



nOKU

**ROXY-PACIFIC
HOLDINGS LIMITED**

**Results Announcement
Full Year Ended 31 December 2020
19th February 2021**

**BROADENING
OUR
PERSPECTIVE**

Agenda

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

Financial Performance

2020 Overview

- Revenue decreased to S\$198.4 million (FY2019: S\$444.0 million)
- Net loss attributable to shareholders of S\$29.5 million mainly due to impairment losses and tax expense incurred amounting to S\$34.6 million
- Total attributable pre-sale revenue of S\$539.4 million (FY2019: S\$471.2 million) to be recognised from 1 Jan 2021 to FY2023
- Successful divestment of Ginza for JPY8,659,000,000 on 30 March 2020 (Acquired for JPY6,000,000,000 on 27 June 2019)
- Good headroom for investment with strong cash and bank balances of S\$395.6 million
- Net gearing remains healthy at 0.64 time

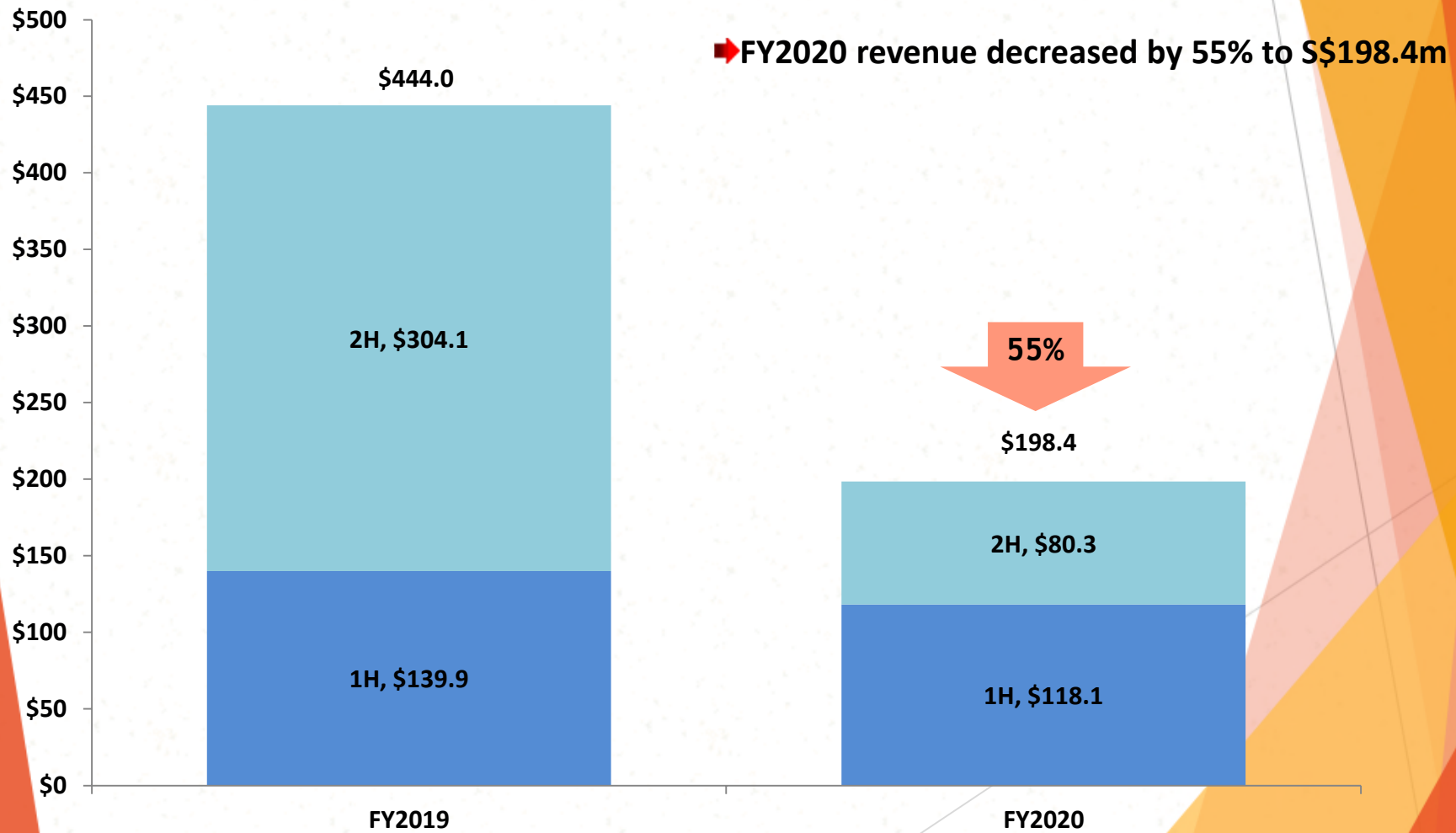
Financial Performance

Financial Results	FY2020	FY2019	% change
Revenue (S\$m)	198.4	444.0	-55%
Gross Profit (S\$m)	33.3	106.2	-69%
Gross Margin (%)	17%	24%	-7ppt
Share of results of associates and joint venture (net of tax) (S\$m)	(6.8)	8.5	n/m
Pre-tax (Loss)/Profit (S\$m)	(31.5)	44.6	n/m
Net (Loss)/Profit (S\$m)	(32.6)	29.1	n/m
Net (Loss)/Profit attributable to shareholders (S\$m)	(29.5)	30.3	n/m
EPS (SGD cents)	(2.26)	2.33	n/m

n/m: not meaningful

Financial Performance

Financial Performance Revenue (S\$m)

