



**Roxy-Pacific
Holdings Limited**

ROXY-PACIFIC HOLDINGS LIMITED

(Registration Number: 196700135Z)

UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT AND
DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

**PART I- INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR
RESULTS**

1(a) (i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

		First half year ended 30 Jun		
	Note	2020 S\$'000	2019 S\$'000	Change %
Revenue	A.1	118,065	139,896	-16%
Cost of sales	A.2	(100,258)	(102,161)	-2%
Gross profit	A.2	17,807	37,735	-53%
Other operating income	A.3	4,728	4,597	3%
Distribution and selling expenses	A.4	(2,030)	(5,269)	-61%
Administrative expenses		(4,670)	(4,386)	6%
Other operating expenses	A.5	(12,397)	(11,694)	6%
Finance costs	A.6	(12,399)	(11,406)	9%
Share of results of associates (net of income tax)	A.7	11,923	2,096	n/m
Profit before taxation		2,962	11,673	-75%
Taxation	A.8	(795)	(2,915)	-73%
Profit after taxation		2,167	8,758	-75%
Attributable to:				
Equity holders of the Company		2,791	9,332	-70%
Non-controlling interests	A.12	(624)	(574)	9%
		2,167	8,758	-75%



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1(a) (ii) Consolidated Income Statement is arrived at:

		First half year ended		
	Note	2020	30 Jun	2019
		S\$'000	S\$'000	Change
				%
after crediting:				
Fair value gain on investment properties	A.3	1,334	-	-
Foreign exchange gain (realised)		30	-	-
Foreign exchange gain (unrealised)	A.3, A.9	878	327	169%
Interest income	A.3	1,509	1,996	-24%
after charging:				
Depreciation of property, plant and equipment	A.5	(4,377)	(4,142)	6%
Depreciation of right-of-use assets		(360)	(501)	-28%
Amortisation of intangible assets		(95)	(94)	1%
Directors' fees		(100)	(100)	-
Foreign exchange loss (realised)	A.5, A.10	(932)	(6)	n/m
Foreign exchange loss (unrealised)	A.5, A.11	(878)	(279)	215%
Interest on borrowings	A.6	(11,569)	(10,674)	8%
Interest on lease liabilities		(827)	(721)	15%
Staff costs (including directors' remuneration)	A.5	(8,839)	(10,647)	-17%

n/m: Not meaningful

Notes to Consolidated Income Statement:

- A.1 Revenue decreased in 1H2020 mainly due to lower contribution from the Property Development segment and Hotel Ownership segment. Please refer to paragraph 8(a)(iii) for a more detailed analysis.
- A.2 Cost of sales and gross profit decreased in 1H2020, in line with the lower revenue. Please refer to paragraph 8(a)(iv) for a more detailed analysis.
- A.3 Other operating income in 1H2020 is slightly higher as compare to 1H2019 mainly contributed by higher exchange gain and higher fair value gain from investment property at Roxy Square, partially offset by fair value loss from investment property at NZI Centre.
- A.4 Distribution and selling expenses were lower in 1H2020 mainly due to lower showflats expenses incurred for projects in 1H2020 as compared to 1H2019.
- A.5 Other operating expenses comprise mainly depreciation and payroll expenses. In 1H2020, other operating expenses increased mainly due to increase in foreign exchange loss, partially offset by lower staff cost which include Job Support Scheme from Government to mitigate the effect from Covid-19. Depreciation increased slightly in 1H2020 mainly from Noku Maldives due to renovation in 2H2019. Please refer to note A.10 and A.11 for further elaboration on foreign exchange loss.
- A.6 In 1H2020, finance costs increased mainly due to borrowing costs expensed off for uncompleted project, View At Kismis, which has not commenced construction due to closure of construction site due to circuit breaker.
- A.7 Share of results of associates was higher in 1H2020 mainly due to profit from the sale of property at Ginza, Japan.
- A.8 The higher effective tax rate in 1H2020 is mainly due to tax provision for West End Glebe and late adjustment of prior year under provision for Roxy Hotel.
- A.9 In 1H2020, foreign exchange gain (unrealised) arose mainly from appreciation of AUD receivable, depreciation of JPY payable and appreciation of USD receivable and financial assets against SGD.
- A.10 In 1H2020, foreign exchange loss (realised) arose mainly from repayment of JPY bank loan when JPY appreciated against SGD.
- A.11 In 1H2020, foreign exchange loss (unrealised) arose mainly from appreciation of HKD payable against SGD.
- A.12 Non-controlling interests was a loss in 1H2020 and 1H2019 mainly due to showflat expenses incurred for View At Kismis.



