

Issuer: Roxy-Pacific Holdings Limited

Security: Roxy-Pacific Holdings Limited

Meeting details:

Date: 11 April 2017

Time: 10:00H

Venue: Frankel Room, 3rd Floor, Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769

Company Description

Roxy-Pacific Holdings Limited, an investment holding company, invests in, develops, and sells residential and commercial, and hospital properties in Singapore. The company operates through Hotel Ownership, Property Development, and Property Investment segments. Its flagship project is Grand Mercure Roxy Hotel that owns and operates 576 rooms located in Singapore, as well as owns boutique hotel under the Noku Roxy brand name with 81 rooms located in Kyoto, Japan. The company also owns Roxy Square Shopping Centre with 52 retail shops in Singapore; Roxy-Pacific, a 28-storey freehold commercial building in Sydney, Australia; and a 14-storey, freehold commercial building in Sydney's CBD in Australia. In addition, it develops apartments and condominiums for small and medium size residential customers. Further, the company holds land parcels for development into hotels in Phuket, Thailand and Perth, Australia. Roxy-Pacific Holdings Limited was founded in 1967 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=E8Z)

Q1. In the Chairman’s Statement (page 4 of the annual report), the group is said to be seeking an optimal mix between the three segments of Property Development, Property Investment and Hotel Ownership and also to balance the asset portfolio both geographically and across sectors for sustainable growth.

The group had also made known its intention to dispose of the 59 Goulburn Street property should an offer be made at the right price to unlock value and capitalise on favourable market cycles (page 6).

- a) **Can management elaborate further on the targeted “optimal mix” between property development, property investment and hotel ownership?**
- b) **Also, what is the targeted geographical diversification that the group hopes to achieve?**
- c) **How does the potential sale of the 59 Goulburn Street property affect the portfolio mix? Would the capital be recycled into other attractive assets in Australia or elsewhere? What are the attractive sectors or markets that the group can recycle the capital into?**

Q2. The group’s self-managed Noku Roxy brand will be extended to the Maldives hotel in 4Q2017 and to the Phuket hotel in 2019 following the success of the first Noku branded hotel in Kyoto which commenced operations in November 2015.

- a) The average occupancy rate of Noku Kyoto in 2016 was 52.0% (page 8 – Financial & Operations review). **What is management’s target for Noku Kyoto in terms of average occupancy rate (AOR) and revenue per available room (RevPAR)?**
- b) The group will have hotels in Kyoto, Maldives, Phuket and potentially Perth under the Noku Roxy brand. **What are the strategies to fill up the hotel rooms given that the competition is intense and the hotels are geographically diverse?**

Q3. All three independent directors were appointed to the board on 14 December 2006 or 17 December 2007, thus have served for more than nine years on the board. The board has disclosed that it has requested that Mr Hew and Mr Tay serve one more term of three years.

Mr Tay Kah Poh, who is due for retirement by rotation at the forthcoming annual general meeting and has agreed to serve for an additional term, is up for election. Mr Tay, if re-elected at the AGM, will potentially serve for another three year term to April 2020.

Mr Hew was last re-elected as Director on 4 April 2016.

- a) **Can the NC or the board confirm that it currently has the intention to request Mr Hew to serve one more term of three years after the current term runs out in April 2019 or would this be his last term?**
- b) The board has cited the need for a smooth transition as the reason to request the IDs to serve one more term. To ensure an effective and smooth transition, progressive refreshing of the board is also critical. **What are the board’s plans to introduce new directors to the board?**
- c) **Can shareholders understand the search and nomination process for board directors?**