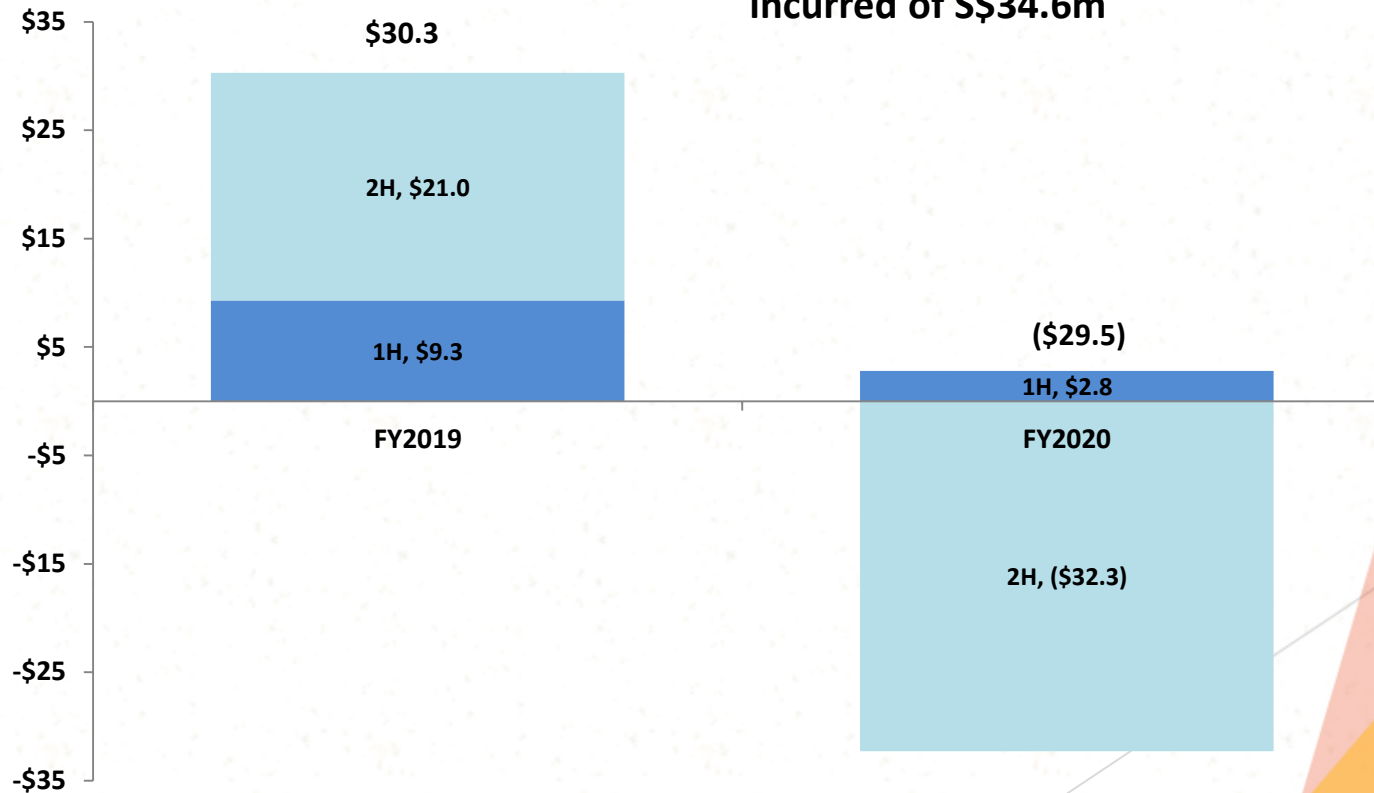


Financial Performance

Financial Performance

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

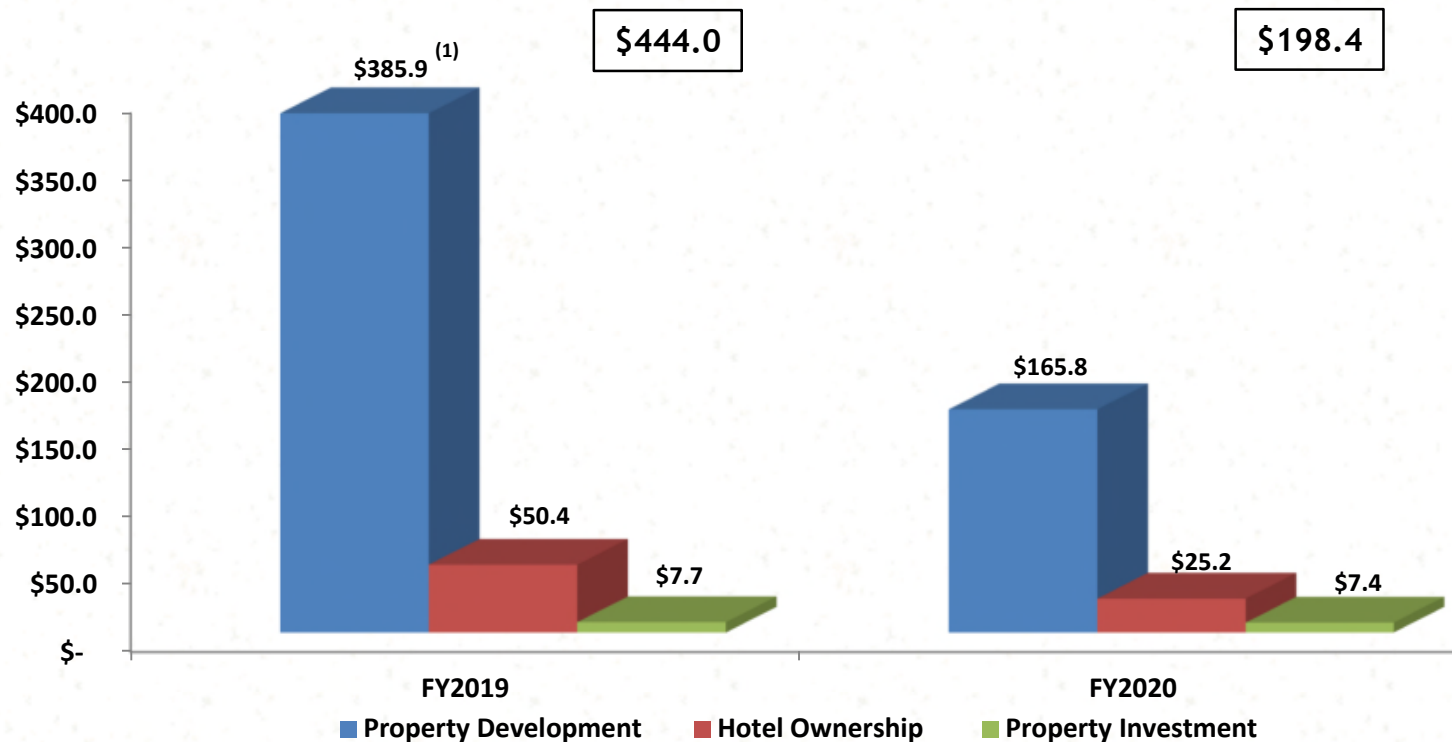
➡ Net loss attributable to shareholders at S\$29.5m in FY2020 due impairment losses and tax expense incurred of S\$34.6m



Financial Performance

Segment Results – FY2020

Revenue (\$\$'m)



