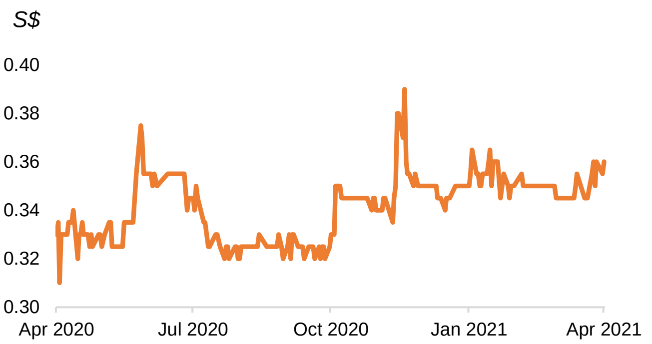
Roxy-Pacific Holdings Limited

Date: 7 April 2021

Non-Rated Initiation

Roxy-Pacific Holdings Ltd (E8Z.SI)
Price: S$0.360 (as at 6 April 2021)



Share price	1M	3M	6M	1Y
Roxy-Pacific	+4.3%	+2.9%	+9.1%	+9.1%
Straits Times Index	+3.2%	+12.0%	+26.8%	+29.8%

Market Capitalisation	S$469.4 million
Current Price	S$0.360
Shares Outstanding	1,304.0 million
Free Float	24.3%
Major Shareholder	Kian Lam Investment Pte Ltd 40.0% Teo Hong Lim 11.9% Sen Lee Development 11.2%
Recommendation of other brokers	N/A

Source: Company data, Bloomberg, SAC Capital

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A diversified property owner and developer

Roxy-Pacific is involved in development of residential and commercial projects, management of hotels and property investments in Asia Pacific. It has a niche in developing small-to-mid-sized residential projects targeted at middle-to-upper income segments. Hotel ownership and property investment add to recurrent income. Roxy-Pacific manages 1 hotel in Singapore, 2 in Japan, 1 resort in Maldives and an upcoming resort in Phuket, Thailand. It generates rental income from equity stakes in mainly office assets spanning across Singapore, Australia, New Zealand and Japan.

FY2020 results hurt by impairments and lower development profits booked. Revenue fell 55.3% yoy to $198.4m, due mainly to lower development profits in Singapore with the delay in construction progress, and absence of development profits from Australian projects that were completed in FY2019. Net loss was largely a result of one-off S$34.6m impairment charge to reflect lower value of the Noku Maldives and Noku Osaka hotels (S$7m), additional tax expense on a previous divestment of a Hong Kong property (S$10.1m) and impairment charged on land due to a different valuation basis used (S$8.9m). This was slightly offset by a S$10.5m gain on divestment of a Japan asset and $5.9m from government grant.

As at 7 Feb 2021, it has total attributable pre-sale revenue of $552.1m, to be recognised from FY2021 to FY2023. When the hotels' values are marked to market as at end 2020, the Group's adjusted NAV is S$0.72/share.

Prices of private residential properties may hold up. The strong demand for private residential property in 2020 is expected to sustain into 2021, underpinned by low mortgage rates. In addition, the number of unsold residential units under development in Singapore fell in Q4 2020 to around 24,300 from 30,500 in Q4 2019. Low interest rates, low inventory and delay in construction will likely hold up property prices.

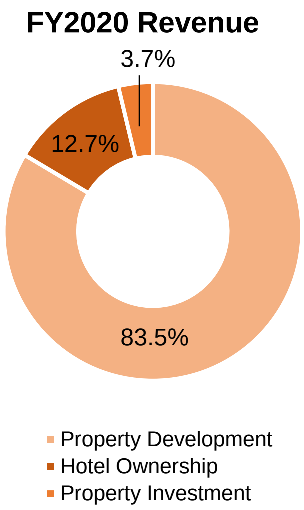
We like Roxy-Pacific as a turnaround of results is expected in FY2021, due to profit recognition of projects. Adjusted NAV of $0.72/share is also higher than the current share price. We believe that the possible travel bubbles could also lift hotel management revenue. In addition, we also like them for their established management and track record since listing in 2008.