1(a) (iii) Consolidated Statement of Comprehensive Income

		First half year ended		
		30 Jun		
		2020	2019	Change
		S\$'000	S\$'000	%
Profit after taxation		2,167	8,758	-75%
Other comprehensive income				
Net change in financial asset at fair value through profit or loss		(77)	-	n/m
Currency translation differences arising from consolidation	A.13	6,797	(3,437)	n/m
Other comprehensive profit, net of tax		6,720	(3,437)	n/m
Total comprehensive income for the period		8,887	5,321	67%
Attributable to:				
Equity holders of the Company		9,547	5,928	61%
Non-controlling interests		(660)	(607)	9%
		8,887	5,321	67%

A.13 Currency translation differences in 1H2020 arose mainly from appreciation of AUD and USD against SGD, currency translation differences in 1H2019 arose mainly from the depreciation of AUD against SGD during the year.

n/m: not meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		GROUP		COMPANY	
	Note	30-Jun-20 S\$'000	31-Dec-19 S\$'000	30-Jun-20 S\$'000	31-Dec-19 S\$'000
ASSETS					
Non-Current					
Property, plant and equipment	B.1	273,687	261,970	641	688
Intangible assets		127	221	90	164
Investment properties		127,300	126,609	-	-
Investment in subsidiaries	B.2	-	-	163,963	175,454
Investment in associates	B.3	185,966	168,432	-	-
Right-of-use assets	B.4	28,560	28,008	-	-
		615,640	585,239	164,694	176,306
Current					
Financial assets	B.5	12,660	10,109	-	10,109
Development properties for sale*	B.6	478,492	552,657	-	-
Inventories		1,270	1,455	-	-
Amounts due from associates	B.7	66,022	62,456	-	-
Trade receivables	B.8	10,393	6,346	79	33
Contract assets	B.9	28,719	25,155	-	-
Contract costs	B.10	12,314	10,371	-	-
Other receivables	B.11	2,170	12,586	481,717	428,056
Cash and bank balances		398,134	330,959	286,157	134,710
		1,010,174	1,012,094	767,953	572,908
Total assets		1,625,814	1,597,334	932,647	749,214
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital		47,399	47,399	47,399	47,399
Treasury shares		(3,954)	(3,954)	(3,954)	(3,954)
Fair value reserve		(56)	(10)	-	-
Revaluation reserve		533	533	-	-
Other reserves		(16,190)	(22,992)	-	-
Retained earnings		478,253	489,676	261,065	272,521
Equity attributable to owners of the Company		505,985	510,652	304,510	315,966
Non-controlling interests		(779)	(119)	-	-
		505,206	510,533	304,510	315,966
Liabilities					
Non-Current					
Borrowings	B.13	176,077	189,118	2,000	-
Lease liability	B.4	29,013	27,985	-	-
Deferred tax liabilities		9,590	9,943	618	851
		214,680	227,046	2,618	851
Current					
Trade and other payables	B.12	81,878	89,901	541,134	359,334
Contract liabilities	B.9	30,904	25,563	-	-
Lease liability	B.4	246	240	-	-
Current tax liabilities		18,906	18,103	846	706
Borrowings	B.13	773,994	725,948	83,539	72,357
		905,928	859,755	625,519	432,397
Total liabilities		1,120,608	1,086,801	628,137	433,248
Total equity and liabilities		1,625,814	1,597,334	932,647	749,214

* \$216.2 million (31 December 2019: \$205.9 million) relates to the Group's pre-sold development properties as at 30 June 2020.

Notes to the statement of financial position for the Group and the Company:

- B.1 The increase in property, plant and equipment as at 30 Jun 2020 was mainly due to resort under construction in Chalong, Thailand.
- B.2 At Company level, investment in subsidiaries decreased mainly due to repayment of loan to the Company from a subsidiary.
- B.3 Investment in associates increased mainly due to share of associates result from sale of investment property in Ginza, Japan.
- B.4 Right-of-use assets and lease liability mainly pertain to lease commitment for land rent of Maldives amounted to \$16.9 million which has a lease term till year 2056, and ground rent of NZI Centre amounted to \$11.5 million which has a current lease term till year 2037 and is perpetually renewable. The increase is due to adjustment of the discount rate used in computing the right-of-use-assets and lease liability.
- B.5 Financial assets at fair value through profit or loss (“FVTPL”) comprise real estate investment funds managed by an investment group.
- B.6 Development properties for sale as at 30 June 2020 comprises of properties for sale under development (\$474.8 million) and developed properties for sale (\$3.7 million). The decrease in properties for sale under development was mainly due to completion and settlement of Octavia Killara and West End Glebe during the period.
- B.7 Amounts due from associates increase mainly due to loans to associates for property development.
- B.8 The increase in trade receivable is mainly from Grand Mercure Singapore Roxy Hotel due to credit terms given when it took up the Singapore government’s contract to provide Stay-Home-Notice Designated Facility as well as Government Quarantine Facility.
- B.9 Contract assets primarily relate to the Group’s right to consideration for work completed but not yet billed at the reporting date on the construction of development properties. The increase in contract assets was mainly due to Harbour View Gardens and Bukit 828 where the work completed exceed percentage billed while yet to reach next billing stage.
- Contract liabilities represent the progress billing to customers in excess of the Group’s right to the consideration.
- B.10 Contract costs relate to sales commission incurred in securing sales of development units. The increase in contract cost in 1H2020 was mainly due to sales commission incurred for RV Altitude, View at Kismis, Bukit 828 and Fyve Derbyshire, partially offset by contract cost recognition for Harbour View Garden.
- B.11 The Group’s other receivables comprised mainly deposits, prepayments and other receivables. The decrease was mainly due to recognition of customer deposit as revenue upon project completion of Octavia Killara and West End Glebe.
- At Company level, other receivables comprised mainly the amounts due from subsidiaries, deposits, prepayments and other receivables. The increase was mainly due to loans extended to subsidiaries.
- B.12 Trade and other payables comprised mainly of progress claims from contractors, related retention sums held, accruals for construction costs for completed projects, accruals for unbilled contractor progress claims and provision for staff and directors’ bonuses. The decrease was mainly due to recognition of customer deposits for the Octavia Killara and West End Glebe upon completion and settlement, settlement of trade and other payable for The Navian, View at Kismis and Harbour View Garden.
- At Company level, trade and other payables comprised mainly amounts due to subsidiaries, accrued staff and directors’ bonuses and other expenses. The increase was mainly advance from subsidiaries.