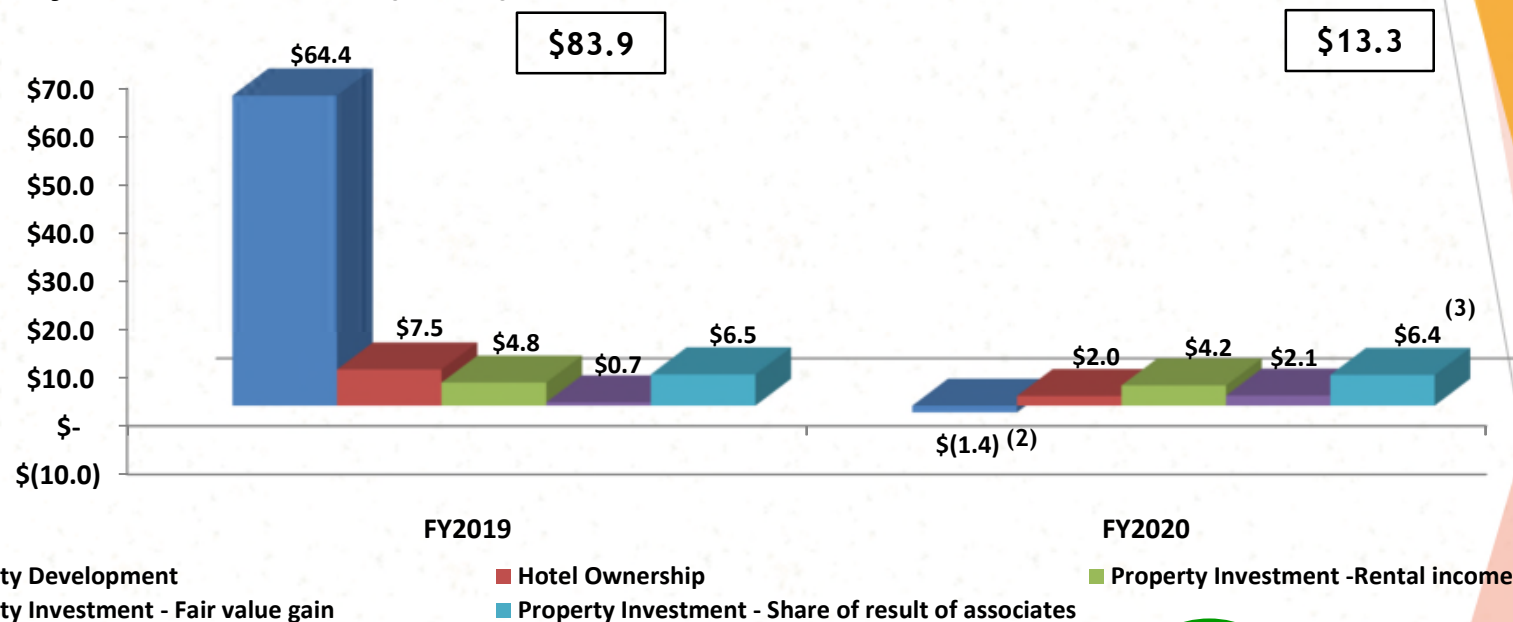
	FY2019	FY2020
Property Development	87%	84%
Hotel Ownership	11%	12%
Property Investment	2%	4%
	100%	100%

(1) Includes \$279.5m revenue recognised from West End Residences and The Hensley.

Financial Performance

Segment Results – FY2020

Adjusted EBITDA ⁽¹⁾ (S\$m)

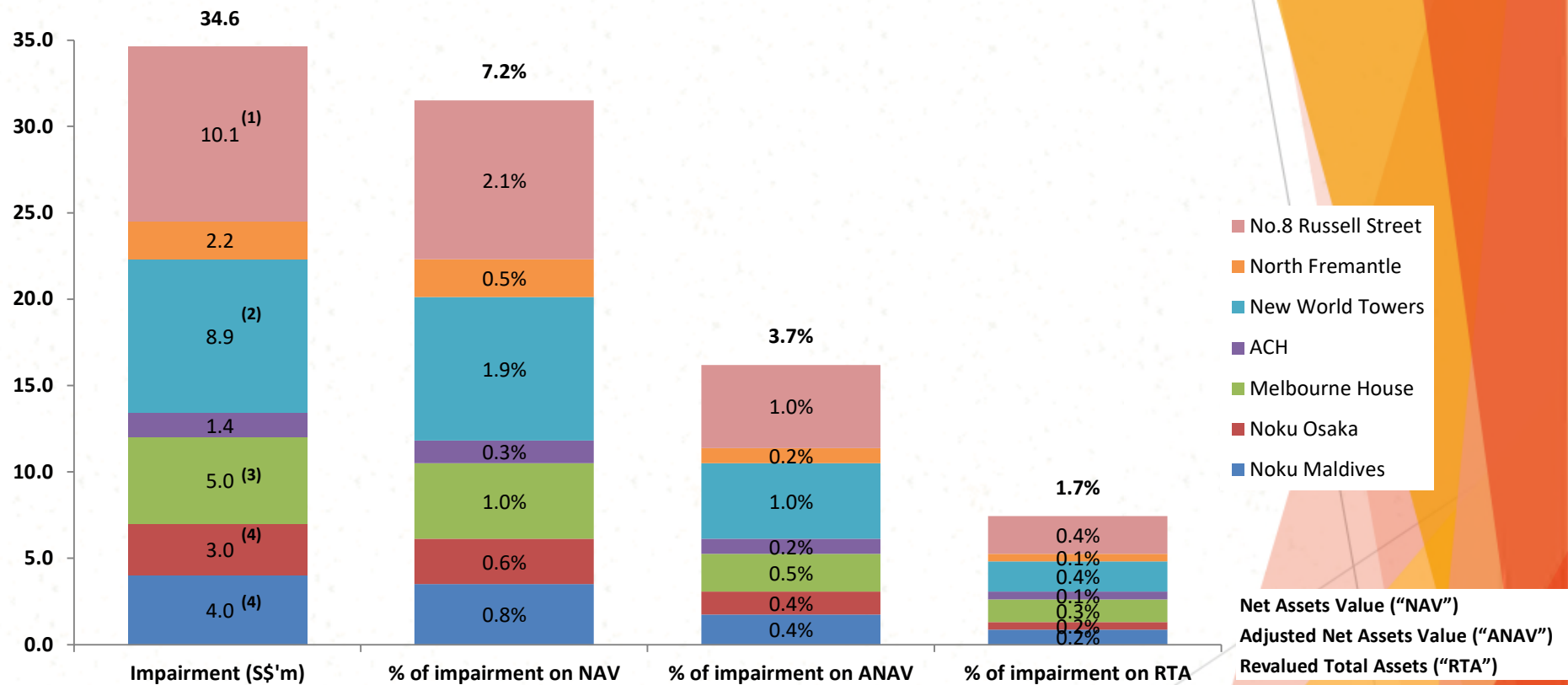


	FY2019	FY2020
Property Development	76%	(10)%
Hotel Ownership	9%	15%
Property Investment - Rental income	6%	31%
Property Investment - Fair value gain	1%	15%
Property Investment - Share of result of associates	8%	49%
	100%	100%

- Adjusted EBITDA excludes corporate expenses, depreciation of property, plant and equipment, finance cost (net), impairment losses on hotel properties and unrealised foreign exchange gain/(loss),(net)
- Includes impairment losses provided for the development sites in Peel Street and North Fremantle of S\$8.9m and S\$4.4m respectively
- Includes additional tax expense of approximately S\$10.1m incurred following the final assessment for the divested investment at 8 Russell Street by the Hong Kong Inland Revenue Department