Key risks: Probable property cooling measures, rising construction costs

Key Financials

Year ended 31 December	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue (S$'000)	385,373	246,813	132,855	444,030	198,431
% Growth	-16.4%	-36.0%	-46.2%	234.2%	-55.3%
Gross profit (S$'000)	81,168	65,725	50,825	106,190	33,294
Gross profit margin	21.1%	26.6%	38.3%	23.9%	16.8%
Profit/(loss) before tax (S$'000)	65,584	49,601	25,210	44,565	(31,500)
Pretax margin	17.0%	20.1%	19.0%	10.0%	-15.9%
Profit/(loss) attributable to owners (S$'000)	49,804	31,713	21,292	30,319	(29,489)
Basic/Diluted EPS (S cents)	4.17	2.42	1.63	2.33	(2.26)
P/E (x)	9.4	14.8	22.0	15.5	NA
P/B (x)	0.9	0.9	0.9	0.9	1.0
Net Debt/Equity (%)	102.5%	107.9%	150.0%	114.4%	120.8%

Investment Highlights



Source: Company Data, SAC Capital

An established property group with Asia-Pacific focus

Roxy-Pacific's property development business remains their core segment, making up 83.5% of total revenue in FY2020 (FY2019: 86.9%). Hotel ownership and property investment segments make up 12.7% and 3.7% of total revenue respectively.

Property development

The Group's property development segment is engaged in the development and sale of residential and commercial properties. The Group's recent development projects mainly comprise small-to-medium sized residential developments, such as apartments and condominiums targeted at middle-to-upper income segments. Between 2004 and 2020, the Group developed and launched 54 small-to-medium sized developments comprising a total of more than 5,000 residential and commercial units in Singapore, Malaysia and Australia.

Overview of current development projects

Property	Development Type	% Stake	Attributable total sale value S$'m	Balance attributable billings (from 1/1/2021) S$'m	Stage of Completion	% Sold (as at Dec 2020)
Singapore						
Harbour View Gardens	Residential	100%	$73.7	$12.7	83%	100%
120 Grange	Residential	90%	$92.3	$63.8	32%	100%
Bukit 828	Residential	80%	$32.2	$18.1	45%	100%
Arena Residences	Residential	50%	$67.1	$51.9	25%	100%
RV Altitude	Residential	100%	$100.6	$79.8	25%	45%
Fyve Derbyshire	Residential	100%	$93.2	$82.3	15%	72%
Wilshire Residences	Residential	40%	$9.3	$8.1	15%	16%
Dunearn 386	Residential	100%	$29.5	$24.5	21%	49%
View at Kismis	Residential	60%	$124.4	$117.2	7%	89%
Neu at Novena	Residential	50%	$63.8	$62.0	3%	83%
Malaysia						
Wisma Infinitum – The Colony	Residential	47%	$60.2	$19.8	81%	80%
Wisma Infinitum – The Luxe	Residential		$34.9	$11.9		56%
Total			**$781.2**	**$552.1**		

Source: Company Data, SAC Capital

Hotel ownership and Property investment

Hotel ownership and property investment add to the recurring income of the Group. Total recurring revenue declined 43.8% yoy from S$58.1 million in FY2019 to S$32.6 million in FY2020, largely due to the Covid-19 impact on hotel ownership segment (-49.9%). Rental income from investment property was fairly stable (-3.6%).

Roxy-Pacific manages several hotels, including its flagship hotel Grand Mercure Singapore Roxy hotel in Singapore, Noku Kyoto and Noku Osaka boutique hotels in Japan, and upscale resort Noku Maldives. Its upcoming resort in Phuket, Thailand is scheduled to commence operations in 2021 – 2022. The property investment segment generates rental income through equity stakes in buildings spanning across Singapore, Australia, New Zealand and Japan.

Investment Highlights

FY2020 revenue and earnings took a hit

The Group posted a revenue of $198.4 million in FY2020, a decline of 55.3% yoy from $444.0 million in FY2019. FY2020 revenue took a hit mainly due to lower contribution from the Property Development and Hotel Ownership segments.

Roxy-Pacific saw a net loss to owners of S$29.5 million in FY2020, down from a net profit of S$30.3 million in FY2019. Net loss was largely a result of one-off S$34.6m impairment charge to reflect lower value of the Noku Maldives and Noku Osaka hotels (S$7m), additional tax expense on a previous divestment of a Hong Kong property (S$10.1m) and impairment charged due to a different valuation basis used on land for New World Towers project (S$8.9m). Market value was used to determine the valuation, ie. Willing buyer and willing seller basis, and impairment was provided based on land value using as is basis. However, as the land is intended for redevelopment purposes, rather than to be sold, we feel that this impairment charge may be reversed in the future. This was slightly offset by a S$10.5m gain on divestment of a Japan asset and $5.9m from government grant.

However, recovery is on the horizon with expected recognition of profit in FY2021. As at 7 February 2021, based on units sold from ongoing development projects, the Group had total attributable pre-sale revenue of $552.1 million, which would see profit recognition from FY2021 to FY2023.

