



Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a) Consolidated Statement of Comprehensive Income

	Group					
	Second Quarter			Six Months		
	30/06/2019	30/06/2018	Change	30/06/2019	30/06/2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	24,725	25,818	(4)	50,562	48,444	4
Other income	387	(1,276)	NM	788	133	492
Changes in inventories of finished goods	(1)	50	NM	(65)	76	NM
Cost of properties sold/consumables used	(2,079)	(4,137)	(50)	(4,801)	(6,338)	(24)
Staff costs	(7,320)	(7,105)	3	(14,102)	(14,445)	(2)
Depreciation	(2,869)	(1,743)	65	(5,375)	(3,895)	38
Finance costs	(3,293)	(2,231)	48	(6,433)	(4,233)	52
Other expenses	(7,117)	(7,338)	(3)	(14,365)	(14,850)	(3)
Share of results of a jointly-controlled entity, net of tax	(20)	7	NM	(20)	230	NM
Profit before tax	2,413	2,045	18	6,189	5,122	21
Income tax expense	(802)	(966)	(17)	(1,857)	(1,926)	(4)
Profit for the period	1,611	1,079	49	4,332	3,196	36
Other comprehensive (loss)/income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	(3,698)	(1,585)	133	(1,753)	290	NM
Other comprehensive (loss)/income for the period, net of tax	(3,698)	(1,585)	133	(1,753)	290	NM
Total comprehensive (loss)/income for the period	(2,087)	(506)	312	2,579	3,486	(26)
Profit attributable to :						
Owners of the Company	1,611	1,079	49	4,332	3,196	36
Non-controlling interests	-	-*	NM	-	-*	NM
	1,611	1,079	49	4,332	3,196	36
Total comprehensive (loss)/income attributable to :						
Owners of the Company	(2,087)	(506)	312	2,579	3,486	(26)
Non-controlling interests	-	-*	NM	-	-*	NM
	(2,087)	(506)	312	2,579	3,486	(26)

Notes to Consolidated Statement of Comprehensive Income :

	Group					
	30/06/2019	30/06/2018	Change	30/06/2019	30/06/2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit before tax is arrived at after (charging)/crediting:						
Amortisation of other assets	(30)	(28)	7	(55)	(56)	(2)
Amortisation of land use rights	(103)	(74)	39	(207)	(121)	71
Property, plant and equipment written off	(6)	(128)	(95)	(6)	(194)	(97)
(Loss)/Gain on disposal of property, plant and equipment	(2)	-	-	16	3	433
Income from financial assets, FVTPL**	-	13	NM	-	16	NM
Gain on disposal of financial assets, FVTPL	-	-	-	-	30	NM
Loss on fair value adjustments on financial assets, FVTPL	(74)	(120)	(38)	(53)	(99)	(46)
Interest income	6	5	20	11	10	10
Net foreign exchange gain/(loss)	340	(1,159)	NM	590	78	656