Financial Performance

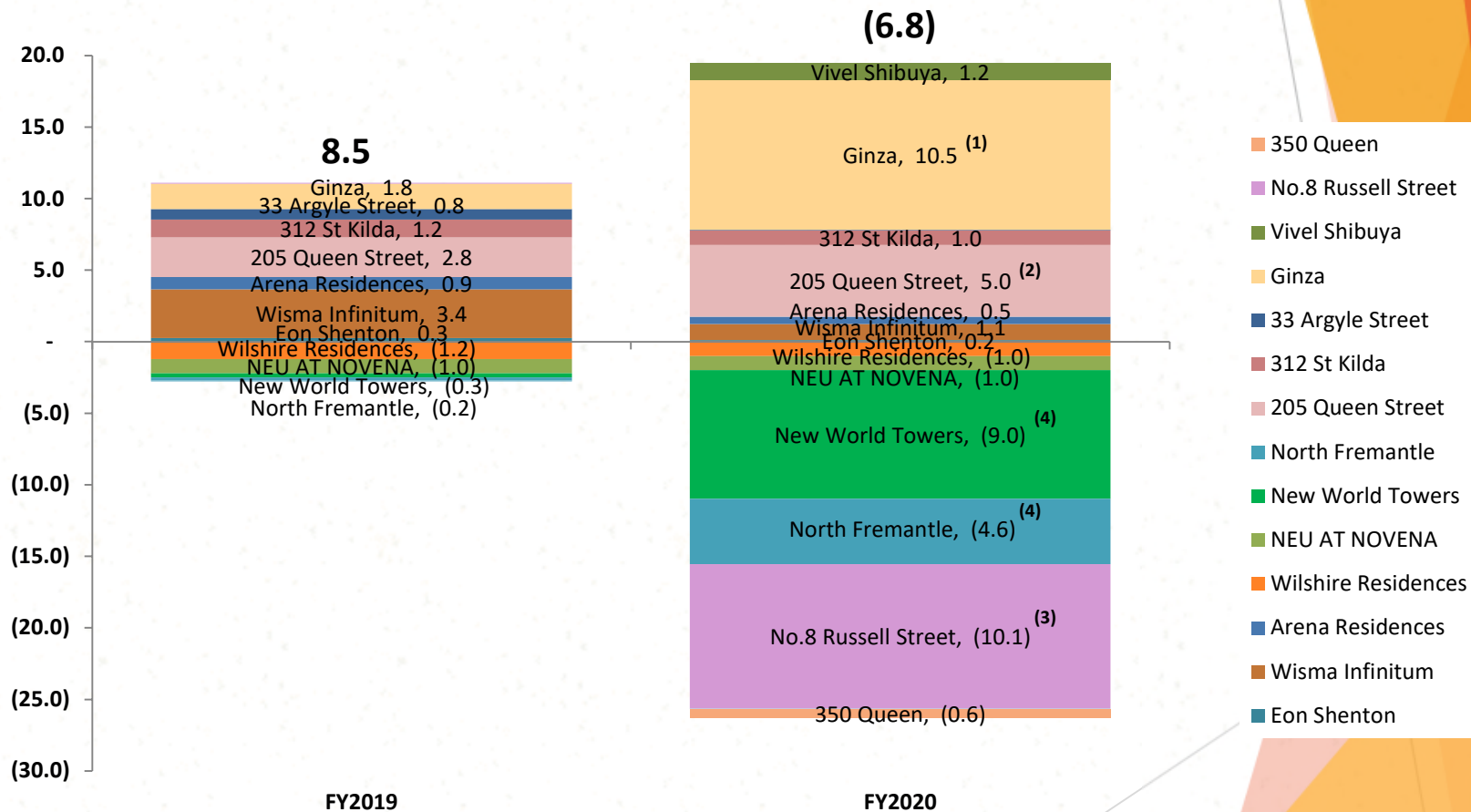
Impairment Analysis as at 31 Dec 2020



- (1) Mainly due to additional tax expense incurred following the final tax assessment for divested investment at 8 Russell Street by the Hong Kong Inland Revenue Department
- (2) Impairment provided based on land value on as is basis while the intention for the site is for redevelopment into residential properties
- (3) Refers to sunk cost incurred previously to build hotel. The Group has changed its plan to build an office building with a net lettable area of approximately 8,019 sqm, which will improve future recurring income stream
- (4) Impairment provided due to poor operating financial results affected by COVID-19 pandemic

Financial Performance

Share of results in associates/joint ventures (S\$m) – FY2020



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

(2) FY2020 includes fair value gain of S\$2.7m (net of tax)

(3) Mainly due to additional tax expense incurred following the final tax assessment for divested investment at 8 Russell Street, Hong Kong

(4) Mainly due to impairment provided for the development sites in Peel Street and North Fremantle. The impairment loss for North Fremantle is S\$2.2m based on the Group's effective interest of 20.2%.

Financial Performance

Financial Position	31 Dec 2020 (S\$m)	31 Dec 2019 (S\$m)
Total assets	1,615.9	1,597.3
Revaluation surplus ⁽¹⁾	458.8	504.3
Revalued total assets (“RTA”)	2,074.7	2,101.6
Total debt ⁽²⁾	1,001.1	943.3
Cash & bank balances ⁽³⁾	395.6	331.0
Net debt	605.5	612.3
Net asset value (“NAV”)	480.9	510.7
Adjusted net asset value (“ANAV”)	939.7	1,015.0

(1) The fair value of the Grand Mercure Singapore Roxy hotel, Noku Kyoto, Noku Osaka, hotel under development in Phuket, Noku Maldives and the head office premise were estimated to be S\$680.3m as at 31 December 2020 (31 December 2019: S\$722.8m) as compared to net book value of S\$221.5m (31 December 2019: S\$218.4m).

(2) Total debt includes bank borrowings amounting to S\$972.3m as at 31 December 2020 (31 December 2019: S\$915.1m) and lease liability amounting to S\$28.8m (31 December 2019: S\$28.2m).

(3) Cash holdings include project account monies amounting to S\$71.4m as at 31 December 2020 (31 December 2019: S\$46.2m) and S\$158.6m (31 December 2019: S\$81.3m) mainly pledged for working capital facilities.

Financial Performance

Financial Ratios	31 Dec 2020	31 Dec 2019
NAV per share (SGD cents)	36.88	39.16
ANAV per share (SGD cents) ⁽¹⁾	72.07	77.84
Cash holdings per share (SGD cents) ⁽²⁾	30.33	25.38
Net debt to ANAV (times)	0.64	0.60
Return on equity (%) ⁽³⁾	(6.1%)	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\$680.3m as at 31 December 2020 (31 December 2019: S\$722.8m) as compared to net book value of S\$221.5m (31 December 2019: S\$218.4m).

(2) Cash holdings include project account monies amounting to S\$71.4m as at 31 December 2020 (31 December 2019: S\$46.2m) and S\$158.6m (31 December 2019: S\$81.3m) mainly pledged for working capital facilities.