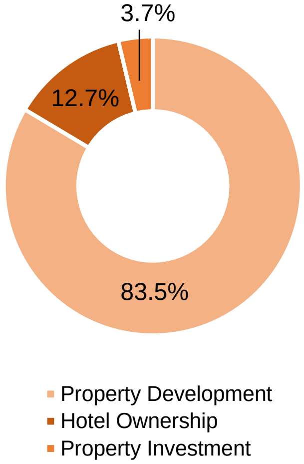
Covid-19 impact

Roxy-Pacific's property development projects saw delays during the Circuit Breaker period in 2020. Safe distancing measures also further slowed down construction. However, digital efforts such as bringing showrooms online through virtual showcases have increased its buyer engagement.

Hotel operations were also affected by the Covid-19 restriction measures which impacted the tourism industry. However, they have a contract up to May 2021, with potential for renewal, with the Singapore government to use its flagship Grand Mercure Singapore Roxy hotel as a Government Quarantine Facility.

The Group's property investment arm was relatively sheltered from the impact of Covid-19, with a smaller 3.6% decline in revenue. The slight decrease was due to passing of rental rebates and property tax rebates to tenants in 2020.

FY2020 Revenue



Source: Company Data, SAC Capital

Business Overview:

Roxy-Pacific is principally engaged in the development and sale of residential and commercial properties, under their Property Development segment. The Group's recurring income streams are strengthened through its hotels and other investment properties in Asia-Pacific. The Group operates in three business segments, namely: Property Development, Hotel Ownership and Property Investment.

Investment Highlights

Volume and prices of sale of private residential properties in 2020

Despite Covid-19, the Urban Redevelopment Authority (URA) reported that developers sold 9,982 private housing units in 2020, a 0.7% increase from the 9,912 units in 2019. Private resale transactions spiked 19.9% to 10,729 transactions in 2020, from 8,949 in 2019.

The private residential property price index also shows that Q4 2020 residential property prices (non-landed) hit the highest levels in a five-year period. Prices soared with high demand amid the low interest rate environment and pent-up demand following the "circuit-breaker" period.

Upcoming development projects

All the sites in their present land bank had been launched. With emphasis placed on acquiring freehold land, Roxy-Pacific successfully acquired two new sites, which would bring about two new development projects in 2021. The two new projects are located at Guillemard Road (100% interest) and Institution Hill (42% interest).

In November 2020, the Group entered into an agreement to acquire a freehold residential site at Jalan Molek and Guillemard Road at S$93 million with an estimated total land area of 37,131 sq ft. With 100% interest, Management forecasted a gross development value (GDV) of an estimated S$180 million, with 137 units available for sale.

In February 2021, the Group announced the entry into an agreement to acquire a 999-year leasehold residential site at 10A and 10B Institution Hill for S$33.6 million. The Group 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. Based on our calculations and assumptions in the table below, land cost for 11 Institution Hill is likely to be in the range of S$21.0 million – S$22.5 million. The amalgamated site would have an estimated total land area of 14,300 sq ft with a total gross floor area (GFA) of 40,040 sq ft for residential development. With 42% interest, Management forecasted a GDV of an estimated S$105 million, with 50 – 60 units available for sale.

Psf cost (before dev. charge)	$1363 (DC ~10%)	$1370 (DC ~9.5%)	$1400 (DC ~7.1%)
Total GFA (40,040 sq ft) of amalgamated site	$54.6 m	$54.9 m	$56.1 m
Cost of 11 Inst. Hill (deducting cost of 10A/B Inst. Hill at $33.6m)	$21.0 m	$21.3 m	$22.5 m

Source: SAC Capital estimates

Company Background

Established in May 1967, Roxy-Pacific Holdings Limited ("Roxy-Pacific" or the "Group"), is an established property and hospitality group with an Asia-Pacific focus, was listed on the SGX Mainboard on 12 March 2008.

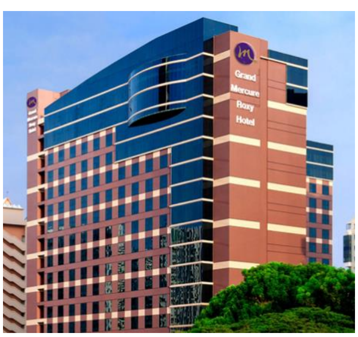
Roxy-Pacific is principally engaged in the development and sale of residential and commercial properties, under their Property Development segment. The Group's recurring income streams stem from its hotel ownership and property investment business segments, which include its flagship hotel, Grand Mercure Singapore Roxy hotel, self-managed upscale boutique hotels, Noku Kyoto and Noku Osaka, and first self-managed upscale resort Noku Maldives, and other investment properties in Asia-Pacific.

The Group's business can be categorised into three main business segments, **Property Development**, **Hotel Ownership** and **Property Investment**.

Business Segments

Property Development

The Group's residential development projects typically comprise small-to-medium sized residential developments such as apartments and condominiums targeted at middle-to-upper income segments. Between 2004 and 2020, the Group developed and launched 54 small-to-medium sized developments comprising a total of more than 5,000 residential and commercial units in Singapore, Malaysia and Australia.