NM : Not meaningful

* Amount less than \$1,000

** Financial assets, fair value through profit or loss

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		30/06/2019 \$'000	31/12/2018 \$'000	30/06/2019 \$'000	31/12/2018 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		11,234	14,976	30	41
Trade and other receivables		13,594	13,038	62,101	72,661
Inventories		524	587	-	-
Development properties		108,211	109,803	-	-
Total current assets		133,563	138,404	62,131	72,702
Non-current assets					
Financial assets at fair value through profit or loss ("FVTPL")		996	1,049	166	160
Intangible assets		1,178	1,178	-	-
Investment in a jointly-controlled entity	A	470	1,691	-	-
Investment in subsidiaries		-	-	40,987	40,987
Investment properties		397,110	398,085	-	-
Property, plant and equipment		261,684	239,652	-	-
Land use rights		6,358	6,618	-	-
Other assets		6,188	6,243	-	-
Deferred tax assets		171	97	-	-
Trade and other receivables		462	472	-	-
Total non-current assets		674,617	655,085	41,153	41,147
Total assets		808,180	793,489	103,284	113,849
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	B	25,355	30,584	220	333
Contract liabilities		3,006	7,661	-	-
Income tax payable		3,593	3,737	-	-
Bank loans	C	37,870	8,288	-	-
Finance leases		2,658	1,363	-	-
Total current liabilities		72,482	51,633	220	333
Non-current liabilities					
Trade and other payables		3,901	3,840	-	-
Bank loans	C	300,354	321,313	-	-
Finance leases		34,582	4,109	-	-
Deferred tax liabilities		12,270	13,226	-	-
Total non-current liabilities		351,107	342,488	-	-
Capital, reserves and non-controlling interests					
Share capital		125,646	125,646	125,646	125,646
Treasury shares		(996)	(996)	(996)	(996)
Reserves		259,941	274,718	(21,586)	(11,134)
Total equity		384,591	399,368	103,064	113,516
Total liabilities and equity		808,180	793,489	103,284	113,849

Notes to Statements of Financial Position:

- A Decrease was mainly due to dividend received and share of losses during the financial period.
- B Decrease was mainly due to payments of construction costs during the financial period.
- C Net increase was mainly due to drawn down of loans offset against repayment of certain facilities.

(b) (ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

30/06/2019	
\$'000	
Secured	Unsecured
40,528	Nil

31/12/2018	
\$'000	
Secured	Unsecured
9,651	Nil

Amount repayable after one year

30/06/2019	
\$'000	
Secured	Unsecured
334,936	Nil

31/12/2018	
\$'000	
Secured	Unsecured
325,422	Nil

Details of any collateral

The bank borrowings are secured by the followings:

- (a)** first mortgages on certain subsidiaries' property, plant and equipment, investment and development properties;
- (b)** an assignment in escrow of interest in a subsidiary's lease and rental proceeds from its investment properties and a fixed and floating charge over its assets;
- (c)** an assignment of certain subsidiaries' interest in sale and purchase agreements, tenancy agreements, insurance policies, building contracts, performance bonds and all monies standing to the credit in a subsidiary's project account in respect of development properties; and
- (d)** corporate guarantee given by the Company and debenture over certain subsidiaries' hotels.

Finance leases of \$37,240,000 (2018: \$5,472,000) are secured by the lessor's title on the leased assets.

1 (c) Consolidated Statement of Cash Flows

	Group		Group	
	Second Quarter		Six Months	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before income tax	2,413	2,045	6,189	5,122
Adjustments for:				
Amortisation of other assets	30	28	55	56
Amortisation of land use rights	103	74	207	121
Depreciation of property, plant and equipment	2,869	1,743	5,375	3,895
Property, plant and equipment written off	6	128	6	194
Loss/(Gain) on disposal of property, plant and equipment	2	-	(16)	(3)
Income from financial assets, FVTPL	-	(13)	-	(16)
Gain on disposal of financial assets, FVTPL	-	-	-	(30)
Loss on fair value adjustment of financial assets, FVTPL	74	120	53	99
Interest income	(6)	(5)	(11)	(10)
Interest expense	3,293	2,231	6,433	4,233
Share of results of a jointly-controlled entity, net of tax	20	(7)	20	(230)
Exchange difference	200	373	4	(1,034)
Operating cash flows before movements in working capital	9,004	6,717	18,315	12,397
Inventories	2	(50)	63	(76)
Trade and other receivables	294	(273)	(546)	(880)
Trade and other payables	(254)	(3,459)	(4,803)	7,770
Development properties	26	537	1,592	(1,047)
Contract liability	(1,959)	-	(4,655)	-
Cash generated from operations	7,113	3,472	9,966	18,164
Income tax paid	(2,000)	(1,745)	(2,051)	(1,647)
Net cash from operating activities	5,113	1,727	7,915	16,517
Investing activities				
Proceeds from sale of financial assets, FVTPL	-	-	-	34
Income received from financial assets, FVTPL	-	13	-	16
Payment for land use rights	-	-	-	(1,020)
Proceeds from disposal of property, plant and equipment	-	-	20	8
Payments for property, plant and equipment	(1,432)	(192)	(1,727)	(7,729)
Additional costs incurred on investment properties	-	-	-	(2,173)
Interest received	6	5	11	10
Dividend received from a jointly-controlled entity	-	-	1,200	520
Net cash used in investing activities	(1,426)	(174)	(496)	(10,334)
Financing activities				
Interest paid	(3,293)	(2,415)	(6,433)	(4,590)
Payment of dividends on ordinary shares	(11,499)	(5,750)	(11,499)	(5,750)
Repayment of finance lease liabilities	(417)	(445)	(850)	(694)
Proceeds from bank borrowings	30,189	15,222	42,384	39,972
Repayment of bank borrowings	(21,189)	(7,084)	(34,770)	(33,944)
Net cash used in financing activities	(6,209)	(472)	(11,168)	(5,006)
Net (decrease) / increase in cash and cash equivalents	(2,522)	1,081	(3,749)	1,177
Cash and cash equivalents at beginning of period	13,744	9,080	14,976	8,983
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	12	(2)	7	(1)
Cash and cash equivalents at end of period	11,234	10,159	11,234	10,159