B.13 The Group's total borrowings amounted to \$950.1 million, with \$387.1 million repayable within one year and \$563.0 million repayable after one year (refer to page 9, table 1(b)(ii)).

At the Company level, total borrowings amounted to \$85.5 million, with \$83.5million repayable within one year. The increase was mainly due to working capital loans drawn down to finance new investment in Japan.

1(b) (ii) Aggregate amount of group's borrowings and debt securities

	30 Jun 2020			31 December 2019		
	Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
Non-current						
- Amounts repayable after one year	174,077	2,000	176,077	189,118	-	189,118
Current						
- Amounts repayable in one year or less, or on demand	387,118 (i) (ii)	-	387,118	339,072	-	339,072
- Amounts repayable after one year but within the normal operating cycle of the Property Development segment	386,876	-	386,876	386,876	-	386,876
	773,994	-	773,994	725,948	-	725,948
	948,071	2,000	950,071	915,066	-	915,066

Details of collaterals

Borrowings are secured by:

- a) Land and buildings;
 - b) Guarantee by the Company;
 - c) Development properties for sale;
 - d) Proceeds from sales of properties under development;
 - e) Investment properties;
 - f) Rental income from investment properties; and
 - g) Fixed deposits
- i. \$243.5 million relates to loans for Grand Mercure Singapore Roxy hotel and shop units.
 - ii. \$83.5 million loans are secured by fixed deposits.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

		First half year ended 30 Jun	
	Note	2020 S\$'000	2019 S\$'000
Cash Flows from Operating Activities			
Profit before taxation		2,962	11,673
Adjustments for:			
Depreciation of property, plant and equipment		4,377	4,142
Depreciation of right-of-use assets		360	501
Amortisation of intangible assets		95	94
Dividend income from equity instruments classified as FVTPL		(21)	(61)
Share of results of associates		(11,923)	(2,096)
Fair value loss /(gain) on financial assets classified as FVTPL		117	(173)
Interest income		(1,509)	(1,996)
Interest expense on bank borrowings		11,569	10,674
Interest expense on lease liabilities		827	721
Net fair value gain on investment properties		(1,334)	-
Net foreign exchange (gain)/loss (unrealised)		-	(48)
Operating profit before working capital changes		5,520	23,430
Changes in properties for sale under development		12,720	515
Changes in developed properties for sale		61,160	(3,088)
Changes in contract cost		(1,943)	(946)
Changes in contract asset		(3,563)	(16,607)
Changes in contract liabilities		5,341	5,607
Changes in inventories		185	22
Changes in operating receivables		9,697	3,780
Changes in operating payables		(24,130)	(10,937)
Cash generated from/(used in) operations		64,987	1,776
Net income tax refund / (paid)		(428)	(10,464)
Cash generated from/(used in) operating activities	C.1	64,559	(8,688)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	C.2	(10,668)	(1,976)
Investment in associates	C.3	(13,612)	(14,291)
Dividend received from equity instruments classified as FVTPL		21	61
Dividend received from associates		11,402	-
Quasi-equity loan to associates		(345)	(10,919)
Shareholders loan to associates		(3,900)	-
Proceeds from disposal of financial assets		10,176	-
Purchase of financial assets classified as FVTPL		(12,552)	(10,021)
Advance from/(to) associates		12,885	(181)
Acquisition of additional shares in a subsidiary, from NCI		-	(938)
Addition of intangible assets		-	(13)
Addition of investment property		(120)	-
Interest received		891	2,350
Cash (used in) / generated from investing activities		(5,822)	(35,928)
Cash Flows from Financing Activities			
Proceeds from borrowings		81,726	77,319
Repayment of borrowings		(49,648)	(67,433)
Fixed deposit pledged to banks and financial institutions		(107,408)	(10,000)
Payment of lease liabilities		(959)	(961)
Interest paid		(11,318)	(16,534)
Dividend paid to non-controlling shareholders		-	(1,000)
Dividend paid to owners of the company		(14,214)	(9,193)
Cash (used in) / generated from financing activities	C.4	(101,821)	(27,802)