Hotel Ownership

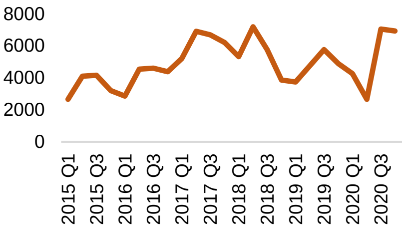
Grand Mercure Singapore Roxy hotel, a major asset of the Group, is self-managed under franchise agreement with international hotel operator, Accor Group. Beyond Singapore, the Group has opened its upscale boutique hotels under the Noku hotels brand name in Kyoto and Osaka, Japan, and an upscale resort in Maldives. The Group's second upscale resort in Phuket, Thailand, is targeted to operate in end 2021 – 2022.

Property Investment

The Group owns 52 retail shops at Roxy Square Shopping Centre in Singapore. In Australia, Roxy-Pacific owns a 45% interest in a freehold six-storey commercial building on the fringe of the Melbourne CBD. The Group also owns a 40% interest in a centrally-located, 10-storey commercial building in New South Wales, and a 40% interest in a commercial tower in Melbourne. In Auckland, the Group owns NZI Centre and has a 50% interest in the office building at 205 Queen Street. In Japan, the Group holds 49% interest in a retail property at renowned retail districts at Shibuya, expanding its hospitality presence in Japan to the retail property sector.

Industry Overview

Number of Private Residential Property Transactions

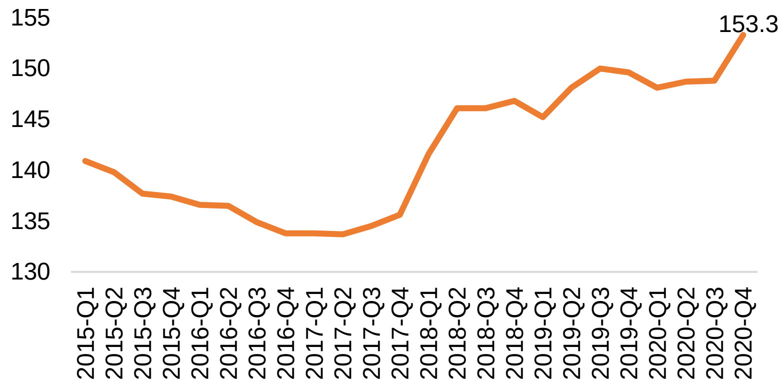


Source: URA, Data.gov.sg, SAC Capital

Volume and prices of sale of private residential properties in 2020

The volume of property purchase in Singapore in 2020 remained fairly stable despite Covid-19. The Urban Redevelopment Authority (URA) reported that developers sold 9,982 private housing units in 2020, a 0.7% increase from the 9,912 units in 2019. Private resale transactions spiked 19.9% to 10,729 transactions in 2020, from 8,949 in 2019.

Private Residential Property Price Index, Non-landed (Base Quarter 2009-Q1 = 100)



Source: URA, Data.gov.sg, SAC Capital

Prices, on the other hand, soared with high demand amid the low interest rate environment which saw reduction of borrowing rates to sub-1% levels. The private residential property price index showed that Q4 2020 residential property prices (non-landed) hit the highest levels in a five-year period. The demand-driven price increase brought about speculation on the possibility of property cooling measures.

En-bloc sales could pick up

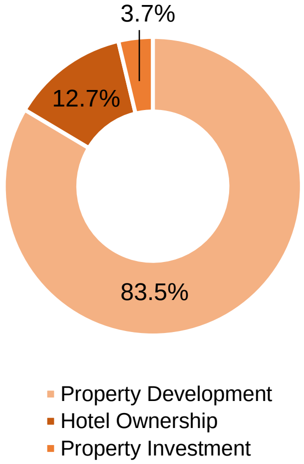
According to data from URA, the number of unsold residential units under development declined in Q4 2020 to around 24300 (Q4 2019: 30500). This could possibly bring back the en-bloc sales interests if the unsold inventory continues to decline. According to Cushman & Wakefield, the previous en-bloc cycle started in Q2 2016, when inventory fell to 23,000 units.

Hotel revenue hinges on travel resumption

With growing optimism on taming of the virus amid vaccines roll-out, the Singapore government has been in discussions with Australia and Taiwan about air travel bubbles. International travel may pick up in late 2021, with potentially more travel bubbles coming up with countries that have the Covid-19 situation under control. The Group will continue monitoring the pandemic situation in key markets, namely in Singapore, Japan and Maldives.

