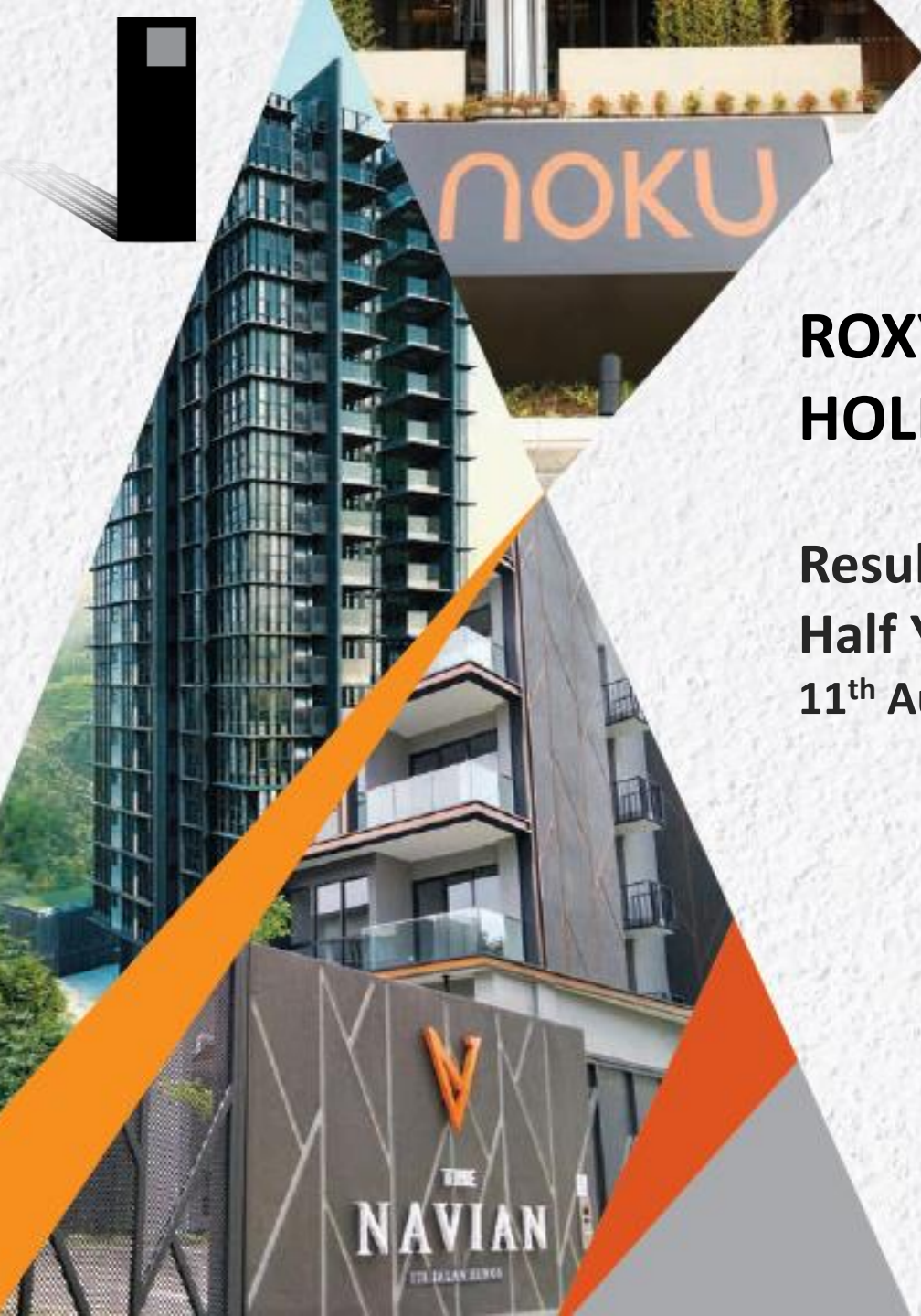




ROXY-PACIFIC HOLDINGS LIMITED

**Results Announcement
Half Year Ended 30 June 2020
11th August 2020**

**BROADENING
OUR
PERSPECTIVE**

Agenda



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

Financial Performance

1H2020 Overview

- Revenue decreased to S\$118.1 million (1H2019: S\$139.9 million)
- Net profit attributable to shareholders is lower at S\$2.8 million (1H2019: S\$9.3 million), decreased due to the impact from COVID-19 pandemic
- Total attributable pre-sale revenue of S\$454.5 million (1H2019: S\$620.6 million) to be recognised from 3Q2020 to FY2023
- Good headroom with cash and bank balances of S\$398.1 million
- Net gearing remains healthy at 0.58 time