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



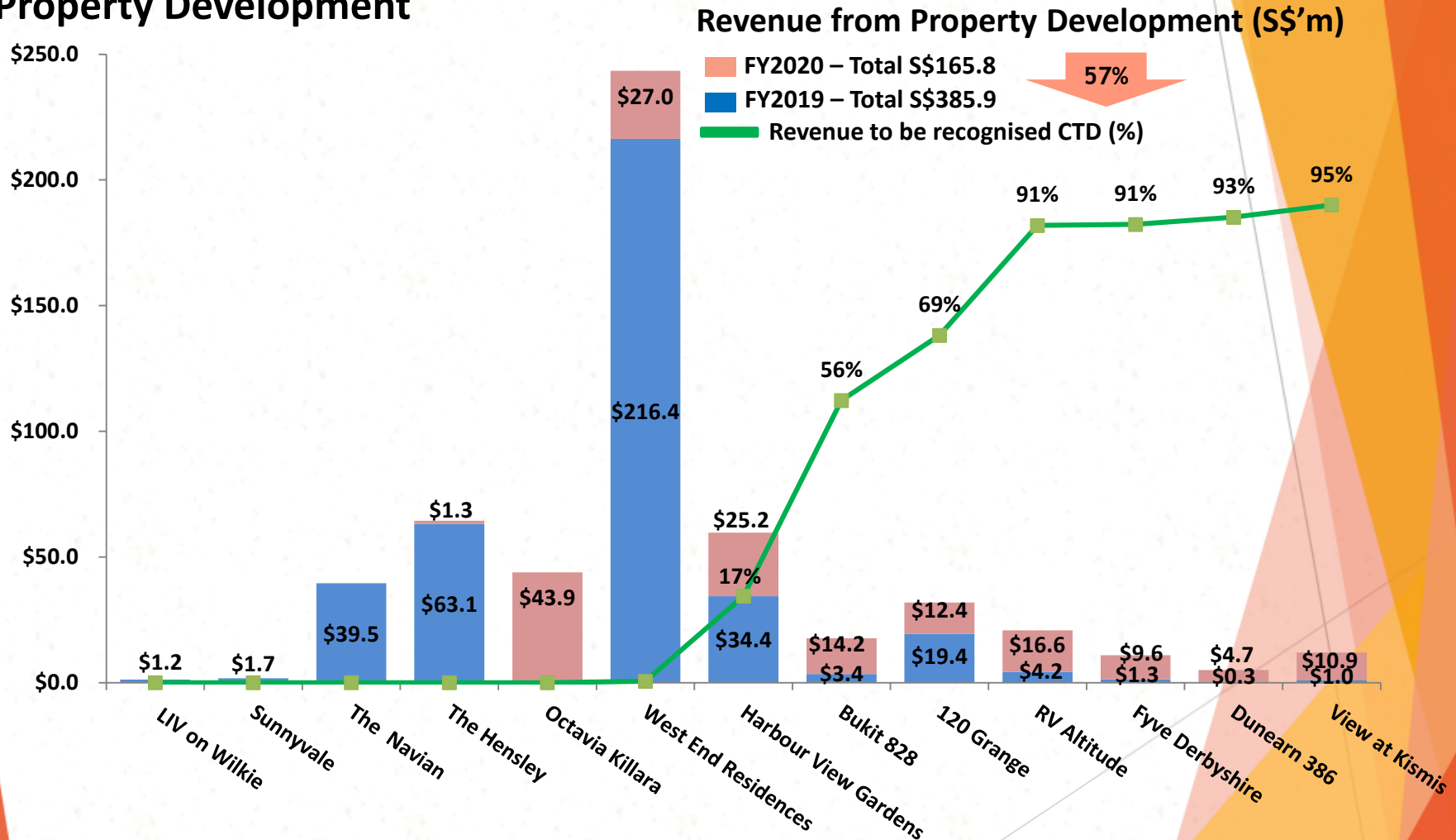
BUSINESS REVIEW

Property Development

Results Announcement
Full Year Ended 31 December 2020
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Business Review

Property Development



➔ FY2020 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 31 December 2020 \$'m	Balance attributable progress billings to be recognised from 1 Jan 2021 \$'m
<u>Singapore</u>							
1 120 Grange	Residential	90%	56	56	\$ 92.3	\$ 28.5	\$ 63.8
2 Bukit 828	Residential	80%	34	34	\$ 32.2	\$ 14.1	\$ 18.1
3 Arena Residences	Residential	50%	98	98	\$ 67.1	\$ 15.2	\$ 51.9
4 RV Altitude	Residential	100%	140	63	\$ 100.6	\$ 20.8	\$ 79.8
5 Fyve Derbyshire	Residential	100%	71	51	\$ 93.2	\$ 10.9	\$ 82.3
6 Wilshire Residences	Residential	40%	85	14	\$ 9.3	\$ 1.2	\$ 8.1
7 Dunearn 386	Residential	100%	35	17	\$ 29.5	\$ 5.0	\$ 24.5
8 View at Kismis	Residential	60%	186	166	\$ 124.4	\$ 7.2	\$ 117.2
9 NEU AT NOVENA	Residential	50%	87	72	\$ 63.8	\$ 1.8	\$ 62.0
<u>Malaysia</u>							
10 Wisma Infinitem - The Colony	Residential	47%	423	339	\$ 60.2	\$ 40.4	\$ 19.8
Wisma Infinitem - The Luxe	Residential	47%	300 ⁽ⁱⁱⁱ⁾	167	\$ 34.9	\$ 23.0	\$ 11.9
Total			1,515	1077	\$ 707.5	\$ 168.1	\$ 539.4

(i) For Singapore projects, sale value is based on Option to Purchase granted up to 7 February 2021.

(ii) For overseas projects, sale value is based on contract signed up to 7 February 2021.