Financial Summary

FY2020 Revenue



Source: Company Data, SAC Capital

Segment Revenue (S$'000)	FY2020	FY2019
Property Develop-ment	165,789	385,942
Hotel Ownership	25,247	50,414
Property Investment	7,395	7,674
Total	**198,431**	**444,030**

Source: Company Data, SAC Capital

The Group posted revenue of $198.4 million in FY2020, a decline of 55.3% yoy from $444.0 million in FY2019. FY2020 revenue took a hit mainly due to lower contribution from the Property Development and Hotel Ownership segments.

Roxy-Pacific saw a net loss to owners of S$29.5 million in FY2020, down from a net profit of S$30.3 million in FY2019. Net loss was largely a result of one-off S$34.6m impairment charge to reflect lower value of the Noku Maldives and Noku Osaka hotels (S$7m), additional tax expense on a previous divestment of a Hong Kong property (S$10.1m) and impairment charged due to a different valuation basis used on land for New World Towers project (S$8.9m). Market value was used to determine the valuation, and impairment was provided based on land value using as is basis. However, as the land is intended for redevelopment purposes, rather than to be sold, we feel that this impairment charge may be reversed in the future. This was slightly offset by a S$10.5m gain on divestment of a Japan asset and $5.9m from government grant.

Property development revenue affected by delays in construction

Revenue from the Property Development segment, which made up 83.5% of the Group's revenue in FY2020, decreased 57.0% to $165.8 million in FY2020 from $385.9 million in FY2019. The decrease was largely due to absence of revenue recognition from The Hensley and The Navian upon settlement and TOP in 2019, and West End Glebe which saw majority of units' settlement in 2019.

Delay in construction for development projects due to the closure of construction sites also contributed to lower revenue, especially during the circuit breaker period in 2020. Safe distancing measures also further slowed down construction. However, digital efforts such as bringing showrooms online through virtual showcases had helped increase buyer engagement.

Hotel operations segment affected by Covid-19 restrictions

Hotel operations segment was down 49.9% yoy due to Covid-19 restriction measures, posting a S$25.2 million revenue in FY2020.

Roxy-Pacific presently has a contract up to May 2021, with potential for renewal, with the Singapore government to use its flagship Grand Mercure Singapore Roxy hotel as a Government Quarantine Facility.

Japan's travel bans had resulted in lower international visitor arrivals, and its US$16 billion "Go To" campaign to subsidise domestic tourism had also been temporary halted from December 28 to February 7, 2021. Noku Osaka has been closed for operations since November 2020.

The Maldives reopened its tourist resorts on 15 July 2020 and Noku Maldives, the Group's upscale resort, has received positive enquiries since lifting of travel restrictions. The Group's second resort asset in Thailand, Noku Phuket, is expected to operate in 2021 – 2022.

Financial Summary

Property Investment segment relatively sheltered

The Group's property investment arm, making up 3.7% of the Group's revenue, stayed relatively stable, declining a smaller 3.6% yoy. The investment properties revenue comprise rental income from shop units in Roxy Square in Singapore and NZI Centre in New Zealand. The slight decrease was due to passing of rental rebates and property tax rebates to tenants in 2020. The Group currently has stake in several buildings across Singapore, Australia, New Zealand and Japan. Overall, the Group's investment properties maintained an occupancy rate at 88% as at 31 December 2020.

Overview of current property development projects

Property	Development Type	% Stake	Attributable total sale value S$'m	Balance attributable billings (from 1/1/2021) S$'m	Stage of Completion	% Sold (as at Dec 2020)
Singapore						
Harbour View Gardens	Residential	100%	$73.7	$12.7	83%	100%
120 Grange	Residential	90%	$92.3	$63.8	32%	100%
Bukit 828	Residential	80%	$32.2	$18.1	45%	100%
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Neu at Novena	Residential	50%	$63.8	$62.0	3%	83%
Malaysia						
Wisma Infinitum – The Colony	Residential	47%	$60.2	$19.8	81%	80%
Wisma Infinitum – The Luxe	Residential		$34.9	$11.9		56%
Total			**$781.2**	**$552.1**		

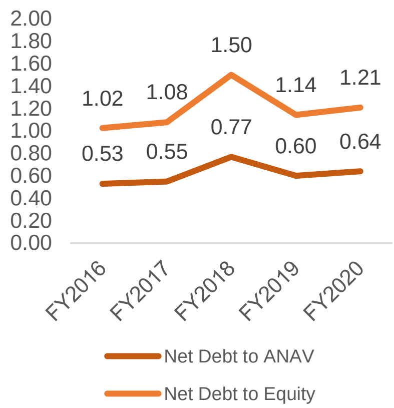
Source: Company Data, SAC Capital

As at 7 February 2021, based on units sold from ongoing development projects, the Group had total attributable pre-sale revenue of $552.1 million, which would see profit recognition from FY2021 to FY2023.

