**Securities Investors Association (Singapore)**
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UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** Roxy-Pacific Holdings Limited

**Stock code:** E8Z

**Meeting details:**
Date: 16 April 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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**Q1**. As noted in the chairman's statement, the group has taken a conservative approach and re-aligned its businesses in view of the pandemic that sent economies around the world into a tailspin. The group reported a net loss attributable to equity holders of $29.5 million in FY2020 (FY2019: net profit of $30.3 million), largely due to impairment charges on its hotel properties and properties held by its overseas associated companies.

Despite the pandemic, the group executed on its development strategy, acquiring a freehold residential site at Jalan Molek and Guillemard Road and another site at Institution Hill.

(i) **Can management share the reasons for its confidence in the small-mid sized freehold redevelopment projects that the group has acquired since the pandemic?**

From February 2020 to February 2021, the group sold about 21 units at RV Altitude (valued at $34 million), 27 units at Fyve Derbyshire ($47 million) and 4 units at Wilshire Residences ($2.2 million). The percentage sold at each project stands at 45%, 72% and 16% respectively.

(ii) **Has management reviewed the reasons for the relatively slow sales progress of certain projects by the group? Is this an indication that the market has turned more selective and thus the group might have to restrategise to sell its remaining units?**

In the property investment segment, the group had a profitable "flip" of a retail building situated in Ginza, Tokyo. Within a year of acquisition, the group sold the asset for approximately JPY8.6 billion, which was a premium of over 43% in less than a year, from the initial purchase price of JPY6.0 billion.

(iii) **Can management help shareholders understand how it was able to spot such a bargain in the market? What was the group's value-add, if any, to the property?**

**Q2.** The group recognised a loss of $(6.8) million in FY2020 compared to a profit of S$8.5 million in FY2019 for its share of results of associates and joint venture (page 5). This was mainly due to additional tax expenses for the divested investment in 8 Russell Street, Hong Kong in 2H2020, and provision of impairment loss on the properties in overseas associated companies and partially offset by the profit from the sale of property at Ginza, Japan in 1H2020.

The sales of the units in 8 Russell Street were mostly completed in FY2014. In Note 9 (page 141 – Investment in associates and joint ventures), it can be seen that the loss for the year for Rolex Investment Ltd was $(33.654) million.

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(i) **Can management provide a breakdown to show the impact due to 8 Russell Street, the impairment loss on properties (the impairment and for which asset) and the gain from the sale or the Ginza property to reconcile the $(6.8) million loss in FY2020 due to associates and joint ventures?**

(ii) **Given that the sales of the units at 8 Russell Street were completed in FY2014, what caused the "additional tax expenses for the divested investment"? Did the group fall short in its due diligence and tax/legal planning with regard to 8 Russell Street?**

**Q3.** On 1 October 2020, the company announced the appointment of Mr Yeo Wee Kiong as an independent director of the board, and member of the audit risk management committee, nominating committee and remuneration committee.

The biography of Mr Yeo can be found on page 19 of the annual report. Additional information on the directors nominated for re-election at the forthcoming annual general meeting, including Mr Yeo, can be found on pages 76 to 82.

In addition, Mr Winston Tan Tien Hin will retire at the conclusion of the forthcoming annual general meeting and the board will be searching for a new independent director as part of its continuing board renewal process.

(i) **Has the nominating committee made use of professional organisations and/or external search consultants to search for director candidates?** This would allow it to cast its net wider and further improve the robustness of its search process.

(ii) Mr Yeo Wee Kiong sits on other listed companies, such as AF Global Limited and Bonvests Holdings Limited, that also invest in hospitality assets, including in overseas real estate markets. In addition, Bonvests Holdings also has a hotel in Singapore that could be in direct competition with the group's asset. **Would Mr Yeo Wee Kiong be frequently put in a position where he would have conflicts of interests between the company and other listed companies he sits on?**

(iii) **How does the company ensure that its interests are protected? For instance, what safeguards are put in place to ensure that sensitive commercial information, such as participation in tenders, private treaty opportunities, is well protected?**

(iv) Even if a conflicted director recuse himself from certain sensitive discussion either in the company or on the board of the other companies, the act of recusing oneself would still provide competitive information. **How does the company mitigate such risks?**

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)