Note to Consolidated Statement of Cash Flows :

Cash and cash equivalents at end of period comprise the following:

	Group	
	30/06/2019	30/06/2018
	\$'000	\$'000
Cash at bank and on hand	8,794	8,501
Fixed deposits	2,440	1,658
	11,234	10,159

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Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2019

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.

Statement of Changes in Equity - Group

	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019 as previously reported	125,646	(996)	(6,511)	281,229	274,718	399,368	-	399,368
Effects of adopting SFRS(I) 16	-	-	-	(5,857)	(5,857)	(5,857)	-	(5,857)
Balance at 1 January 2019 as restated	125,646	(996)	(6,511)	275,372	268,861	393,511	-	393,511
Total comprehensive income for the period								
Profit for the period	-	-	-	4,332	4,332	4,332	-	4,332
Other comprehensive loss	-	-	(1,753)	-	(1,753)	(1,753)	-	(1,753)
Total	-	-	(1,753)	4,332	2,579	2,579	-	2,579
Dividend relating to 2018	-	-	-	(11,499)	(11,499)	(11,499)	-	(11,499)
Balance at 30 June 2019	125,646	(996)	(8,264)	268,205	259,941	384,591	-	384,591

	Share capital	Treasury shares	Foreign currency translation reserve	Retained earnings	Total reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	125,646	(996)	(1,263)	256,213	254,950	379,600	(364)	379,236
Total comprehensive income for the period								
Profit for the period	-	-	-	3,196	3,196	3,196	-	3,196
Other comprehensive income	-	-	290	-	290	290	-	290
Total	-	-	290	3,196	3,486	3,486	-	3,486
Dividend relating to 2017	-	-	-	(5,750)	(5,750)	(5,750)	-	(5,750)
Effects of acquiring non-controlling interest in a subsidiary	-	-	-	(364)	(364)	(364)	364	-
Balance at 30 June 2018	125,646	(996)	(973)	253,295	252,322	376,972	-	376,972

AMARA HOLDINGS LIMITED

Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2019

Statement of Changes in Equity - Company

	Share capital	Treasury shares	Accumulated losses	Other reserve	Total reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019	125,646	(996)	(12,060)	926	(11,134)	113,516
Total comprehensive profit for the period						
Profit for the period	-	-	1,047	-	1,047	1,047
Total	-	-	1,047	-	1,047	1,047
Dividend relating to 2018	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 30 June 2019	125,646	(996)	(22,512)	926	(21,586)	103,064

	Share capital	Treasury shares	Accumulated losses	Other reserve	Total reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	125,646	(996)	(18,792)	926	(17,866)	106,784
Total comprehensive loss for the period						
Loss for the period	-	-	(306)	-	(306)	(306)
Total	-	-	(306)	-	(306)	(306)
Dividend relating to 2017	-	-	(5,750)	-	(5,750)	(5,750)
Balance at 30 June 2018	125,646	(996)	(24,848)	926	(23,922)	100,728

- 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.

