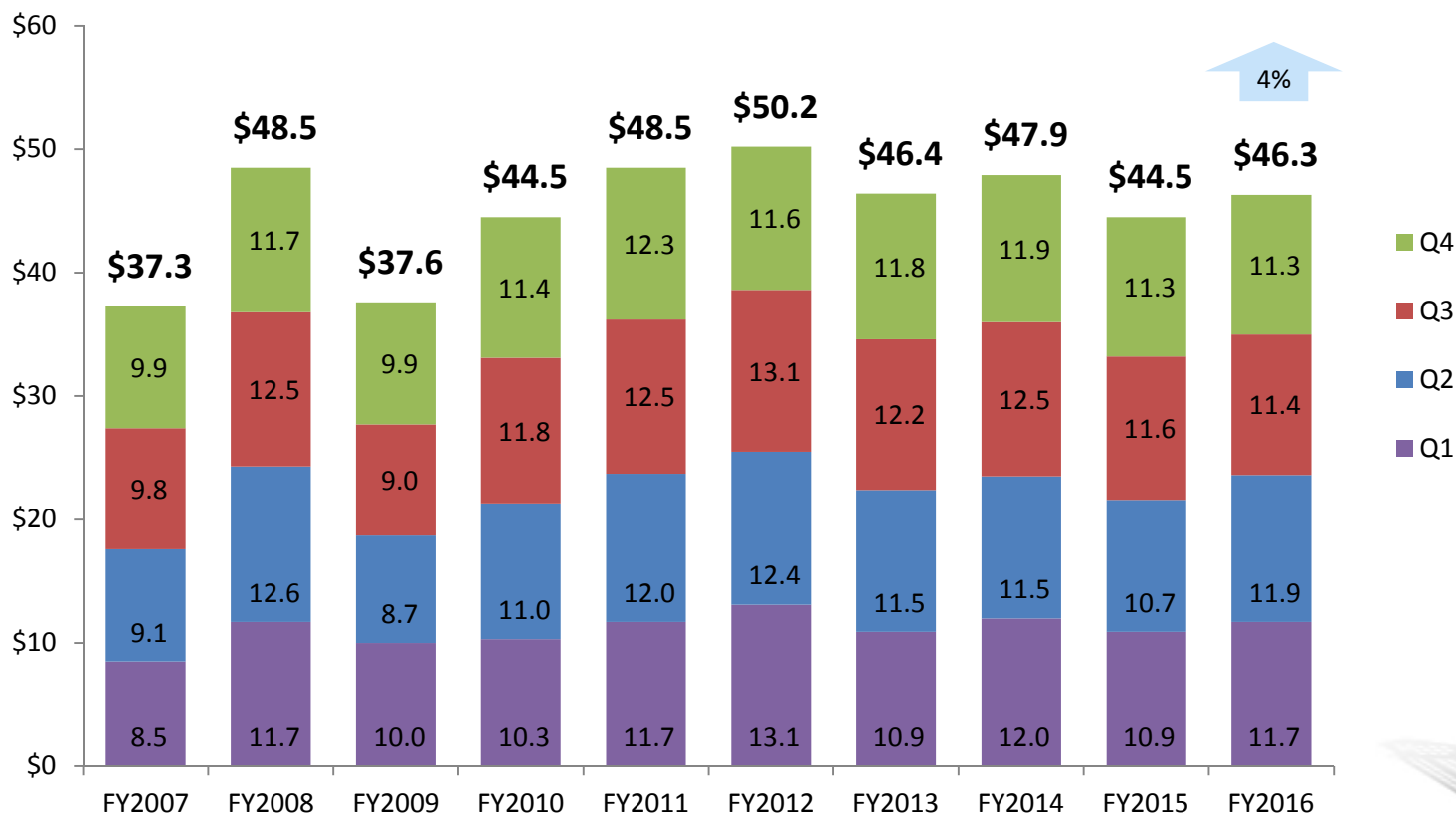
- GMRH RevPar decreased by 8% to S\$139 in FY2016 from S\$152 in FY2015
- Noku Kyoto Hotel RevPar averaged S\$162 in FY2016



Business Review

Hotel Ownership – FY2016 Hotel Revenue (\$m)