**First half year ended
30 Jun**

2020 2019
S\$'000 S\$'000

Net increase / (decrease) in cash and cash equivalents	(43,084)	(72,418)
Cash and cash equivalents at beginning of period	249,674	220,333
Effects of foreign currency translation	2,850	(1,237)
Cash and cash equivalents at end of period	209,440	146,677

Analysis of cash and cash equivalents:-

Project accounts	C.5	21,497	19,863
Fixed deposits in project accounts		22,000	12,000
Fixed deposits		238,915	112,797
Cash at bank		115,722	83,293
Total cash and bank balances		398,134	227,953
Less: Fixed deposits pledged to banks and financial institutions		(188,694)	(81,276)
		209,440	146,677

Notes to the consolidated statement of cash flows:

- C.1 The net cash inflows from operating activities of \$64.6 million in 1H2020 was mainly due to settlement of The Octavia Killara and West End Glebe in 1H2020.
- C.2 The acquisition of property, plant and equipment was mainly related to the development costs for the resort under construction in Chalong, Thailand.
- C.3 The investment in associates in 1H2020 was mainly new equity injection for the acquisition of investment property in Shibuya, Japan.
- C.4 The net cash outflows from financing activities of \$101.8 million in 1H2020 were mainly due to fixed deposit pledged to banks to secure additional credit facilities.
- C.5 Project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997. Withdrawals are restricted for payments for development expenditure incurred on properties for sale under development.

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital S\$'000	Treasury shares S\$'000	Fair value reserve S\$'000	Revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 January 2020	47,399	(3,954)	(10)	533	(22,992)	489,676	510,652	(119)	510,533
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	2,791	2,791	(624)	2,167
Comprehensive income for the period	-	-	-	-	-	2,791	2,791	(624)	2,167
Other comprehensive income									
Net change in fair value of financial derivatives	-	-	(46)	-	-	-	(46)	(31)	(77)
Foreign currency translation differences	-	-	-	-	6,802	-	6,802	(5)	6,797
Total other comprehensive income for the period	-	-	(46)	-	6,802	-	6,756	(36)	6,720
Total comprehensive income for the period	-	-	(46)	-	6,802	2,791	9,547	(660)	8,887
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividend paid	-	-	-	-	-	(14,214)	(14,214)	-	(14,214)
Total transactions with owners	-	-	-	-	-	(14,214)	(14,214)	-	(14,214)
Balance at 30 June 2020	47,399	(3,954)	(56)	533	(16,190)	478,253	505,985	(779)	505,206

Group	Share capital S\$'000	Treasury Shares S\$'000	Revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 January 2019	47,399	(3,954)	533	(18,558)	470,881	496,301	4,533	500,834
Total comprehensive income for the period								
Profit for the period	-	-	-	-	9,332	9,332	(574)	8,758
Comprehensive income for the period	-	-	-	-	9,332	9,332	(574)	8,758
Other comprehensive income								
Foreign currency translation differences	-	-	-	(3,404)	-	(3,404)	(33)	(3,437)
Total other comprehensive income for the period	-	-	-	(3,404)	-	(3,404)	(33)	(3,437)
Total comprehensive income for the period	-	-	-	(3,404)	9,332	5,928	(607)	5,321
Transaction with owners, recognised directly in equity								
Contributions by and distributions to owners								
Changes in ownership interest in subsidiary with no change in control	-	-	-	-	212	212	(1,150)	(938)
Dividend paid	-	-	-	-	(9,193)	(9,193)	(1,000)	(10,193)
Total transactions with owners	-	-	-	-	(8,981)	(8,981)	(2,150)	(11,131)
Balance at 30 June 2019	47,399	(3,954)	533	(21,962)	471,232	493,248	1,776	495,024

Company	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 January 2020	47,399	(3,954)	272,521	315,966
Profit for the period	-	-	2,758	2,758
Comprehensive income for the period	-	-	2,758	2,758
Other comprehensive income				
Foreign currency translation difference	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	2,758	2,758
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	-	(14,214)	(14,214)
Total transactions with owners	-	-	(14,214)	(14,214)
Balance at 30 June 2020	47,399	(3,954)	261,065	304,510

Company	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 January 2019	47,399	(3,954)	195,471	238,916
Total comprehensive income for the period				
Profit for the period	-	-	28,229	28,229
Comprehensive income for the period	-	-	28,229	28,229
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	-	-	-
Tax on other comprehensive income	-	-	-	-
Foreign currency translation difference	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	28,229	28,229
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividend paid	-	-	(9,193)	(9,193)
Total transactions with owners	-	-	(9,193)	(9,193)
Balance at 30 June 2019	47,399	(3,954)	214,507	257,952