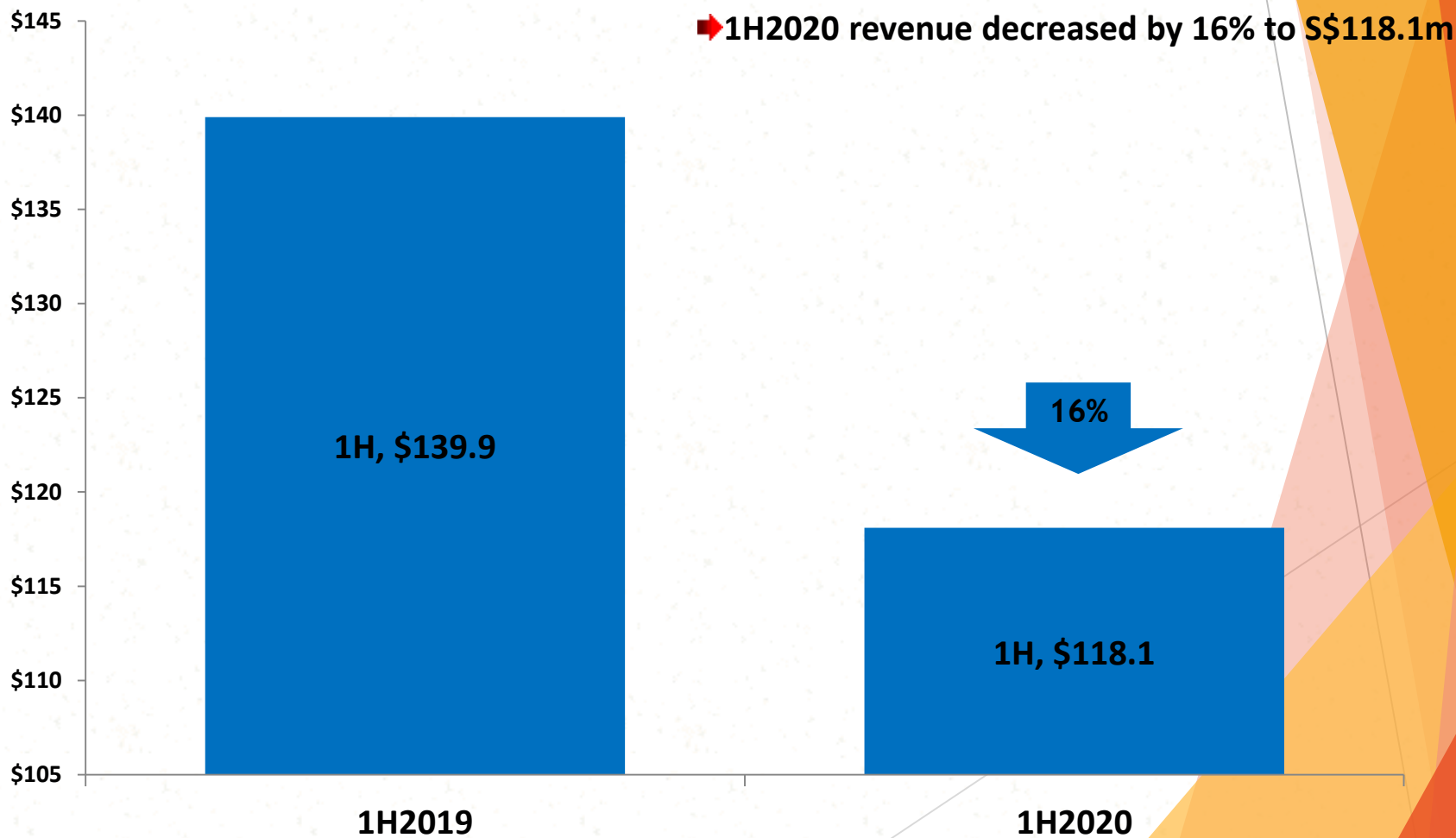
Financial Performance

Financial Results	1H2020	1H2019	% change
Revenue (S\$'m)	118.1	139.9	-16%
Gross Profit (S\$'m)	17.8	37.7	-53%
Gross Margin (%)	15%	27%	-12ppt ⁽¹⁾
Share of results of associates (net of tax) (S\$'m)	11.9	2.1	467%
Pre-tax profit (S\$'m)	3.0	11.7	-75%
Net Profit (S\$'m)	2.2	8.8	-75%
Net Profit attributable to shareholders (S\$'m)	2.8	9.3	-70%
EPS (SGD cents)	0.21	0.72	-70%

- (1) The decrease in gross margin was mainly due to higher contribution from Property Development segment which has a lower profit margin.

Financial Performance

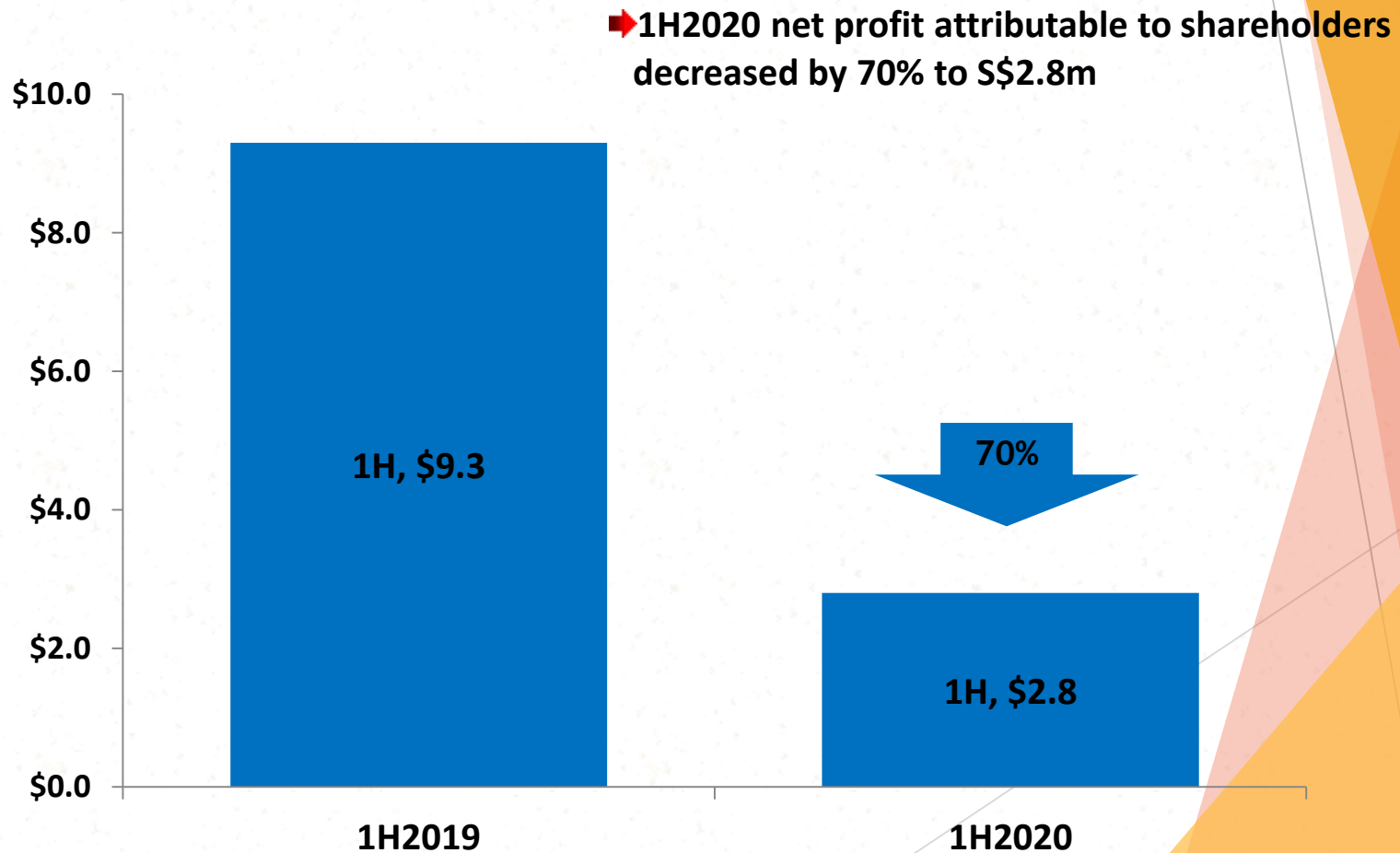
Financial Performance Revenue (S\$'m)