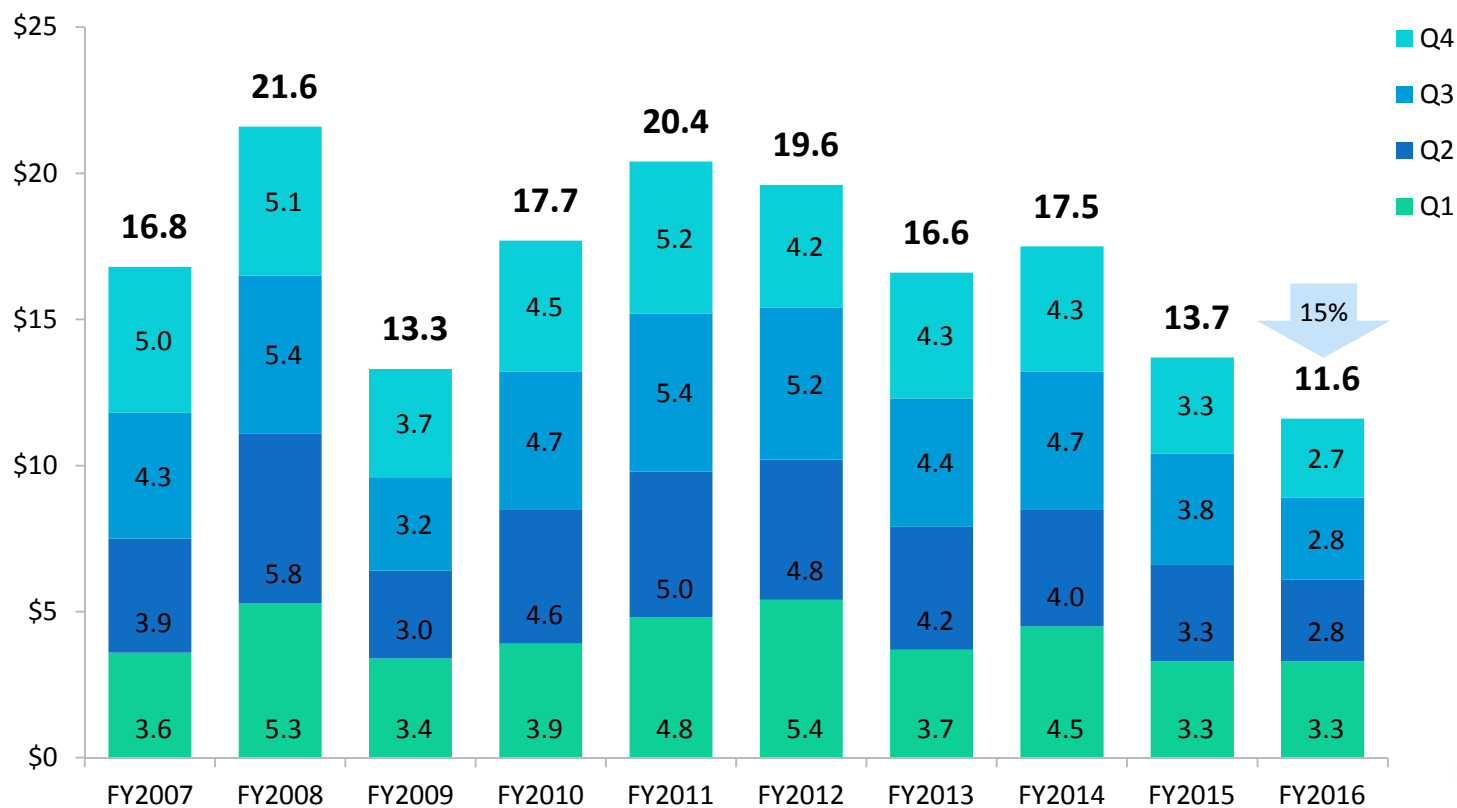
▶ Hotel revenue increased 4% in FY2016 to S\$46.3m from S\$44.5m in FY2015 mainly from contributions from Noku Kyoto of S\$5.4m



Business Review

Hotel Ownership – FY2016 Hotel Net Operating Profits (“NOP”) (S\$m)