Debt financing

The Group has a relatively stable net debt to adjusted net asset value* (ANAV) over the last 5 years, posting a net debt to ANAV of 0.64x in FY2020. Net debt to equity ratio is higher at 1.21x, but still within the safety band of below 1.50x.

The Group remains its creditworthiness and has untapped loan facilities that can be utilised when opportunities for projects arise.



Source: Company Data, SAC Capital

* The Group's hotel and office premises are measured at historical cost. Adjusted net assets value comprises total equity and the excess of the fair values of the Group's hotel and office premises over their net book values.

Growth Outlook

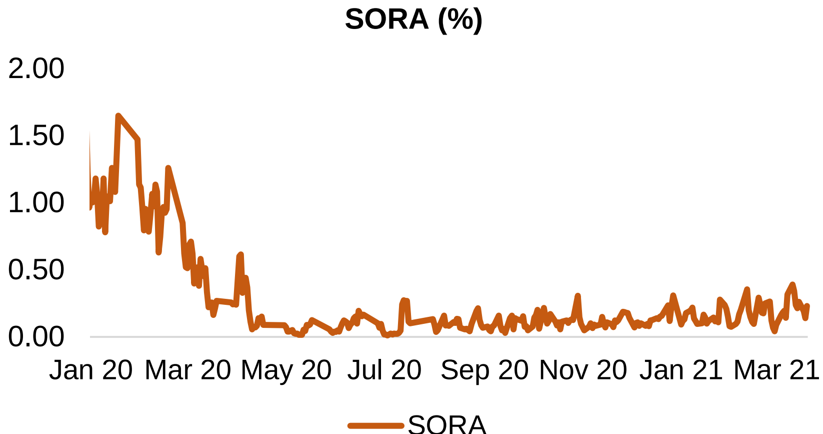
Property prices may hold up with low inventory and strong demand

Declining home supply may continue to lift property prices in Singapore. According to data from URA, the number of unsold residential units under development declined in Q4 2020 to around 24300. (Q4 2019: 30500). If low supply in the market continues, buyers will continue to drive up prices for existing units.

Secondly, according to Knight Frank, Singapore is seen as a “safe haven” for high-net-worth individuals to park their investments due to its stable political environment. In a survey by Knight Frank, data revealed that 26% of ultra-high-net-worth individuals from the Asia-Pacific region are planning to buy new homes in 2021, with Singapore being the top of their list in Asia. The wealthy are investing in second homes in cities and countries that fit their needs amid the pandemic and the demand could continue to boost property prices in 2021.

Low interest rates

Due to Covid-19, market interest rates and lending rates have reduced to sub-1% levels, reducing financing costs. This made purchases attractive to property buyers, either for home-owners who can now better afford private property, or for investors seeking higher returns.



Source: MAS, SAC Capital

Although interest rates have seen small increases from the trough in 2020 and are expected to continue to rise moderately, rates are still far from pre-Covid levels. The demand for private property seen in 2020 may sustain in 2021 if market interest rate remains attractive at lower than pre-Covid levels.

Key Risks

Property cooling measures not ruled out

Property cooling measures were last tightened in July 2018, when the additional buyer's stamp duty was raised, and the loan-to-value limits for property loans were lowered. If property prices were to rise at a faster rate, there is a possibility that the authority might step in to further tighten the measures.

Rising construction costs

According to the Real Estate Sentiment Index published by the National University of Singapore Real Estate (NUS+RE)'s survey, manpower shortage, disruptions of building materials supply and tighter controls at construction sites might drive up construction costs in 2021.

Competition among property developers

Land prices have increased, due to competition from property developers to replenish landbank. Foreign developers are also entering the market which increase competitive pressure.

Rental income is dependent on lease renewals

The lease tenure for the Group's investment properties range around 2 – 3 years. Rental income is dependent on securing tenant commitment. As at 31 December 2020, the Group's investment properties maintained an overall occupancy of 88%. The Group is continuing to actively engage its tenants and extend support where possible to foster strong relationships with them.

Management

Mr. Teo Hong Lim is the Executive Chairman and Chief Executive Officer. Mr Teo sets out the Group's strategies and leads overall management. Outside of the Group, Mr. Teo is also currently the Chairman of Montfort Care, a network of programmes committed to improving the lives of individuals, families and the community facing transitional challenges. Mr Teo graduated from the National University of Singapore with an honours degree in Accountancy. He worked for DBS Bank Ltd as assistant treasurer before joining Roxy-Pacific.

Mr. Chris Teo Hong Yeow is the Executive Director and Deputy Chief Executive Officer. Mr Teo is primarily responsible for all aspects of the Hotel Ownership business, including ongoing evaluation, investment and improvement of the hotel segment. Mr Teo graduated from Michigan State University with a Bachelor of Arts degree in Hotel, Restaurant and Institutional Management. Mr Teo has more than 30 years of experience in the hospitality industry.