Financial Performance

Financial Performance

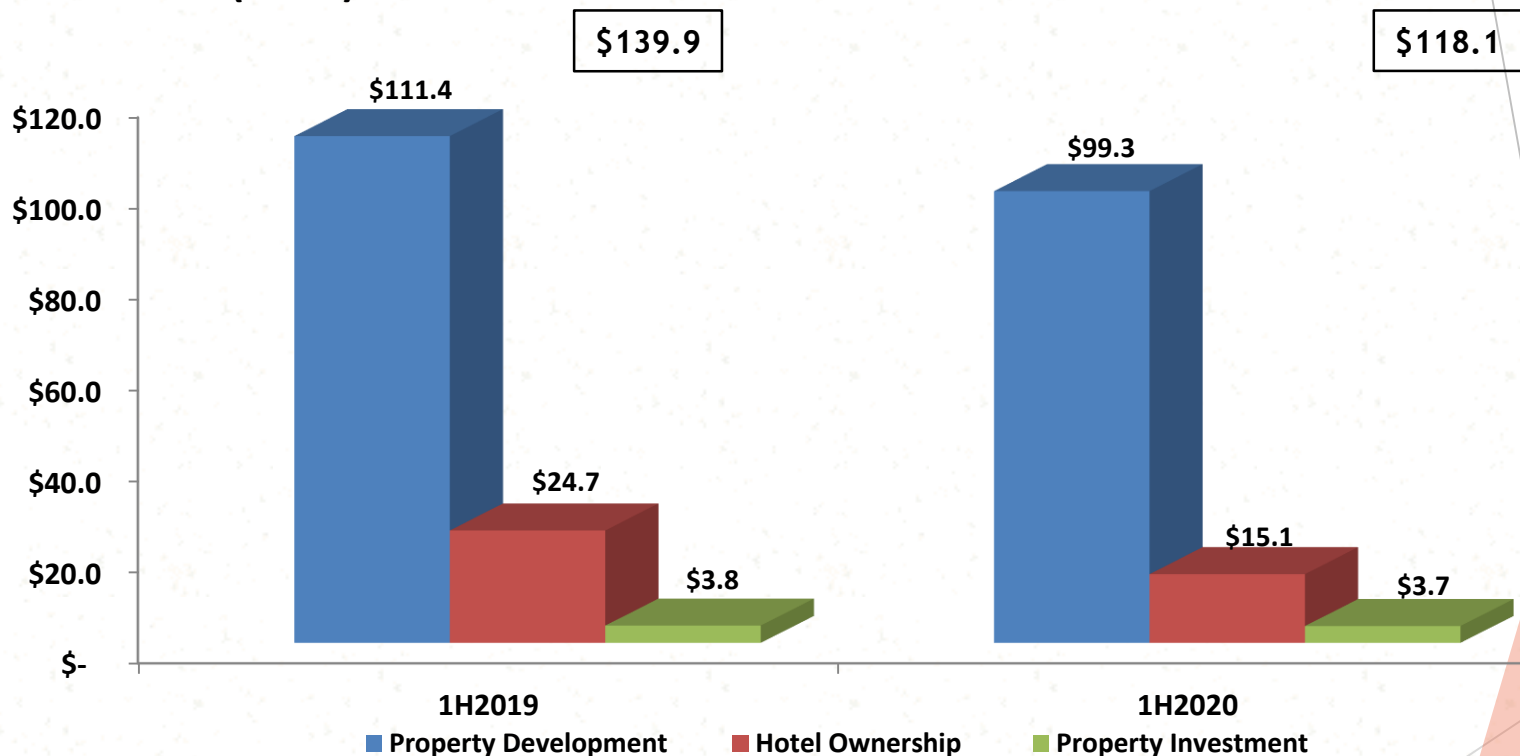
Net Profit attributable to
shareholders (S\$'m)



Financial Performance

Segment Results – 1H2020

Revenue (\$\$'m)

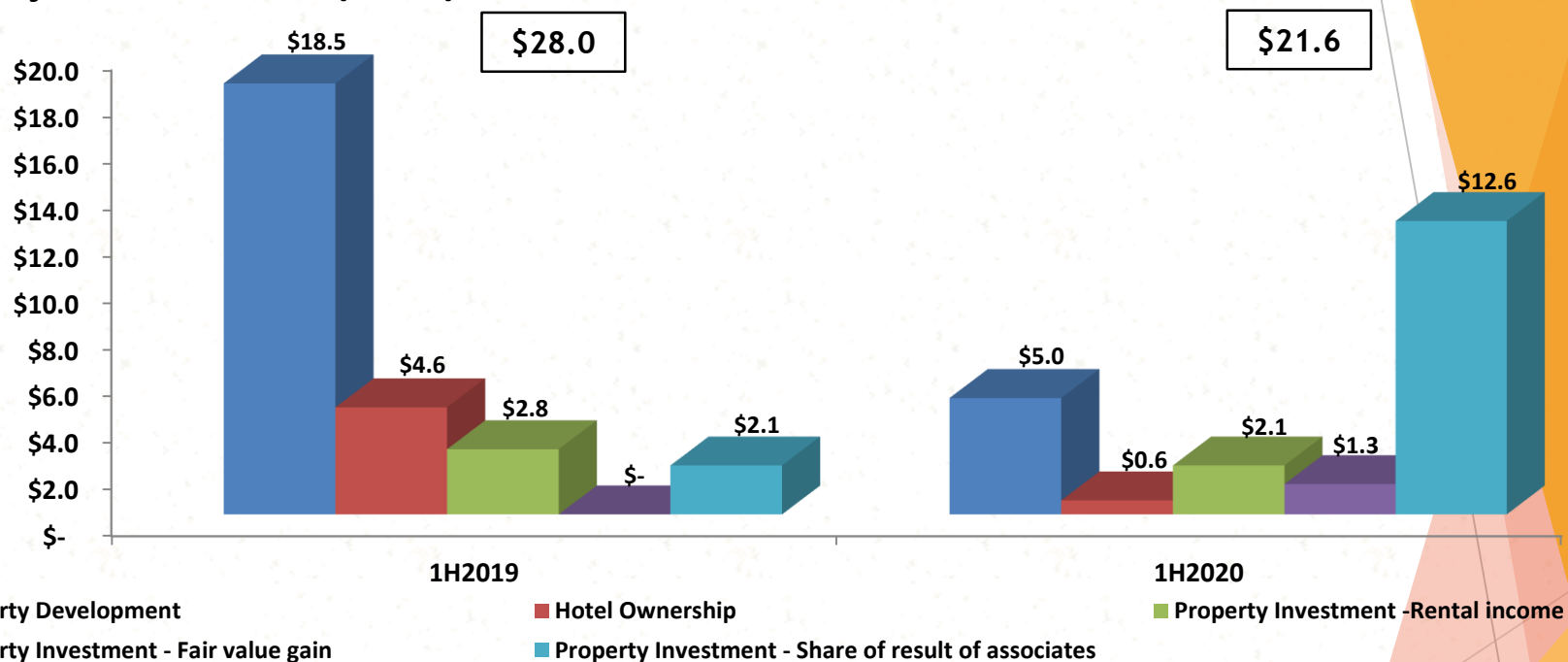


	1H2019	1H2020
Property Development	80%	84%
Hotel Ownership	18%	13%
Property Investment	2%	3%
	100%	100%

Financial Performance

Segment Results – 1H2020

Adjusted EBITDA* (\$\$'m)