Hotel net operating profit decreased 15% in FY2016 to S\$11.6m from S\$13.7m in FY2015



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 (sq m)	Attributable Gross Floor area (sq m)	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	22,974	Approx. 91 rooms/villas	2019
Roxy Maldives Resort	Island of Kudafunafaru, Noonu Atoll, Maldives	100%	Remaining 40 years leasehold	89,896	16,380	50 villas	4Q2017
			Total	136,774			





Results Briefing
Full Year Ended 31 December 2016

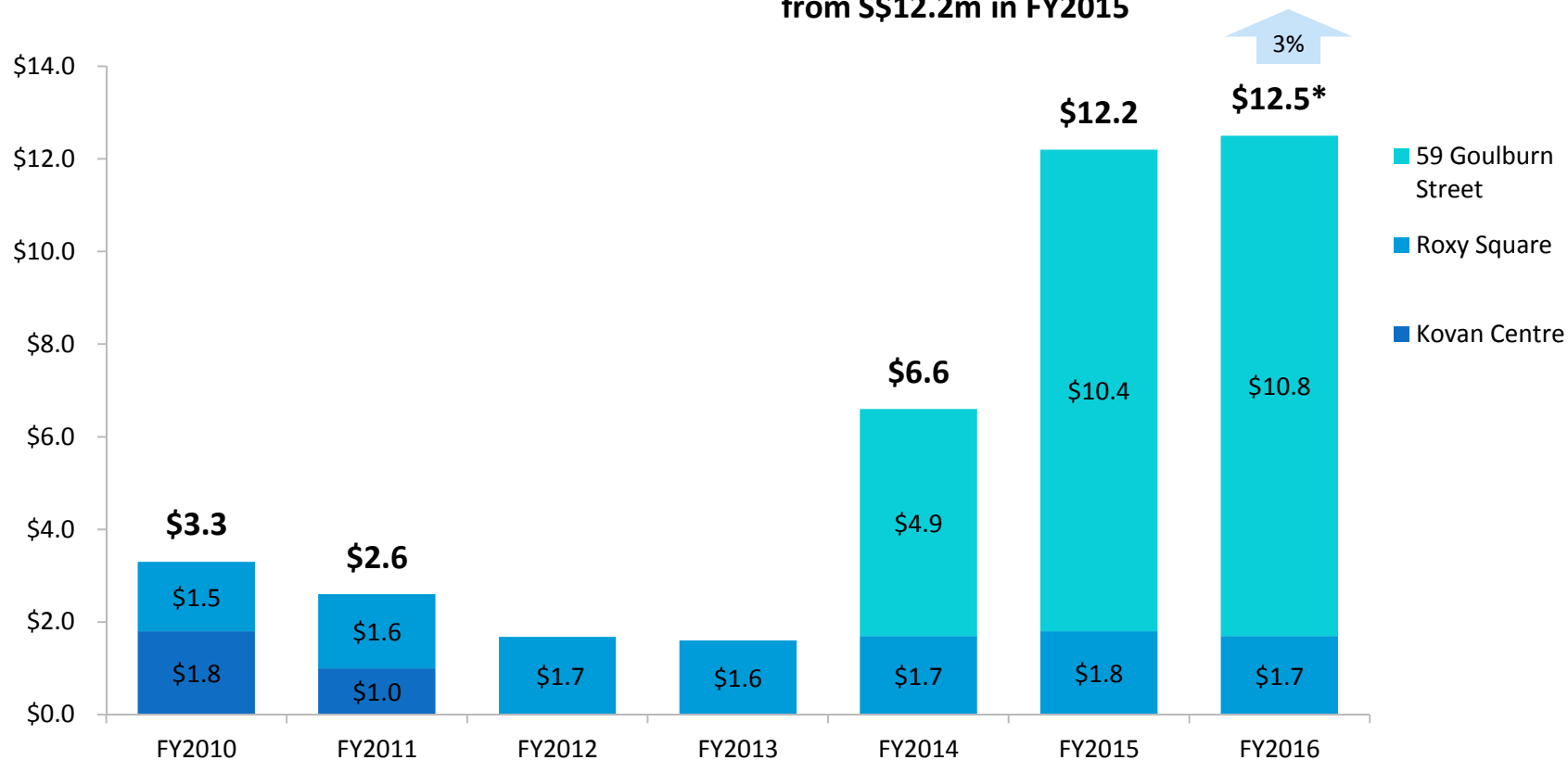
28th February 2017

BUSINESS REVIEW
Property Investment

Business Review

Property Investment – FY2016 Revenue (S\$m)