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1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary share capital and Treasury shares

Movement in the Company's treasury shares during the six months ended 30 June 2020 are as follows:

	30 Jun 2020	30 Jun 2019
	No. of Shares	No. of Shares
Treasury shares:		
As at beginning of period	8,924,900	8,924,900
Purchase of treasury shares	-	-
As at end of period	8,924,900	8,924,900

1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 Jun 2020	30 Jun 2019
Total number of ordinary shares issued and fully paid	1,303,979,944	1,303,979,944

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has followed accounting policies and applied methods of computations consistent with the audited financial statements as at 31 December 2019.



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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share for the financial period	First half year ended 30 Jun	
	2020	2019
(a) Based on the weighted average number of ordinary shares on issue (cents)	0.21	0.72
(b) On fully diluted basis (cents)	0.21	0.72
Profit attributable to shareholders of the Company (\$'000)	2,791	9,332
Weighted average number of shares ('000)	1,303,980	1,303,980

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
Net asset value per ordinary shares based on total issued 1,303,979,944 ordinary shares (cents) (2019: 1,303,979,944 ordinary shares (cents))	38.80	39.16	23.35	24.73

The Group adopts the cost model under *SFRS(I)1-16 Property, Plant and Equipment*, and measures its property, plant and equipment at cost less depreciation and impairment loss. If it had applied the fair value model under *SFRS(I)1-16*, a revaluation surplus would arise as a result of the excess of the fair value of its hotel properties (includes Grand Mercure Roxy Hotel in Singapore, Noku Kyoto Hotel in Kyoto, Japan, Noku Osaka Hotel in Osaka, Japan, Noku Maldives and hotel property in Phuket, Thailand) and own use premises, over their carrying amounts. As at 30 June 2020, our directors estimated that the fair value of these properties was estimated to be \$725.7 million (31 December 2019: \$722.8 million) based on valuation carried out by independent valuers on 31 December 2019, using the investment and direct comparison methods. The revaluation surplus is estimated to be approximately \$497.5 million (31 December 2019: \$504.3 million). Had this revaluation surplus been recorded, the Group's adjusted net asset value ("ANAV") per share would have been as follows:

	Group	
	30-Jun-20	31-Dec-19
ANAV per ordinary share based on total issued 1,303,979,944 ordinary shares (cents) (2019: 1,303,979,944 ordinary shares (cents))	76.96	77.84

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Review of Group Performance

(i) Operating Segments

GROUP	First half year ended 30 Jun				Change Increase/ (Decrease)
	2020 S \$'000		2019 S \$'000		%
REVENUE					
Property Development	99,316	84%	111,365	80%	-11%
Hotel Ownership	15,077	13%	24,654	18%	-39%
Property Investment	3,672	3%	3,877	2%	-5%
	118,065	100%	139,896	100%	-16%
GROSS PROFIT					
Property Development	8,072	46%	22,620	60%	-64%
Hotel Ownership	6,808	38%	11,954	32%	-43%
Property Investment	2,927	16%	3,161	8%	-7%
	17,807	101%	37,735	100%	-53%
GROSS PROFIT MARGIN (%)					
Property Development	8%		20%		-12 ppt
Hotel Ownership	45%		48%		-3 ppt
Property Investment	80%		82%		-2 ppt
Total	15%		27%		-12 ppt
ADJUSTED EBITDA					
Property Development	4,997	23%	18,534	66%	-73%
Hotel Ownership	578	3%	4,552	16%	-87%
Property Investment - Rental income	2,131	10%	2,774	10%	-23%
Property Investment - Fair value gain	1,334	6%	-	0%	n/m
Property Investment - Share of result of associates	12,549	58%	2,124	8%	491%
	21,589	100%	27,984	100%	-23%
PROFIT BEFORE TAX					
Adjusted EBITDA	21,589		27,984		-23%
Corporate expenses	(3,003)		(2,318)		30%
Depreciation of property, plant and equipment	(4,377)		(4,142)		6%
Depreciation of right-of-use assets	(360)		(500)		-28%
Net interest expense	(10,887)		(9,399)		16%
Net unrealised foreign exchange (loss) / gain	-		48		n/m
	2,962		11,673		-75%

n/m: not meaningful

(ii) Geographical Segments

	Singapore \$'000	Australia \$'000	Japan \$'000	Thailand \$'000	Malaysia \$'000	Hong Kong \$'000	Indonesia \$'000	Maldives \$'000	New Zealand \$'000	Total \$'000
Revenue										
First half year ended										
30 June 2020	45,044	66,662	650	-	-	-	-	2,664	3,045	118,065
30 June 2019	71,369	58,664	4,143	-	-	-	-	2,583	3,137	139,896
Non-current assets										
As at 30 June 2020	142,813	109,509	102,219	44,399	29,154	36,422	3,900	67,838	79,386	615,640
As at 31 December 2019	143,197	105,665	86,253	36,078	28,946	35,038	3,872	66,272	79,918	585,239
Total assets										
As at 30 June 2020	1,070,880	154,886	119,583	51,173	29,154	36,422	3,902	72,572	87,242	1,625,814
As at 31 December 2019	933,239	306,645	89,328	44,058	28,946	35,038	3,874	69,464	86,742	1,597,334