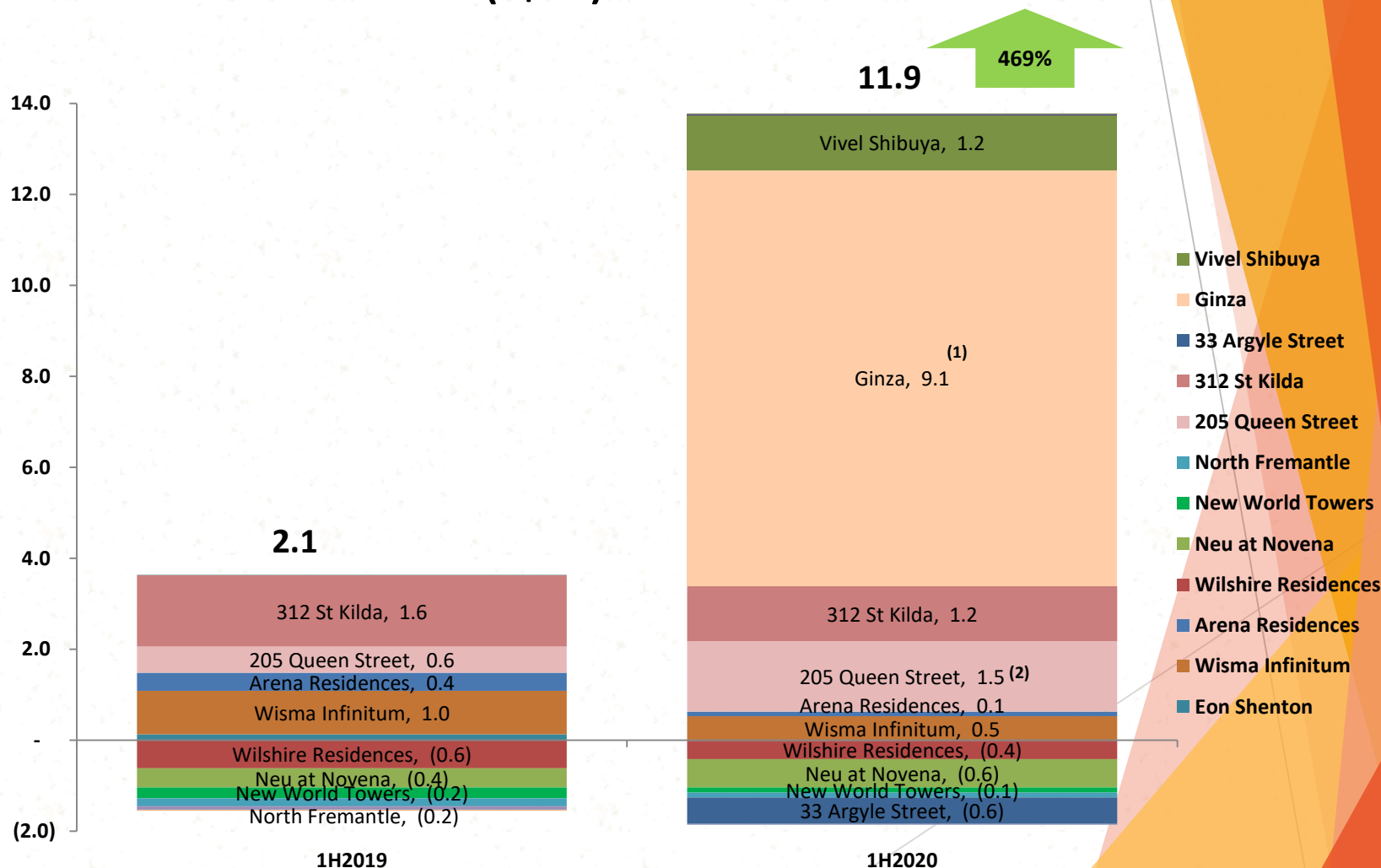


	1H2019	1H2020
Property Development	66%	23%
Hotel Ownership	16%	3%
Property Investment - Rental income	10%	10%
Property Investment - Fair value gain	0%	6%
Property Investment - Share of result of associates	8%	58%
	100%	100%

* Adjusted EBITDA excludes corporate expenses, depreciation of property, plant and equipment, finance cost (net) and unrealised foreign exchange gain/(loss) (net).

Financial Performance

Share of results in associates (S\$'m) – 1H2020



(1) The Group has sold the investment property in March 2020

(2) 1H2020 include a fair value gain of 0.7m (net of tax)

Financial Performance

Financial Position	30 Jun 2020 (S\$m)	31 Dec 2019 (S\$m)
Total assets	1,625.8	1,597.3
Total debt ⁽¹⁾	979.3	943.3
Cash & bank balances ⁽²⁾	398.1	331.0
Net debt	581.2	612.3
Net asset value ("NAV")	506.0	510.7
Revaluation surplus ⁽³⁾	497.5	504.3
Adjusted net asset value ("ANAV")	1,003.5	1,015.0

(1) Total debt include bank borrowings amounting to S\$950.1m as at 30 June 2020 (31 December 2019: S\$915.1m) and lease liability amounting to S\$29.2m (31 December 2019: S\$28.2m).

(2) Cash holdings include project account monies amounting to S\$43.5m as at 30 June 2020 (31 December 2019: S\$46.2m) and S\$188.7m (31 December 2019: S\$81.3m) pledged to banks and financial institutions.

(3) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, Noku Maldives and the head office premise were estimated to be S\$725.7m as at 30 June 2020 (31 December 2019: S\$722.8m) as compared to net book value of S\$228.2m (31 December 2019: S\$218.4m).

Financial Performance

Financial Ratios	30 Jun 2020	31 Dec 2019
NAV per share (SGD cents)	38.80	39.16
ANAV per share (SGD cents) ⁽¹⁾	76.96	77.84
Cash holdings per share (SGD cents) ⁽²⁾	30.53	25.38
Net debt to ANAV (times)	0.58	0.60
Return on equity (%) ⁽³⁾	1.1%	5.9%

(1) The fair value of the Grand Mercure Roxy Hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, Noku Maldives and the head office premise were estimated to be S\$725.7m as at 30 June 2020 (31 December 2019: S\$722.8m) as compared to net book value of S\$228.2m (31 December 2019: S\$218.4m).

(2) Cash holdings include project account monies amounting to S\$43.5m as at 30 June 2020 (31 December 2019: S\$46.2m) and S\$188.7m (31 December 2019: S\$81.3m) pledged to banks and financial institutions.

(3) Calculated by dividing annualised profit after tax attributable to equity shareholders by net assets value.