➤ Rental income increased 3% in FY2016 to S\$12.5m from S\$12.2m in FY2015



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

Business Review

Investment Properties

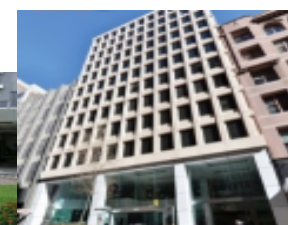
Location	Description	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 31 Dec 2016 (on lettable area)	Valuation ⁽¹⁾ (\$)	Estimated Total Annual Gross Income (\$)
<u>Held by a subsidiary company</u>						
1	50 East Coast Road, Roxy Square, Singapore	100%	2,352	87%	S\$67.2m	\$1.7m
2	59 Goulburn Street, Sydney, Australia	100%	19,410	100%	S\$131.6m (A\$126.0m)	\$10.8m
Total			21,762		S\$198.8m	
<u>Held by an Associate company</u>						
1	117 Clarence Street, Sydney, Australia	50%	12,517	98%	S\$106.6m (A\$102.0m)	\$7.8m
Total			12,517		S\$106.6m	

(1) Based on latest valuations as of 31 December 2016

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



Roxy square



117 Clarence Street



59 Goulburn Street

Group Borrowing

Results Briefing Full Year Ended 31 December 2016

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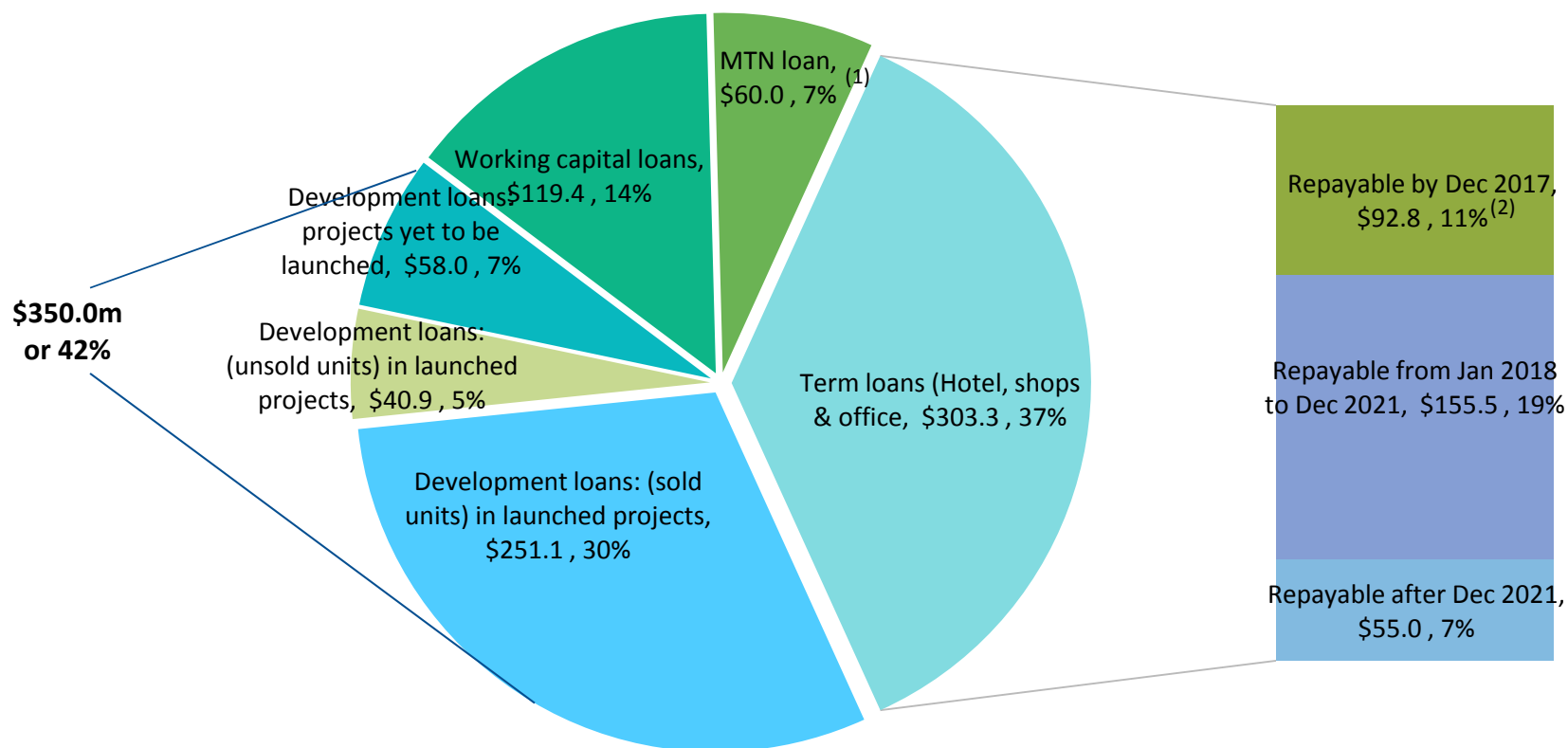
Group Borrowing