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

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



BUSINESS REVIEW

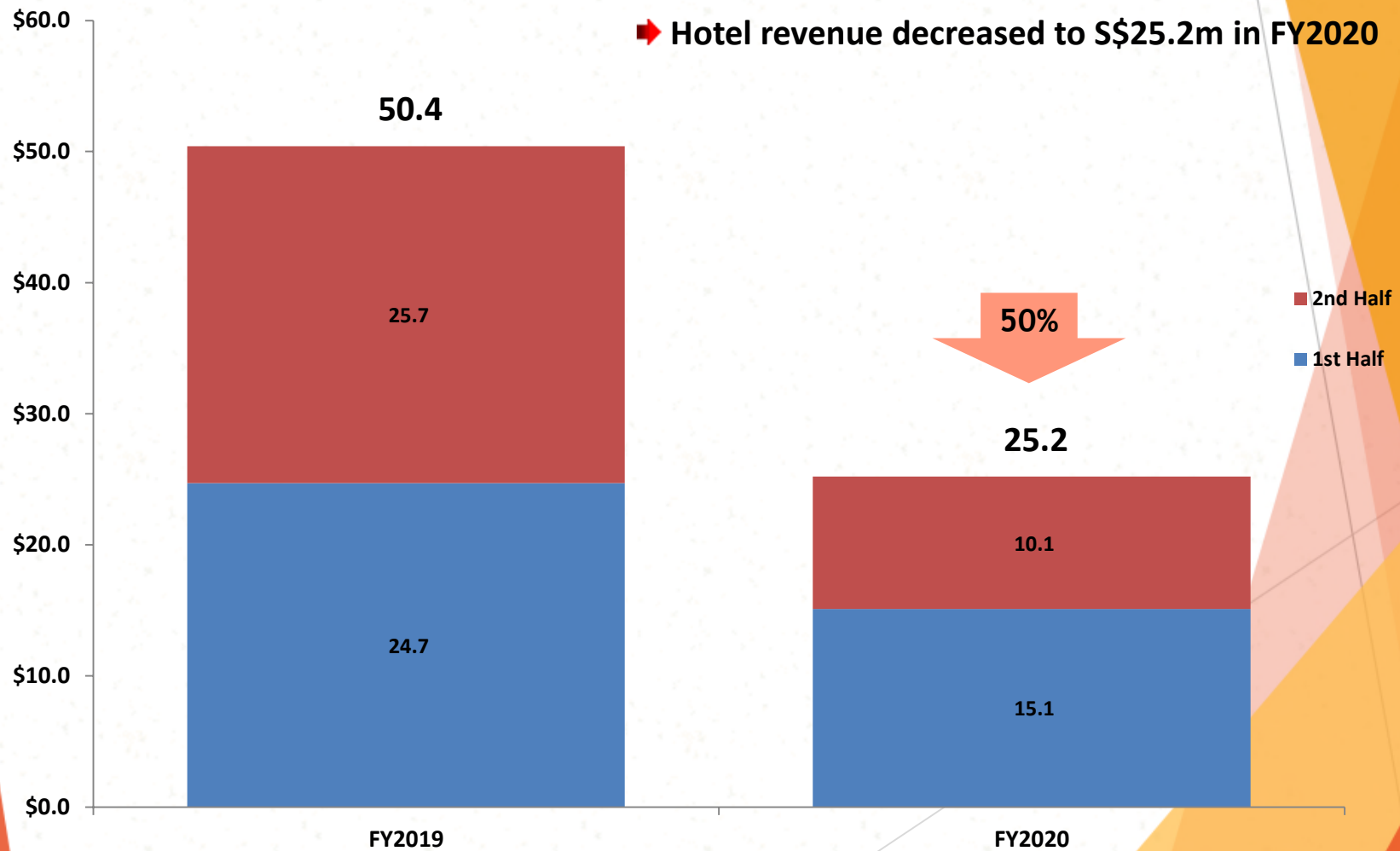
Hotel Ownership

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Full Year Ended 31 December 2020
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Business Review

Hotel Ownership – FY2020

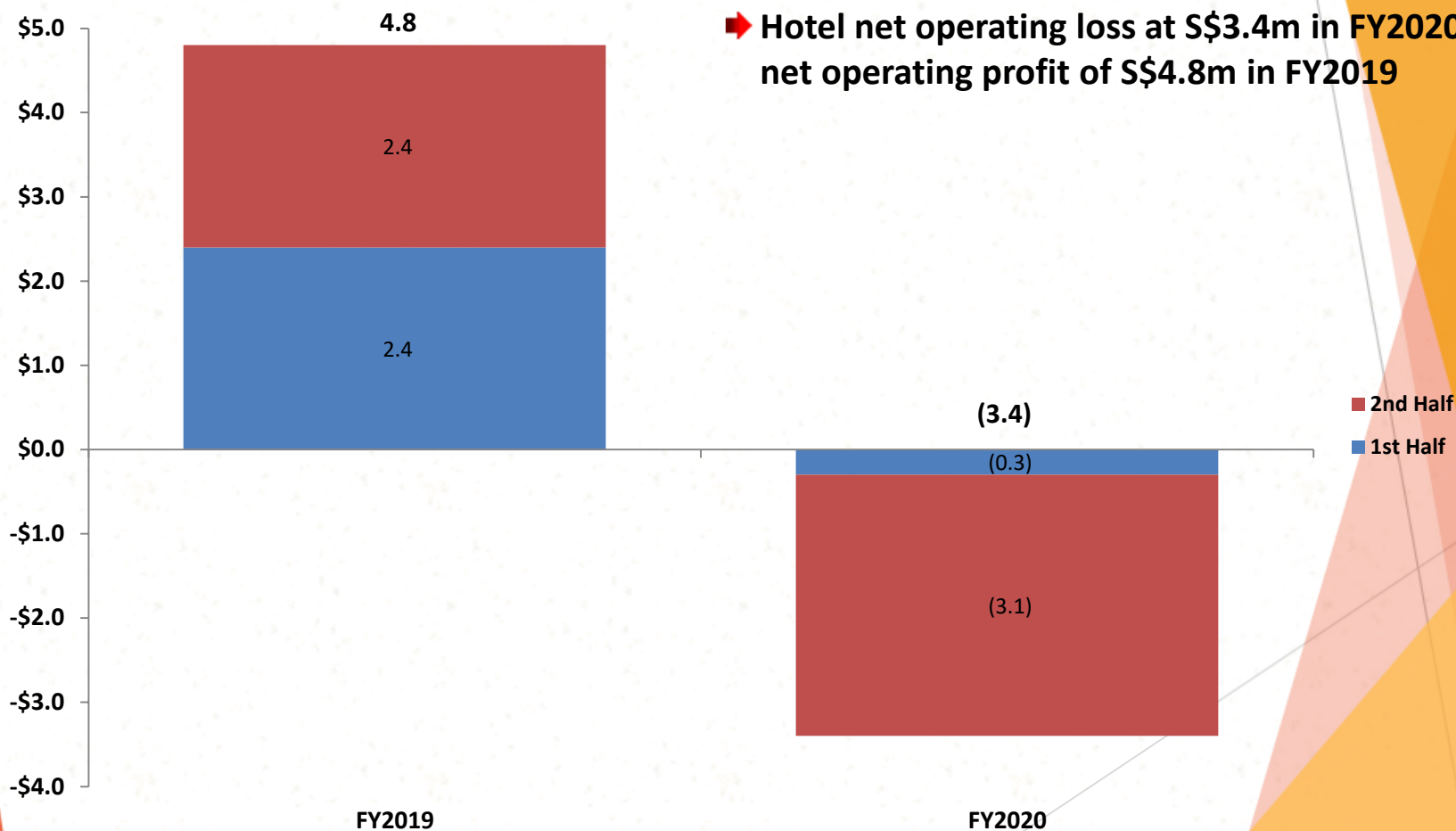
Hotel Revenue (\$m)



Business Review

Hotel Ownership – FY2020

Hotel Net Operating Profits/(Loss) (\$m)



Hotel Net Operating Profits/(Loss) 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 31 December 2020	S\$60.1 million	S\$30.4 million (JPY2.37 billion)	S\$35.8 million (JPY2.80 billion)	S\$44.3 million (US\$33.5 million)	S\$48.6 million (THB1.10 billion)	S\$219.2 million
Valuation as at 31 December 2020	S\$501 million	S\$34.7 million (JPY2.71 billion)	S\$35.8 million (JPY2.80 billion)	S\$44.3 million (US\$33.5 million)	S\$48.6 million ⁽¹⁾ (THB1.10 billion)	S\$664.4 million

(1) The estimate market value is S\$53.4 million on completion (THB1.21 billion). The estimated commencement date of hotel operation is FY2022.