Mr. Koh Seng Geok is the Executive Director and Deputy Chief Executive Officer. Mr Koh supports the Executive Chairman and CEO in the formulation of corporate strategies and the future direction of the Group. He previously served as Chief Financial Officer. He graduated from the National University of Singapore with a Bachelor of Accountancy degree and he is a non-practising member of the Institute of Singapore Chartered Accountants. He also holds a Master in Business Administration from the University of Leicester.

Mr. Foo Yong Kit Steve is the Senior Director (Developments) for the Group's Property Development business. Mr Foo has more than 35 years of experience in the field of construction and property management. As head of the Contract, Project and Property Management division he ensures successful initiation, completion and handover of the Group's development projects and also supports the Group overseas Hospitality development projects.

Ms. Shermin Chan Poh Choo is the Director of Finance and Administration. Her duties and responsibilities include overseeing the Group's financial and accounting functions, as well as corporate reporting, secretarial and banking matters. Concurrently as the Director for Administration department, she oversees the Human Resource and Office Administration functions.

Ms. Angela Khoo Ying Hui is the Director of Sales & Marketing and Director of Business Development and Investment. Her responsibilities includes the entire spectrum of sales and marketing for the Group's projects as well as overseeing commercial leasing portfolios. Ms Khoo also support the Group's CEO in the areas of Business Development and Investment for the Company. Ms Khoo has accumulated more than 16 years of real estate experience.

Mr. Melvin Poon Tuck Meng is the Director (Hotel Operations) and is responsible for the overall business and operational matters of the Group's hotels. Mr Poon has more than 30 years of experience in hotel financial management and administration. Previously, he held appointments as the Financial and Accounts Controller of other hotels in Singapore. Mr Poon holds a Master of International Business degree and a Master of Business in Accounting degree.

Ms. Priscilla Ng is the General Manager of Grand Mercure Singapore Roxy Hotel, responsible for the overall operations of the Group's Singapore hotel. Ms Ng has over 30 years of experience in the hospitality Industry.

Ms. Libby Walsh is the Director (Australia and New Zealand). Ms Walsh has been involved in managing development projects throughout Australia, primarily in Sydney, Melbourne and Perth and has worked across a range of project fields including residential, commercial, mixed-use, retail and healthcare.

Income Statement

(S$'000)	FY2016	FY2017	FY2018	FY2019	FY2020
	Fiscal Year Ended 31 Dec				
Revenue	**385,373**	**246,813**	**132,855**	**444,030**	**198,431**
Less: Cost of sales	(304,205)	(181,088)	(82,030)	(337,840)	(165,137)
Gross Profit	81,168	65,725	50,825	106,190	33,294
Other operating income	22,994	32,837	13,226	7,185	16,426
Distribution and selling expenses	(5,205)	(4,960)	(8,787)	(8,881)	(5,520)
General and Administrative expenses	(15,030)	(11,114)	(10,215)	(13,980)	(8,119)
Other operating expense	(21,797)	(28,238)	(23,560)	(29,237)	(37,364)
Finance costs	(15,187)	(18,512)	(16,341)	(25,190)	(23,376)
Share of results of JV and Associates (net of tax)	18,641	13,863	20,062	8,478	(6,841)
Profit before tax	65,584	49,601	25,210	44,565	(31,500)
Tax expense	(12,664)	(15,786)	(4,154)	(15,426)	(1,107)
Total profit/(loss)	**52,920**	**33,815**	**21,056**	**29,139**	**(32,607)**
Profit/(Loss) to owners of company	**49,804**	**31,713**	**21,292**	**30,319**	**(29,489)**
Basic/Diluted EPS (Singapore Cents)	**4.17**	**2.42**	**1.63**	**2.33**	**(2.26)**

Ratios

	FY2016	FY2017	FY2018	FY2019	FY2020
	Fiscal Year Ended 31 Dec				
Adoption of SFRS 16 Leases increased lease liability in FY2018					
Profitability (%)					
Gross profit/(loss) margin	21.1%	26.6%	38.3%	23.9%	16.8%
Pretax margin	17.0%	20.1%	19.0%	10.0%	-15.9%
Net profit margin	12.9%	12.8%	16.0%	6.8%	-14.9%
Liquidity (x)					
Current ratio	1.4	1.5	1.2	1.1	1.2
Quick ratio	1.4	1.5	1.2	1.1	1.2
Interest coverage ratio	5.3	3.7	2.5	2.8	-0.3
Net Debt to Equity	102.5%	107.8%	150.0%	114.4%	120.8%
Valuation (x)					
P/S	1.2	1.9	3.5	1.1	2.4
P/E	9.4	14.8	22.0	15.5	NA
Core P/E at target price	-	-	-	-	-
P/B	0.9	0.9	0.9	0.9	1.0
P/NTA	0.3	0.3	0.3	0.3	0.3
Cash Conversion Cycle					
Trade receivable days	NA	NA	NA	NA	NA
Inventory days	NA	NA	NA	NA	NA
Trade payable days	NA	NA	NA	NA	NA
CCC days	NA	NA	NA	NA	NA