Debt Profile	31 Dec 2016	31 Dec 2015	% change
Total borrowings (S\$m)	S\$832.7	S\$807.7	3%
Fixed rate loans (S\$m)	S\$357.4	S\$384.5	-7%
Fixed rate loans as % of total loans	43%	48%	-5ppt
Weighted average term for fixed rate loans	14 months	25 months	-11 months
Weighted average interest rate (fixed rate loans)	2.7%	3.1%	-0.4ppt
Weighted average interest rate (floating rate loans)	2.5%	2.8%	-0.3ppt
Interest coverage ratio (times)	5.4	8.8	-39%

Group Borrowing

Debt Profile as at 31 Dec 2016 (\$m)

Total outstanding debts of \$832.7m as of 31 Dec 2016



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

(2) Includes term loan of S\$61.2m office building at 59 Goulburn Street, Australia

Outlook

1. General

- For 2017, MTI has maintained the GDP growth forecast at 1.0% to 3.0%¹
- The Reserve Bank of Australia projected that GDP growth will come in between 2.5% and 3.5% in 2017²

2. Property Development

- Statistics by URA for 4Q2016 showed a 0.5% decline in private residential property prices compared to the 1.5% decline in 3Q2016³
- The Australia residential property price index (eight capital cities, weighted average) rose 3.5% on a y-o-y basis⁴
- Strong take-up rate of more than 90% for Octavia and The Hensley
- Straits Mansions fully sold within six months of sales launch
- The Group's property development presale revenue was S\$369.3 million⁵, the profit of which will be progressively recognised from 1Q2017 to 2020

3. Hotel Ownership

- Latest statistics from the STB showed 16.4 million or a 7.7% y-o-y rise in international visitor arrivals for 2016⁶
- Grand Mercure Roxy Hotel continues to see high occupancy whilst Noku Kyoto Hotel has achieved high average room rate since its opening
- The Group has commenced renovation of its resort in Maldives and it is scheduled to open by 4Q2017
- The Group looks forward to continue strengthening recurring income streams

4. Property Investment

- 59 Goulburn Street and 117 Clarence Street have continued to contribute strong recurring income to the 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\$237.3 million

6. Net gearing remains healthy at 0.5 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 2017

(1) Singapore's GDP grew by 2.9 per cent in the fourth quarter of 2016 – *Ministry of Trade and Industry, February 17, 2017*

(2) Statement on Monetary policy at the Reserve Bank of Australia, May 2016

(3) Release of 4th Quarter 2016 real estate statistics - URA, January 26, 2017

(4) Residential Property Price Indexes: Eight Capital Cities – Australian Bureau of Statistics, December 13, 2016

(5) As at February 16, 2017

(6) International Visitor Arrivals Statistics – Singapore Tourism Board, February 14, 2017

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THANK YOU