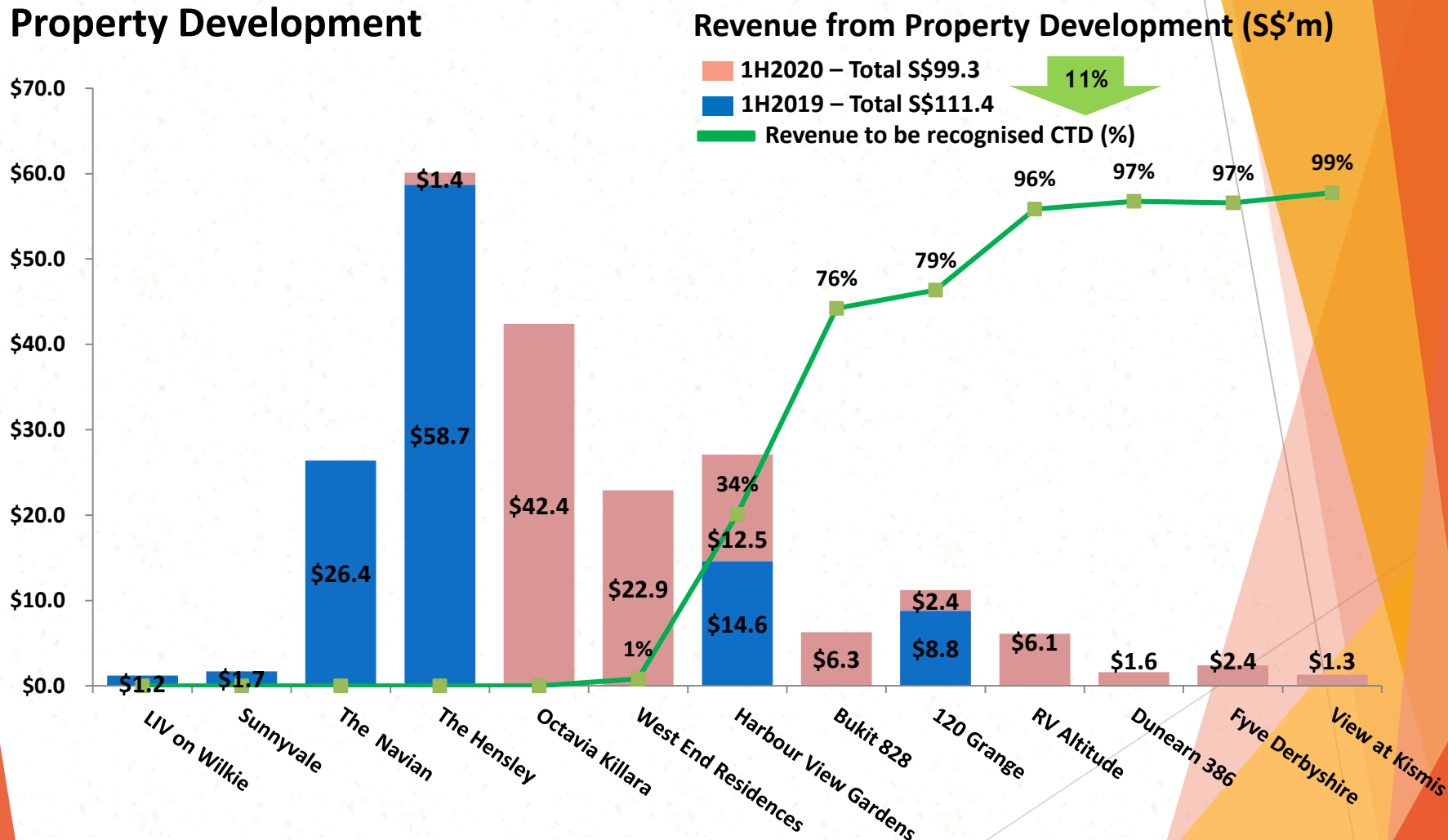
BUSINESS REVIEW

Property Development

**Results Announcement
Half Year Ended 30 June 2020
11th August 2020**

Business Review

Property Development



- 1H2020 Property Development revenue was mainly attributable to Octavia Killara, West End Residences and Harbour View Gardens. The decreased in revenue is mainly due to the suspension of works at construction sites in Singapore, which led to delays in progress of construction.

Business Review

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

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
<u>Singapore</u>							
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
<u>Malaysia</u>							
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.

Note: Pre-sale revenue is recognised based on Percentage of Completion.