BUSINESS REVIEW

Property Investment

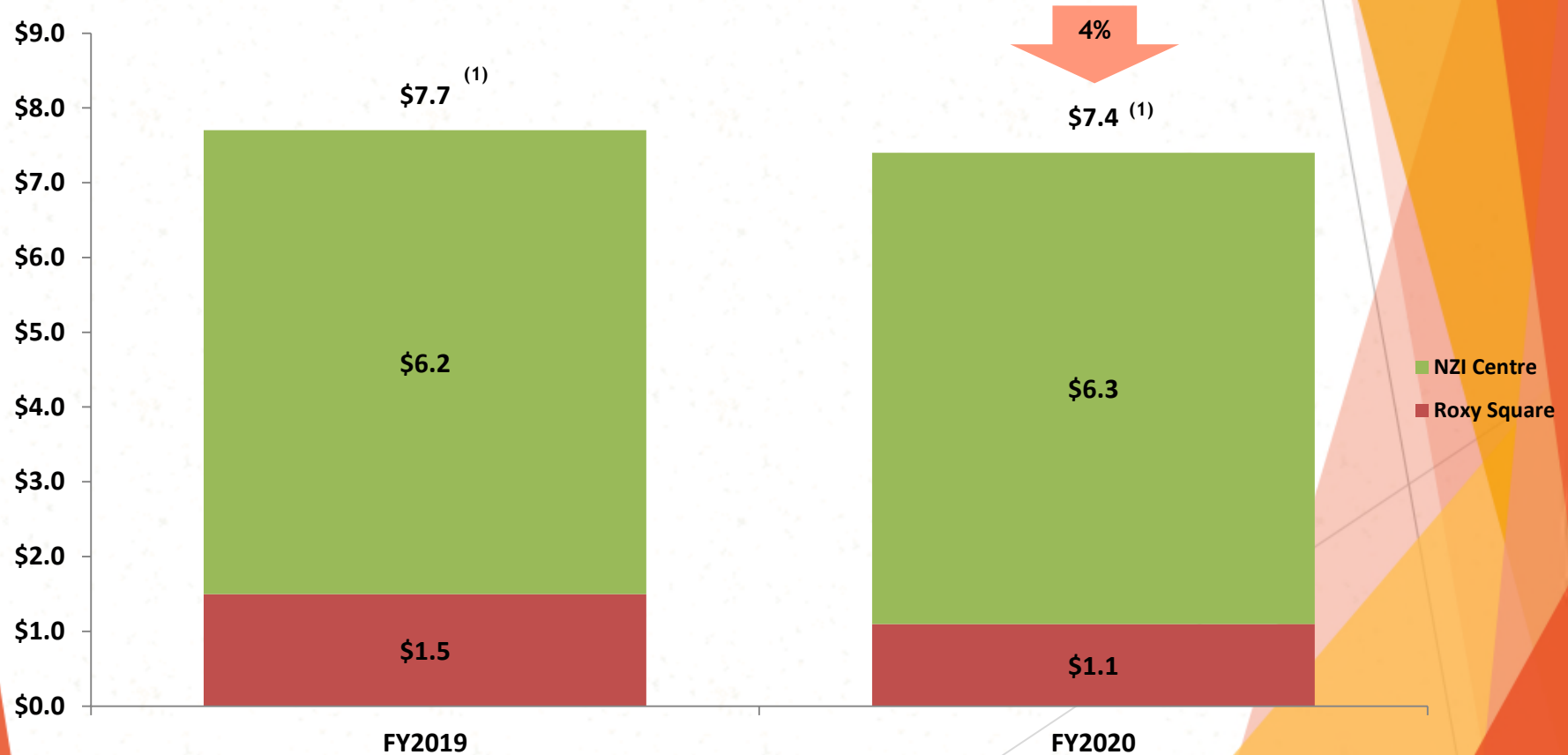
Results Announcement
Full Year Ended 31 December 2020
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Business Review

Property Investment – FY2020

Revenue (S\$m)


➔ Rental income decreased in FY2020 to S\$7.4m from S\$7.7m in FY2019



(1) Excludes rental income from investment property held by associate as it is accounted for under share of results from associates.

Business Review

Investment Properties

			
Location	50 East Coast Road, Roxy Square, Singapore	NZI Centre, 1 Fanshawe Street, Auckland, New Zealand	205 Queen Street, Auckland, New Zealand
Description	49 shop units ⁽³⁾	6-storey commercial building	2 office towers with retail podium
Date of TOP/acquisition	1984/1998	15-Dec-17	20-Dec-17
Group's stake	100%	100%	50%
Net Lettable Area/ Floor Area (sqm)	2,371	9,446	25,368
Valuation ⁽¹⁾	S\$67.3m	S\$64.9m (NZ\$68.0m)	S\$190.5m (NZ\$199.5m)
Occupancy (%) as at 31 Dec 2020 (on lettable area)	84%	100%	84%
Estimated Total Annual Gross Income ⁽²⁾	S\$1.1m	S\$6.7m (NZ\$7.0m)	S\$13.3m (NZ\$13.9m)

(1) Based on latest valuations as of 31 December 2020

(2) Based on occupancy as at 31 December 2020

(3) Excludes 3 units which are for owner-use premises

➤ Excludes Melbourne House which will be redeveloped into an office building with a net lettable area of 8,019 sqm. Estimated date of completion in June 2023

Business Review

Investment Properties

				
Location	312 St Kilda Road, Melbourne, Australia	33 Argyle Street, Parramatta NSW 2150, Australia	350 Queen Street, Melbourne, Australia	23-10 Udagawacho, Shibuya-ku, Tokyo
Description	6 levels of office and 4 basement levels	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	350 Queens Street, Melbourne , 21 level Commercial Office Tower	5 storey retail building
Date of TOP/acquisition	23-Jan-18	08-Jan-19	19-Jan-21	28-Feb-20
Group's stake	45%	40%	40%	49%
Net Lettable Area/ Floor Area (sqm)	9,887	5,281	21,823	679
Valuation ⁽¹⁾	S\$88.5m (A\$87.0m)	S\$44.6m (A\$43.8m)	S\$159.8m ⁽³⁾ (A\$157m)	S\$71.5m (JPY5.58b)
Occupancy (%) as at 31 Dec 2020 (on lettable area)	85%	92%	89%	100% ⁽⁴⁾
Estimated Total Annual Gross Income ⁽²⁾	S\$5.6m (A\$5.5m)	S\$3.0m (A\$2.9m)	S\$8.4m (A\$8.3m)	S\$2.5m (JPY192.4m)

(1) Based on latest valuations as of 31 December 2020

(2) Based on occupancy as at 31 December 2020

(3) Based on valuation as of 30 September 2020. The Group has completed the purchase on 19 January 2021

(4) The current occupancy as of Feb 2021 is 14%

Group Borrowing

**Results Announcement
Full Year Ended 31 December 2020
19th February 2021**

Group Borrowing

Debt Profile	31 Dec 2020	31 Dec 2019
Total borrowings (S\$m)	S\$972.3	S\$915.1
Net borrowings (S\$m)	S\$576.7	S\$584.1
Fixed rate loans including IRS (S\$m)	S\$382.3	S\$276.2
Fixed rate loans including IRS as % of total loans	39%	30%
Weighted average term for fixed rate loans including IRS	25 months	19 months
Weighted average interest rate (fixed rate loans including IRS)	2.3%	2.9%
Weighted average interest rate (floating rate loans)	1.6%	2.8%
Interest coverage ratio (times) ⁽¹⁾	(0.6)	2.9
Cash coverage ratio (times) ⁽²⁾	19.7	14.3