Revenue and gross profit analysis

(iii) Revenue

The Group achieved revenue of \$118.1 million in 1H2020, 16% lower than \$139.9 million in 1H2019. This was mainly due to lower revenue from the Property Development segment and Hotel Ownership segment.

(a) Property Development

Revenue from the Property Development segment, which made up 84% of the Group's turnover in 1H2020, decreased to \$99.3 million in 1H2020 from \$111.4 million in 1H2019. The decrease was largely due to absence of revenue recognition from The Hensley and The Navian upon settlement and TOP in 2019. Delay in construction for development projects such as 120 Grange and Harbour View Gardens due to the closure of construction sites also contribute to a lower recognition of revenue.

(b) Hotel Ownership and Property Investment

The Hotel Ownership segment, which contributed 13% to the Group's turnover in 1H2020, decreased 39% to \$15.1 million in 1H2020 from \$24.7 million in 1H2019. The Group's hotel operations were affected by the COVID-19 outbreak as many countries imposed border control measures, impacting the tourism industry.

Revenue from the Property Investment segment constituted the balance of 3% of the Group's turnover and contributed \$3.7 million in 1H2020 as compared to \$3.9 million in 1H2019. It comprises rental income from shop units in Roxy Square and NZI Centre.

(iv) Cost of sales and gross profit

In line with the decrease in revenue, cost of sales decreased to \$100.3 million in 1H2020 from \$102.2 million in 1H2019. Cost of sales decrease marginally compared to revenue mainly due to losses incurred and adjustment of prior year under accrual of cost in 1H2020 for the completed projects in Australia.

Gross profit from the Property Development segment contributed \$8.1 million or 46% of the Group's total gross profit in 1H2020, while the remaining 54% or \$9.7 million was contributed by the Hotel Ownership and Property Investment segments. Gross profit margin from the Property Development segment was 8% in 1H2020, as compared to 20% in 1H2019. The lower profit margin of the Property Development segment in 1H2020 was mainly due to unexpected project cost escalation for the Octavia Killara. The gross profit margin of the Hotel Ownership segment decreased by 3 percentage points to 45% in 1H2020, mainly due to lower profit margin from the overseas hotels. Gross profit margin of the Property Investment segment decreased 2 percentage points to 80% in 1H2020 from 82% in 1H2019 mainly due to lower revenue from rebates given to tenants and also lower occupancy rate.

The Group's overall gross profit margin in 1H2020 was 15%, lower than the 27% recorded in 1H2019 mainly due to higher contribution from Property Development segment which has a lower profit margin.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(b). any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to explanatory notes to the statement of financial position of the Group and the Company on page 8 - 9 and explanatory notes to the consolidated statement of cash flows on page 11.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

A profit guidance was announced on 24 July 2020 and the results for 1H2020 are consistent with the guidance issued.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Ministry of Trade and Industry announced that Singapore's economy contracted by 13.2% on a year-on-year basis in 2Q2020, due to the Circuit Breaker measures to slow the spread of COVID-19. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 13.1% in the second quarter¹. Taking into account the significant deterioration in the external economic environment, the deterioration in the external demand outlook for Singapore as well as the expected economic impact of the Circuit Breaker measures, the MTI has further downgraded its gross domestic product ("GDP") growth forecast for the Singapore economy to "-7.0% to -5.0%" in August 2020, from "-7.0% to -4.0%" in 2020¹. Earlier in May, the MTI downgraded Singapore's GDP growth forecast to "-7.0% to -4.0%", from an earlier forecast of "-4.0% to -1.0%" in 2020.

Reflecting the beginning of the expected economic effects of COVID-19, Australia's GDP fell 0.3% in 1Q2020 on seasonally-adjusted basis². In a 'gradual recovery' scenario, the Reserve Bank of Australia ("RBA") had projected that the country's GDP will fall by 6.0% for the year ending December 2020³. To ensure that Australia is well placed for the recovery the RBA reaffirmed targets for the cash rate and the yield on 3-year Australian government bonds of 25 bps⁴.

In Japan, the economy contracted by 2.2% quarter-on-quarter in 1Q2020⁵. The Bank of Japan has forecast the GDP growth for fiscal year 2020 to be between -5.7% to -4.5%⁶.