Balance Sheet

(S$'000)	FY2016	FY2017	FY2018	FY2019	FY2020
	Fiscal Year Ended 31 Dec				
Property, plant and equipment	175,527	215,507	231,028	261,970	263,859
Investment Properties	198,835	124,191	126,464	126,609	132,236
Investment in JV and Associates	146,458	165,147	142,330	196,471	256,273
Other non-current assets	12,757	2,816	393	28,229	28,251
Total non-current assets	**533,577**	**507,661**	**500,215**	**613,279**	**680,619**
Development properties for sale	486,369	538,973	782,499	552,657	440,333
Trade receivables	93,145	11,620	8,282	6,346	13,283
Cash and bank balances	325,325	322,460	291,574	330,959	395,553
Other current assets	23,202	136,989	124,827	94,093	86,468
Total current assets	**928,041**	**1,010,042**	**1,207,182**	**984,055**	**935,637**
Total assets	**1,461,618**	**1,517,703**	**1,707,397**	**1,597,334**	**1,616,256**
Share capital	47,399	47,399	47,399	47,399	47,399
Retained earnings	446,518	461,313	470,881	489,676	445,974
Other reserves	-2,099	-3,672	-18,025	-22,469	-7,329
Total Equity	**495,008**	**509,612**	**500,834**	**510,533**	**477,470**
Loans and borrowings	270,549	318,090	229,651	189,118	341,673
Other non-current liabilities	33,094	16,483	10,979	37,928	38,809
Non-current liabilities	**303,643**	**334,573**	**240,630**	**227,046**	**380,482**
Loans and borrowings	562,148	553,756	813,212	725,948	630,621
Trade and other payables	98,715	88,889	104,234	89,901	96,342
Other current liabilities	2,104	30,873	48,487	43,906	31,341
Current liabilities	**662,967**	**673,518**	**965,933**	**859,755**	**758,304**
Total liabilities	**966,610**	**1,008,091**	**1,206,563**	**1,086,801**	**1,138,786**
Total equity and liabilities	**1,461,618**	**1,517,703**	**1,707,397**	**1,597,334**	**1,616,256**

Cash Flows Statement

(S$'000)	FY2016	FY2017	FY2018	FY2019	FY2020
	Fiscal Year Ended 31 Dec				
Profit before tax	**65,584**	**49,601**	**25,210**	**44,565**	**(31,500)**
Depreciation, amortisation and impairment	6,459	5,730	7,048	9,178	9,379
Change in working capital	(16,735)	(53,493)	(166,242)	197,859	69,077
Income tax paid	(24,576)	(2,350)	(21,901)	(15,887)	(15,701)
Others	(23,188)	(18,616)	(9,122)	15,981	37,566
Net Cash from/ (used in) operations	**7,544**	**(19,128)**	**(165,007)**	**251,696**	**68,821**
Acquisition of property, plant and equipment	(47,861)	(53,055)	(16,948)	(5,942)	(18,889)
Investment in Associates	(1,642)	(5,954)	(2,300)	(13,907)	(782)
Investment in JV					(37,967)
Others	773	73,165	22,690	(15,750)	28,284
Net Cash from/(used in) investing	**(48,730)**	**14,156**	**3,442**	**(35,599)**	**(29,354)**
Proceeds from borrowings	210,303	376,953	393,763	98,214	109,927
Repayment of borrowings	(191,261)	(335,055)	(216,471)	(223,852)	(54,084)
Change in Fixed deposit pledged to banks and financial institutions	(6,017)	(120)	16,923	(10,000)	(77,363)
Dividend paid to owners of the company	(21,483)	(16,429)	(11,724)	(11,736)	(14,213)
Others	(26,935)	(23,147)	(29,822)	(37,921)	(23,559)
Net Cash from/(used in) financing	**(35,393)**	**2,202**	**152,669**	**(185,295)**	**(59,292)**
Net change in cash and cash equivalents	(76,579)	(2,770)	(8,896)	30,802	(19,825)
Cash and cash equivalents at beginning	312,983	237,280	234,295	220,332	249,674
Effects of foreign currency translation	876	(215)	(5,067)	(1,460)	7,056
Cash and cash equivalents at end	**237,280**	**234,295**	**220,332**	**249,674**	**236,905**

** Cash and bank balances in Balance Sheet include Cash and cash equivalents per consolidated statement of cash flows and Fixed deposits pledged.*

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