BUSINESS REVIEW

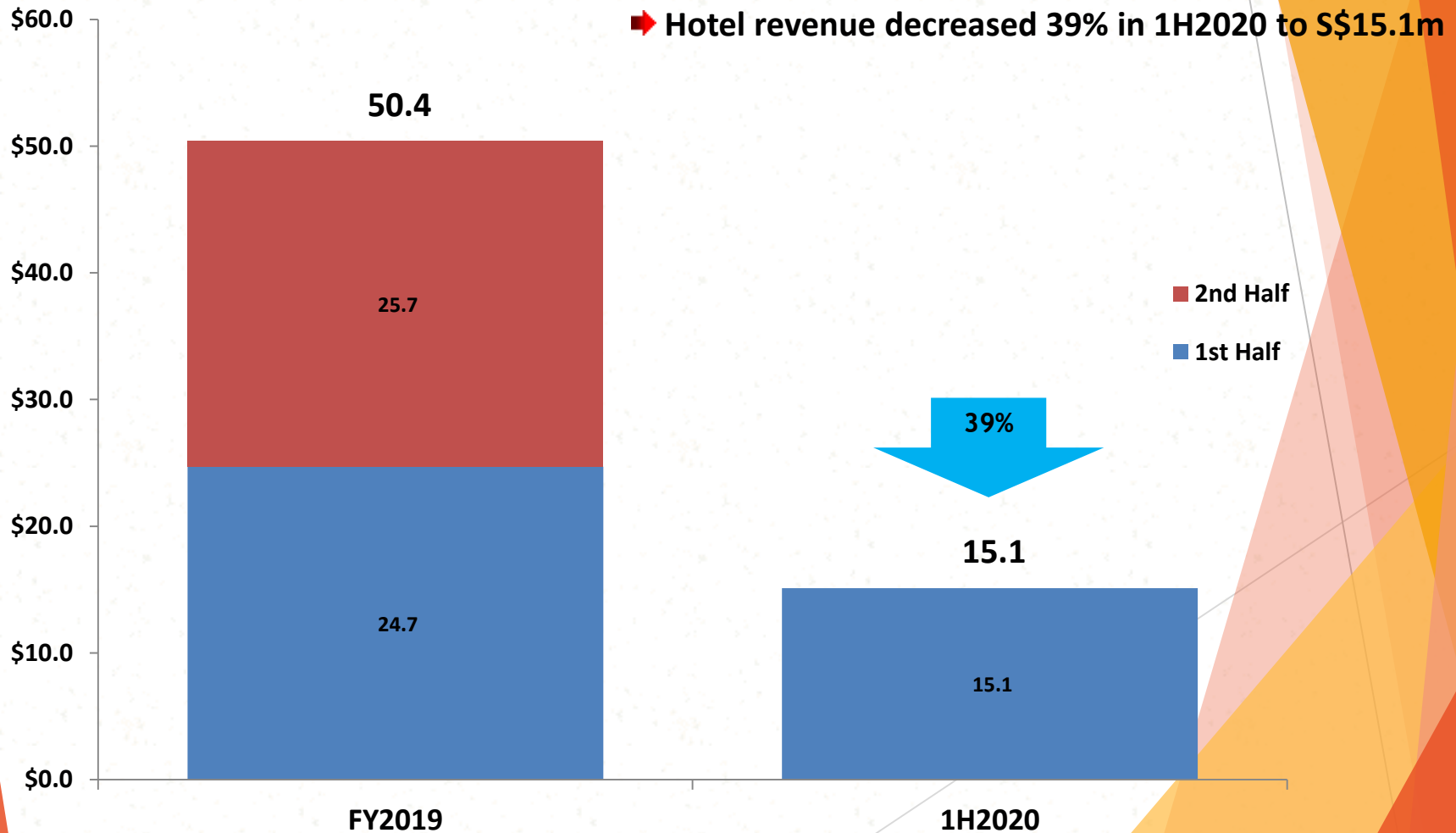
Hotel Ownership

Results Announcement
Half Year Ended 30 June 2020
11th August 2020

Business Review

Hotel Ownership – 1H2020

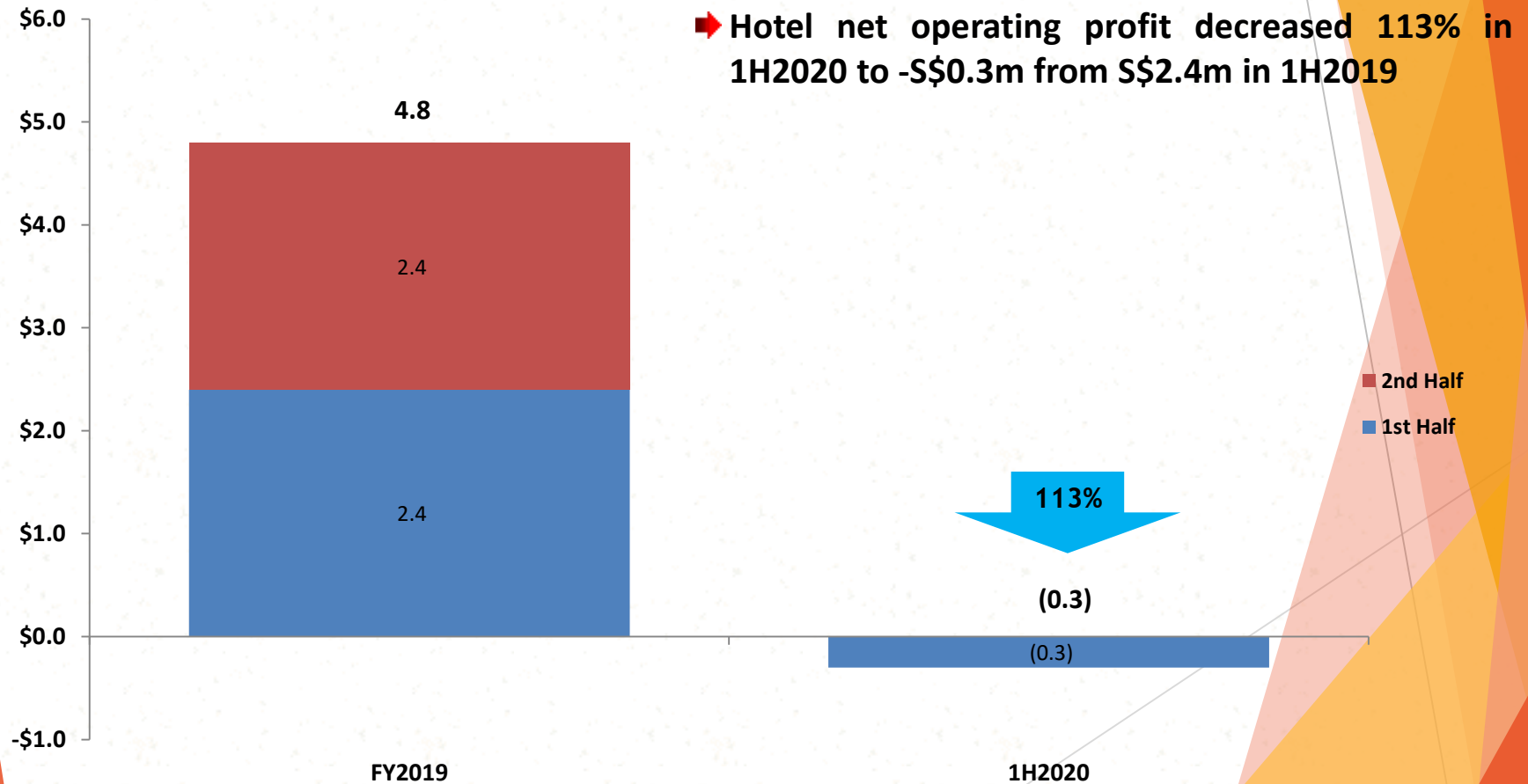
Hotel Revenue (\$\$m)



Business Review

Hotel Ownership – 1H2020

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



Hotel Net Operating Profits is defined as the earnings before interest, taxes, depreciation and amortisation.

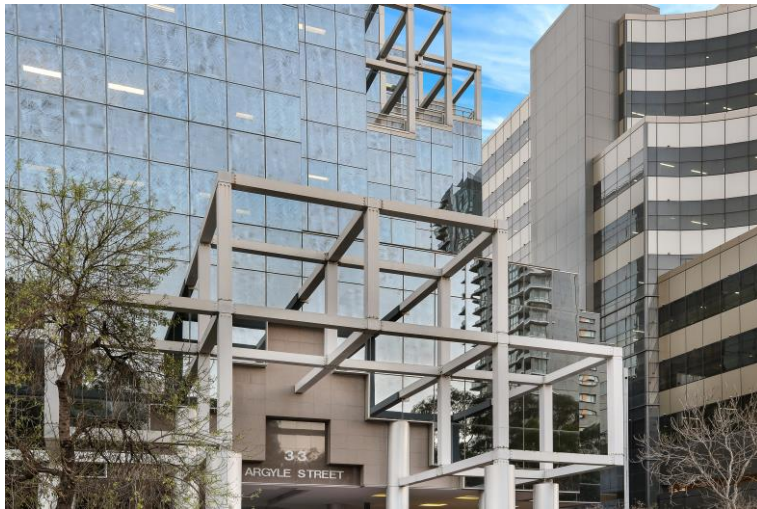
Business Review

Hotels in operations/under development

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"	na
Rooms	576 rooms	81 rooms	154 rooms	50 villas	91 rooms/villas	952 rooms/villas
Date of TOP/acquisition	TOP in Sep 2000	02-Oct-14	17-Oct-17	11-May-16	06-Nov-14	na
Tenure	Freehold	Freehold	Freehold	Remaining 36 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
Net Book Value as at 30 June 2020	S\$61.5 million	S\$31.1 million (JPY2.40 billion)	S\$39.6 million (JPY3.1 billion)	S\$50.3 million (US\$36.1 million)	S\$43.3 million (THB960 million)	S\$225.8 million
Valuation as at 31 December 2019	S\$538.0 million	S\$38.4 million (JPY2.97 billion)	S\$40.3 million (JPY3.12 billion)	S\$52.9 million (US\$38.0 million)	S\$43.3 million ⁽¹⁾ (THB960 million)	S\$712.9 million