Impact of COVID-19

The COVID-19 pandemic has caused a severe disruption to global economic activity and the impact on economies across the world has been broad and significant, affecting different sectors to varying degrees. As a result of the challenging market conditions, the Group financial results will be adversely affected, and the extent of the impact will depend on the future trajectory of the pandemic and its recovery.

In response to the crisis, governments across the world have introduced various support measures to cushion the impact of COVID-19. The Group will tap onto the government support schemes, where available, to maximise the value of the support.

¹ Ministry of Trade and Industry, Aug 11, 2020 – MTI Narrows 2020 GDP Growth Forecast to "-7.0 to -5.0 Per Cent"
https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2020/Economic-Survey-of-Singapore-Second-Quarter-2020/PR_2Q20.pdf

² Australian Bureau of Statistics, June 3, 2020 – [Australian National Accounts: National Income, Expenditure and Product, Mar 2020](#)

³ Reserve Bank of Australia, May 7, 2020 – [Statement on Monetary Policy, Table 6.1: Output Growth and Inflation Baseline Forecasts](#)

⁴ Reserve Bank of Australia, July 7, 2020 – [Statement by Philip Lowe, Governor: Monetary Policy Decision](#)

⁵ Ministry of Foreign Affairs of Japan, July 10, 2020 – [Japanese Economy](#)

⁶ Bank of Japan, July 16, 2020, [Outlook for Economic Activity and Prices April 2020](#)



Roxy-Pacific Holdings Limited

The Group has also taken conservative approach with a primary focus on preserving cash by reduce operating expenses where applicable and deferring all non-essential capital expenditures. At the same time, the Group will keep a look out for opportunities and adopt a more stringent evaluation process.

Property Development

Singapore

According to the Urban Redevelopment Authority (“URA”) the private residential property index increased by 0.3% in 2Q2020, compared to the 1.0% decrease in 1Q2020. During the quarter, 1,852 uncompleted private residential units were launched for sale and 1,713 private residential units were sold. This compared to 2,093 units launched and 2,149 units sold in 1Q2020.

As at the end of 2Q2020, there were a total of 49,090 uncompleted private residential units (excluding executive condominiums) in the pipeline with planning approvals as compared to 48,868 in 1Q2020. Of these units, 27,977 remain unsold as at the end of 2Q2020, lower than 29,149 units in 1Q2020⁷.

For the whole of 2020, property analysts expect private residential property prices to decrease by 3% to 8%.

The Group’s showrooms were ordered to close during the Circuit Breaker period affecting the sales of its residential projects. During this period, the Group continued to engage buyers through online marketing channels including virtual showrooms to showcase the apartment units. The Group’s showrooms have since reopened with precautionary measures in place, following the easing of restrictions.

Construction of the Group’s residential projects are also expected to continue to be delayed due to the Circuit Breaker period. Going forward, the Group will continue to prioritise the sale and delivery of the units in its current land bank.

Australia

In Australia, the majority of restrictions relating to COVID-19 came into effect in late March 2020 and therefore did not have a noticeable impact on property prices in the March quarter 2020. The price index for residential properties for the weighted average of eight capital cities increased by 1.6% in the March quarter 2020 on a year-on-year basis with rises in all capital cities except Perth and Darwin. During the quarter, the key city of Sydney, where the Group has a presence in, registered a gain of 10.0% year-on-year⁸. Over the rest of 2020, the Commonwealth Bank of Australia has forecast a 10% decrease in property prices across Australia⁹.

In Sydney, Australia, the Group’s residential development projects, Octavia Killara and West End Glebe, have been fully sold.

As at 26 July 2020, based on units sold from the following ongoing development projects, the Group has total attributable pre-sale revenue of \$454.5 million, the profits of which will be recognised from 3Q2020 to FY2023.

⁷ Urban Redevelopment Authority, July 24, 2020 – [Release of 2nd Quarter 2020 real estate statistics](#)

⁸ Australian Bureau of Statistics, June 16, 2020 – [Residential Property Price Indexes: Eight Capital Cities, Mar 2020](#)

⁹ Commonwealth Bank of Australia, July 1, 2020 – [Melbourne house prices hit hard by COVID-19](#)