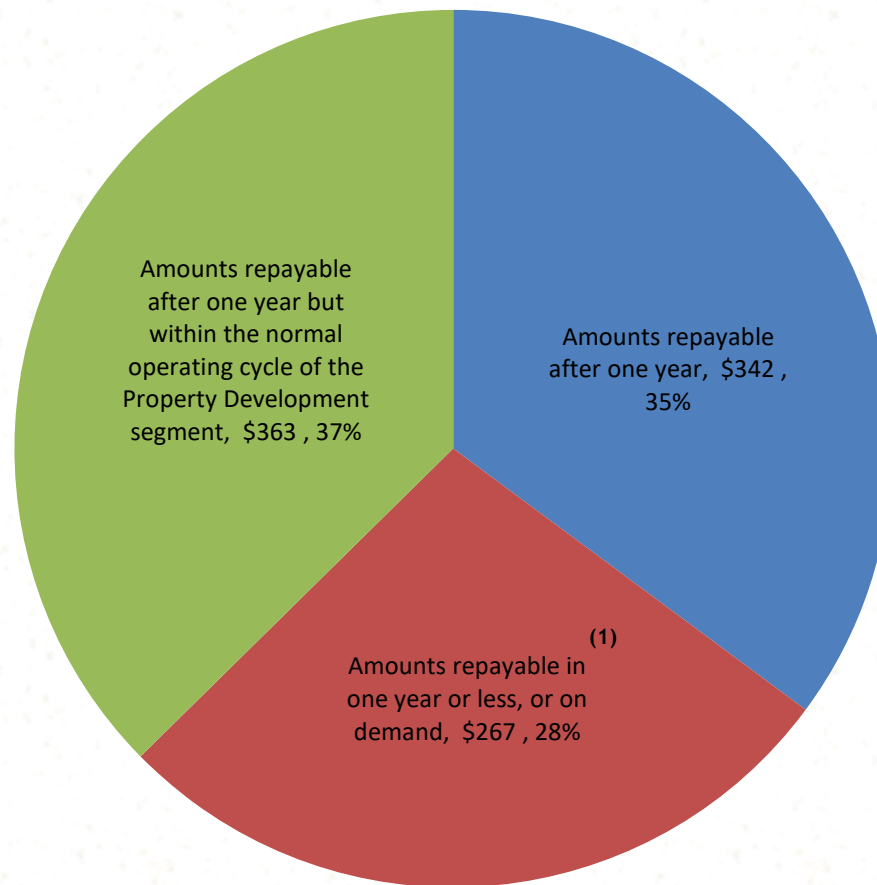
(1) calculated by dividing profit before interest and taxes ("EBIT") by the interest expenses for the same period.

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

Group Borrowing

Debt Profile as at 31 Dec 2020 (S\$m)

Total outstanding debts of S\$972.3m as of 31 Dec 2020



(1) S\$114.9m relates to loans for shop units and Grand Mercure Singapore Roxy hotel and S\$102.9m loans are secured by fixed deposits

Outlook

1. General

- The Ministry of Trade and Industry (MTI) announced that the Singapore economy contracted by 5.4% for the whole of 2020. For 2021, MTI has maintained the GDP growth forecast at 4.0% to 6.0%. ¹
- Australia's GDP rose 3.3% in 3Q2020 on seasonally-adjusted basis from 2Q2020. ²
- The Reserve Bank of Australia anticipates pandemic to have a long-lasting effects on Australian economy, with GDP unlikely to return to pre-pandemic levels until end-2021. ³
- Bank of Japan forecasted real GDP growth of -5.6% for fiscal year 2020 and expects to grow by 3.9% in fiscal year 2021 as economic conditions improve. ⁴

2. Property Development

- URA reported that private residential property index increased by 2.1% in 4Q2020 as compared to 0.8% increase in 3Q2020. ⁵
- In Australia, the price index for residential properties increased 4.5% y-o-y in 3Q2020, with Sydney registered a gain of 5.4%. ⁶
- As at 7th February 2021, pre-sale revenue from the development projects was S\$539.4 million, the profit of which will be recognised from 1 Jan 2021 to FY2023.
- The Group has completed the purchase of the freehold residential site at Jalan Molek and Guillemard Road.
- The Group has also entered into an agreement to acquire a 999-year leasehold residential site at 10A and 10B Institution Hill and intends to amalgamate the site with another 999-year leasehold site at 11 Institution Hill after it exercises the Option To Purchase issued on 1 February 2021.

¹ Ministry of Trade and Industry Singapore, Feb 15, 2021 – MTI Maintains 2021 GDP Growth Forecast at 4.0 to 6.0 Per Cent

² Australian Bureau of Statistics, Dec 2, 2020 – Australian National Accounts: National Income, Expenditure and Product, Sep 2020

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

⁴ Bank of Japan, January 2021 – Outlook for Economic Activity and Prices

⁵ URA, Jan 22, 2021 - Release of 4th Quarter 2020 real estate statistics

⁶ Australian Bureau of Statistics, December 8, 2020 - Residential Property Price Indexes: Eight Capital Cities

Outlook

3. Hotel Ownership

- Singapore recorded 2.7million visitor arrivals for Jan to Jun 2020, a 71.4% y-o-y decline.⁷
- Visitor arrivals dropped significantly to 14,700 in November 2020, a y-o-y decline of 99.9 per cent.⁸
- Japan has travel bans in place for travellers from around 129 countries and regions, which resulted significantly decrease of international visitor arrival at 56,700 in November 2020, a decline of 97.7%.⁹
- The Group's Grand Mercure Singapore Roxy hotel joined a large number of hotels to provide Government Quarantine Facilities, minimising the impact from the travel restrictions.
- The Group will continue to focus on training, improving productivity, internal processes and operational efficiencies, to prepare for when the market recovers.
- The Group's second resort in Thailand, *Noku Phuket*, is expected to operate in 2022.

4. Property Investment

- The Group's investment properties maintained a high level of occupancy at 88% as at 31 December 2020.
- To further enhance its recurring income stream, the Group has recently announced the investment of a 40% interest in a commercial tower located at 350 Queen Street, Melbourne, Australia

5. Reports net loss for FY2020 mainly due to non-cash impairment of its hotel assets and properties in its overseas associated companies as well as tax expense incurred in its divested Hong Kong's investment. The Group's cash and bank balances remain strong at \$395.6 million with cashflow generated from operation of \$84.3 million in FY2020.

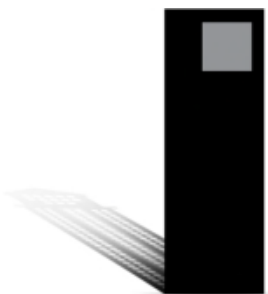
6. Net gearing remains healthy at 0.64 time.

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 ending 31 December 2021. Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021.

⁷ STB, *Tourism Sector Performance 1H 2020 Report*

⁸ *Singapore Tourism Analytics Network, November 2020*

⁹ *Japan National Tourism Organization, Overseas Residents' Visits to Japan, January 8 2021*



ROXY-PACIFIC HOLDINGS LIMITED

THANK YOU

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