(1) The estimate market value is S\$56.8 million on completion (THB1.26 billion). The estimated commencement date of hotel operation is FY2021





BUSINESS REVIEW

Property Investment

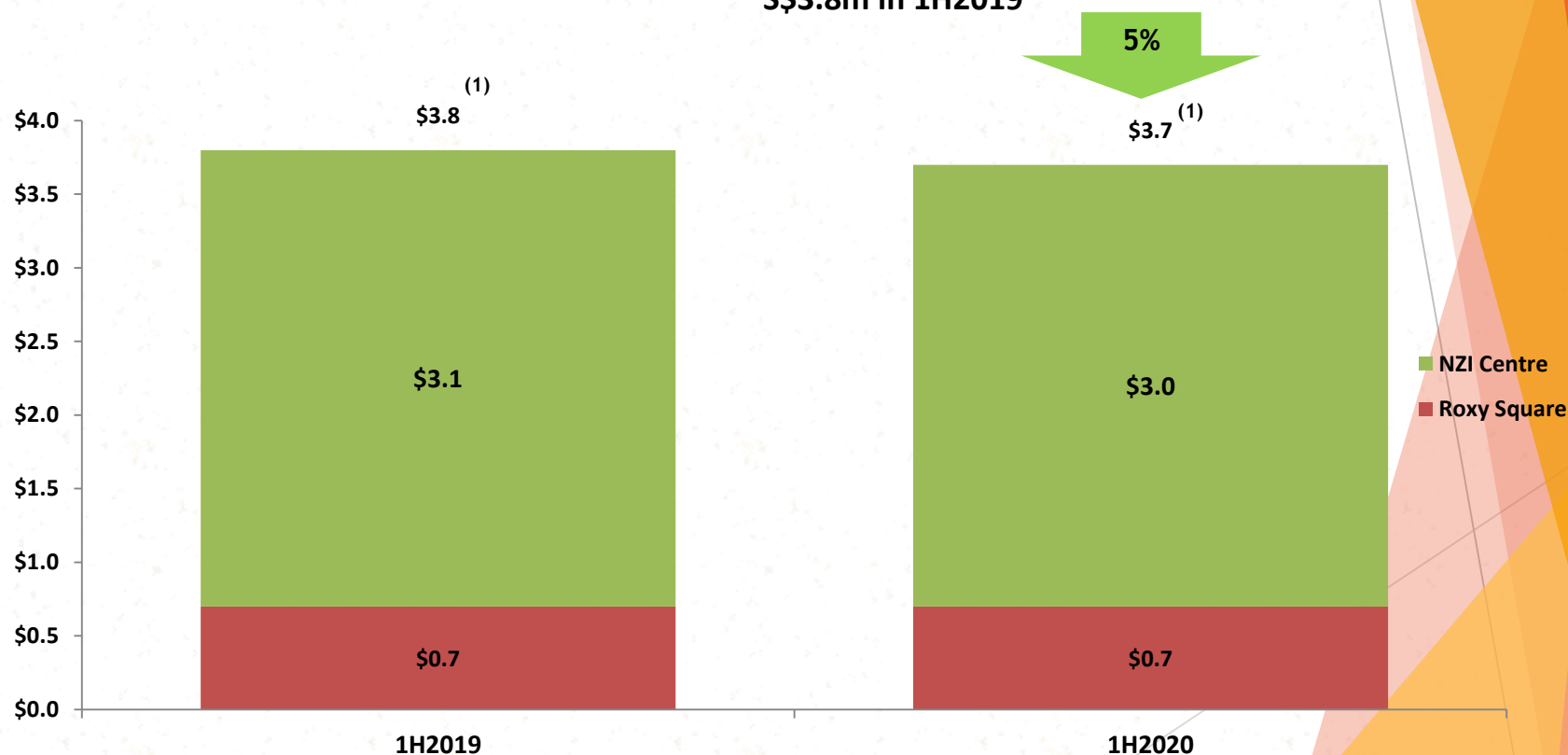
**Results Announcement
Half Year Ended 30 June 2020
11th August 2020**

Business Review

Property Investment – 1H2020

Revenue (S\$m)

➡ Rental income decreased 5% in 1H2020 to S\$3.7m from S\$3.8m in 1H2019



1. Excludes rental income from 205 Queen Street, 312 St Kilda Road, 33 Argyle Street and Shibuya as it is accounted for under share of results from associates

Business Review

Investment Properties

	Location	Description	Date of TOP/acquisition	Group's stake	Net Lettable Area/ Floor Area (sqm)	Occupancy (%) as at 30 June 2020 (on lettable area)	Valuation ⁽¹⁾ (\$)	Estimated Total Annual Gross Income ⁽²⁾ (\$\$)
Held by subsidiary company								
1	50 East Coast Road, Roxy Square, Singapore	49 shop units ⁽³⁾	1984/1998	100%	2,371	84%	S\$67.3m	S\$1.3m
2	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	6-storey commercial building	15-Dec-17	100%	9,446	100%	S\$60m (NZ\$67m)	S\$6.3m (NZ\$7m)
	Total				11,817		\$127.3	
Held by associate company								
3	205 Queen Street, Auckland, New Zealand	2 office towers with 17 and 22 storey	20-Dec-17	50%	25,368	85%	S\$171.9m (NZ\$192m)	S\$13.5m (NZ\$15.05m)
4	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	23-Jan-18	45%	9,887	100%	S\$83.4m (A\$87m)	S\$5.8m (A\$6.1m)
5	33 Argyle Street, Parramatta NSW 2150, Australia	Lower B-grade office building comprising a quasi-retail ground floor suite and café, three levels of above ground parking providing 138 car spaces, 6 upper office levels and roof top plant rooms	08-Jan-19	40%	5,281	92%	S\$40.3m (A\$42m)	S\$2.8m (A\$2.9m)
6	23-10 Udagawacho, Shibuya-ku, Tokyo	5 storey retail building	28-Feb-20	49%	679	100%	S\$72.1m (JPY5.58b)	S\$2.5m (JPY192m)
	Total				41,215		\$367.7	