Project name	Type of development	Group stake %	Total units in project Unit	Unit sold Unit	Attributable total sale value ^{(i) (ii)} \$'m	Attributable revenue recognised up to 30 June 2020 \$'m	Balance attributable progress billings to be recognised from 3Q2020 \$'m
Singapore							
1 120 Grange	Residential	90%	56	45	\$ 74.9	\$ 19.6	\$ 55.3
2 Bukit 828	Residential	80%	34	30	\$ 28.5	\$ 7.8	\$ 20.7
3 Arena Residences	Residential	50%	98	83	\$ 55.6	\$ 11.3	\$ 44.3
4 RV Altitude	Residential	100%	140	47	\$ 75.5	\$ 10.3	\$ 65.2
5 Fyve Derbyshire	Residential	100%	71	35	\$ 65.5	\$ 3.7	\$ 61.8
6 Wilshire Residences	Residential	40%	85	11	\$ 7.9	\$ 0.6	\$ 7.3
7 Dunearn 386	Residential	100%	35	9	\$ 13.7	\$ 1.8	\$ 11.9
8 VIEW AT Kismis	Residential	60%	188	116	\$ 87.3	\$ 1.4	\$ 85.9
9 NEU AT Novena	Residential	50%	87	68	\$ 60.8	-	\$ 60.8
Malaysia							
10 Wisma Infinitum - The Colony	Residential	47%	423	337	\$ 59.4	\$ 33.2	\$ 26.2
Wisma Infinitum - The Luxe ⁽ⁱⁱⁱ⁾	Residential	47%	300	164	\$ 34.0	\$ 18.9	\$ 15.1
Total			1,517	945	\$ 563.1	\$ 108.6	\$ 454.5

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 26 July 2020.

(ii) For overseas projects, sale value is based on contract signed up to 26 July 2020.

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

Hotel Ownership

The Group's hotel operations were affected by the COVID-19 outbreak as many countries imposed border control measures, impacting the tourism industry.

Singapore recorded 750 visitor arrivals in April 2020, a 100% year-on-year decline, as the Circuit Breaker came into force. Visitor arrivals rose slightly to 880 visitor arrivals in May 2020, a year-on-year decline of 99.9 per cent. The Group's flagship Grand Mercure Singapore Roxy hotel joined a large number of hotels in providing their entire accommodation facilities to persons who are required to serve the mandatory 14-day "Stay-Home Notice" period or any person(s) that need to be isolated from the general population in a "Government Quarantine Facility" as a matter of precaution.

To curb the spread of COVID-19, Japan has travel bans in place for travellers from around 129 countries and regions, which resulted in a significant decrease in international visitor arrivals. As part of its efforts to revive the domestic tourism industry, the government has unveiled a US\$16 billion "Go To" campaign to subsidise domestic tourism. The Group's self-managed boutique hotels, *Noku Kyoto* and *Noku Osaka*, have stepped up its marketing activities to capture the domestic market.

Meanwhile, the Maldives reopened its tourist resorts on 15 July 2020 and received its first international flight in over three months. The Group's upscale resort in Maldives, *Noku Maldives*, has received a strong level of enquiries since the travel restriction was lifted.

The Group's second resort asset in Thailand, *Noku Phuket*, is expected to operate in 2021.

Property Investment

Singapore

Amidst the lockdown, the Group has extended rental rebates and waivers to some tenants who faced cashflow difficulties due to the temporary closure of business operations. In Singapore, the Group has also passed on the property tax rebates announced in the Singapore Government's Unity and Resilience Budgets, and will provide rental waivers to its eligible tenants upon receipt of the cash grant under the Fortitude Budget, to qualifying property owners.



Roxy-Pacific Holdings Limited

Australia

The office sector is not expected to face an immediate structural shift in demand notwithstanding that office towers in core commercial markets are largely unoccupied due to remote working measures implemented in response to COVID-19. To further enhance its recurring income stream, the Group, together with its joint venture partner, has recently announced the investment in a 40% interest in a commercial tower located at 350 Queen Street, Melbourne, Australia. The freehold property comprises a commercial tower with offices, retail offerings and community amenities, situated in the Central Business District of Melbourne, Australia.

Together with its partner, the Group will continue to actively engage its tenants and extend support, where applicable, forging stronger relationships through this crisis.

Overall, the Group's investment properties maintained a high level of occupancy at 91% as at 30 June 2020.

Outlook

The economic outlook remains challenging for the year ahead with global uncertainties due to COVID-19 pandemic. Whilst the Group managed to stay profitable in 1H2020, mainly due to the successful divestment of its retail building at Ginza, Japan, management expects the financials in 2H2020 to be adversely impacted by the ongoing unprecedented market uncertainty, including operational performance during the period and risk of asset impairments at year end.

Despite all the challenges, the Group will continue to monitor the evolving pandemic situation and adjust and react proactively with appropriate countermeasures to minimise financial impact for the financial year ending 31 December 2020.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend

Dividend Type

Dividend Rate

Tax Rate

Interim

Cash (Ordinary)

0.195 cents per ordinary share

Tax exempt (one-tier tax)

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared / recommended, a statement to that effect

In view of the uncertain economic outlook, no interim dividend has been declared.

13. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions. There were no interested person transactions during the half year ended 30 June 2020.

14. Confirmation of procurement of undertakings from all directors and executives officers

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & Deputy CEO

11th August 2020
Singapore



**Roxy-Pacific
Holdings Limited**

CONFIRMATION PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the financial period ended 30 June 2020 to be false or misleading in any material respect.

ON BEHALF OF THE BOARD

Teo Hong Lim
Chairman & CEO

Koh Seng Geok
Executive Director & Deputy CEO

11th August 2020
Singapore