- (1) Based on latest valuations as of 30 June 2020
- (2) Based on occupancy as at 30 June 2020
- (3) Excludes 3 units which are for owner-use premises



Group Borrowing

Results Announcement
Half Year Ended 30 June 2020
11th August 2020

Group Borrowing

Debt Profile	30 Jun 2020	31 Dec 2019
Total borrowings (S\$m)	S\$950.1	S\$915.1
Net borrowings (S\$m)	S\$551.9	S\$584.1
Fixed rate loans including IRS (S\$m)	S\$276.6	S\$276.2
Fixed rate loans including IRS as % of total loans	29%	30%
Weighted average term for fixed rate loans including IRS	20 months	19 months
Weighted average interest rate (fixed rate loans including IRS)	2.7%	2.9%
Weighted average interest rate (floating rate loans)	2.2%	2.8%
Interest coverage ratio (times) ⁽¹⁾	1.3	2.9
Cash coverage ratio (times) ⁽²⁾	17.1	14.3

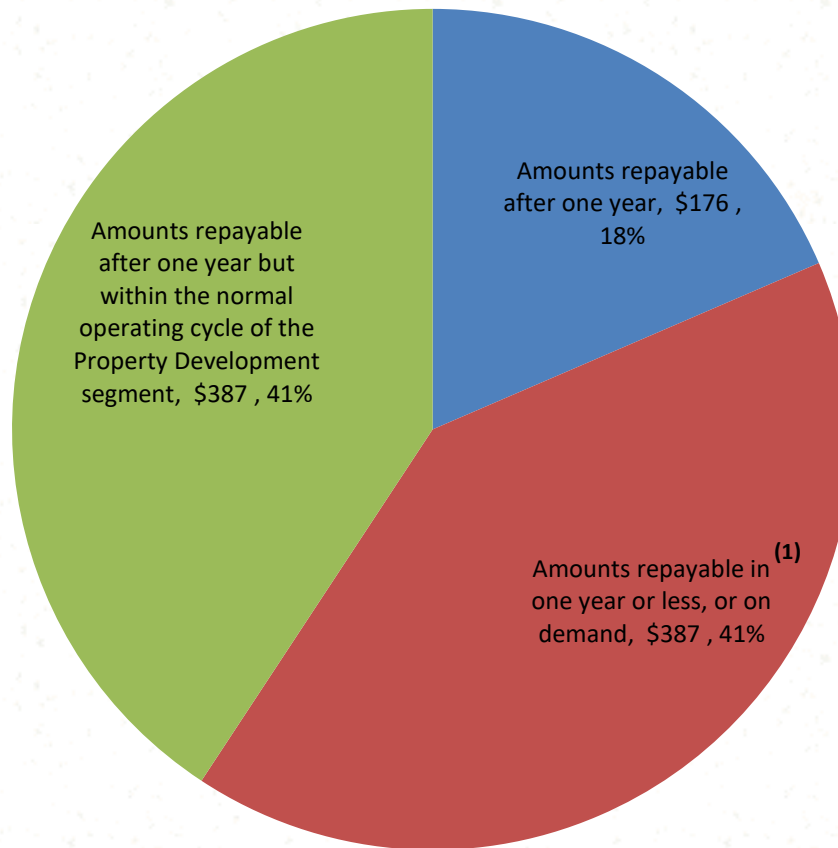
(1) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period.

(2) calculated by dividing cash balance (excluding project account monies) by the annualised interest expense for the same period.

Group Borrowing

Debt Profile as at 30 Jun 2020 (S\$m)

Total outstanding debts of S\$950.1m as of 30 Jun 2020



(1) S\$243.5m relates to loans for shop units and Grand Mercure Singapore Roxy hotel and S\$83.5m loans is secured by fixed deposits

Outlook

1. General

- The Singapore economy contracted by 13.2% on a y-o-y basis in 2Q2020.¹
- MTI has narrowed its GDP growth forecast for the Singapore economy to -7.0% to -5.0% in 2020.²
- The Reserve Bank of Australia had projected the country's GDP will fall by 6.0% for 2020.³
- Bank of Japan forecasted GDP for 2020 to be between -5.7% to -4.5%.⁴

2. Property Development

- URA reported that private residential property index increase by 0.3% in 2Q2020 as compared to the 1.0% decrease in 1Q2020.⁵
- In Australia, the price index for residential properties increase 1.6% y-o-y in 1Q2020, with Sydney registered a gain of 10.0%.⁶
- As at 26th July 2020, pre-sale revenue from the development projects was S\$454.5 million, the profit of which will be recognised from 3Q2020 to FY2023.

¹ Ministry of Trade and Industry Singapore, August 11, 2020 – Singapore's GDP Contracted by 13.2 Per Cent in the Second Quarter of 2020

² Ministry of Trade and Industry Singapore, August 11, 2020 – MTI narrowed 2020 GDP Growth Forecast to “-7.0 to -5.0 Per Cent”

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

⁴ Bank of Japan, July 16, 2020, Outlook for Economic Activity and Prices April 2020

⁵ Urban Redevelopment Authority, July 24, 2020 – Release of 2nd Quarter 2020 real estate statistics

⁶ Australian Bureau of Statistics, June 16, 2020 – Residential Property Price Indexes: Eight Capital Cities, Mar 2020

Outlook

3. Hotel Ownership

- Singapore recorded 750 visitor arrivals in April 2020, a 100% y-o-y decline, as the Circuit Breaker came into force. Visitor arrivals rose slightly to 880 visitor arrivals in May 2020, a y-o-y decline of 99.9 per cent.
- Japan has travel bans in place for travellers from around 129 countries and regions, which resulted in a significant decrease in international visitor arrivals.
- Maldives reopened its tourist resorts on 15 July 2020 and received its first international flight in over three months.
- The Group's Grand Mercure Singapore Roxy hotel took up Singapore government's contract to provide Stay-Home-Notice or Government Quarantine Facilities, minimising the impact from the travel restrictions.
- The Group's self-managed boutique hotels, *Noku Kyoto* and *Noku Osaka*, have stepped up its marketing activities to capture the domestic market.
- The Group's upscale resort in Maldives, *Noku Maldives*, has reopened and started to receive customers from 21 July 2020.

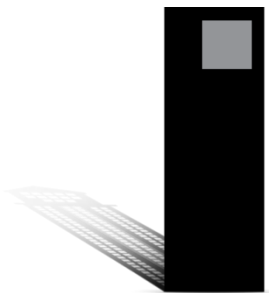
4. Property Investment

- 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 at 350 Queen Street, Melbourne, Australia.

5. Healthy cash and bank balances of S\$398.1 million.

6. Net gearing remains healthy at 0.58 time.

7. 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 ended 31 December 2020.



ROXY-PACIFIC HOLDINGS LIMITED

THANK YOU

**BROADENING
OUR PERSPECTIVE**