As at 30 June 2019 and 2018, the number of ordinary shares in issue was 576,936,000 of which 1,967,800 were held by the Company as treasury shares.

There was no conversion of shares during the financial period.

- 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.

	30/06/2019	31/12/2018
Total issued ordinary shares (including treasury shares)	576,936,000	576,936,000
Less: Treasury shares	(1,967,800)	(1,967,800)
Total issued ordinary shares (excluding treasury shares)	574,968,200	574,968,200

- 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.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

The figures have not been audited or 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 computations as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation in the 2018 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

- 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.

SFRS(I) 16 Leases

SFRS(I) 16 Leases introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises its existing operating lease arrangements where the Group is a lessee as ROU assets with corresponding lease liabilities and measures lease liabilities by applying the incremental borrowing rate specific to each lease.

The Group applied the transition approach to recognise the cumulative effect of initially applying this standard as of 1 January 2019 as an adjustment to opening balance of retained earnings without restating prior periods' information. In addition the Group has applied the recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16.

For ROU assets, the Group presents them as part of property, plant and equipment. The nature of expenses to those leases will change as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets, and interest expense on lease liabilities.

The reconciliation of the above changes in accounting policy is as follows:

Group

Statement of Financial Position

Property, plant and equipment
Trade and other payables
Finance leases
Deferred tax liabilities
Deferred tax assets
Retained earnings

1/1/2019	Effects	1/1/2019
As reported	SFRS(I) 16	As restated
\$'000	Leases	\$'000
	\$'000	
239,652	24,716	264,368
(30,584)	423	(30,161)
(5,472)	(31,976)	(37,448)
(13,226)	877	(12,349)
97	103	200
(281,229)	5,857	(275,372)

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

Group	
Second Quarter	
30/06/2019	30/06/2018
Cents	Cents
0.28	0.19
0.28	0.19

Group	
Six months	
30/06/2019	30/06/2018
Cents	Cents
0.75	0.56
0.75	0.56

- (i) Based on the weighted average number of ordinary shares on issue
(ii) On a fully diluted basis

- 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 year reported on; and
 (b) immediately preceding financial year

Group		Company	
30/06/2019	31/12/2018	30/06/2019	31/12/2018
Cents	Cents	Cents	Cents
66.89	69.46	17.93	19.74

Net asset value per ordinary share based on issued share capital at the end of the period/year

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

Second Quarter 2019 ("2Q 2019") vs Second Quarter 2018 ("2Q 2018")

Group revenue for 2Q 2019 decreased by 4% to \$24.7 million, from \$25.8 million in 2Q 2018. This was mainly due to lower revenue in the Property Investment and Development segment and Hotel Investment and Management segment.

Other income for 2Q 2019 was mainly due to foreign exchange gain.

Cost of properties sold/consumables used for 2Q 2019 decreased by 50% to \$2.1 million, from \$4.1 million in 2Q 2018. This was mainly due to lower sales and progressive recognition of development costs from Property Investment and Development segment.

Depreciation charge for 2Q 2019 increased by 65% to \$2.9m, from \$1.7m in 2Q 2018. This was mainly due to the addition of property, plant and equipment.

Finance costs for 2Q 2019 increased by 48% to \$3.3 million, from \$2.2 million in 2Q 2018. This was mainly due to higher interest rate on bank borrowings, lease interest expenses recognised upon adoption of SFRS(I) 16 Leases and borrowing costs expensed from development properties upon adoption of SFRS(I) 15 Revenue from Contracts with Customers.

First Half 2019 ("1H 2019") vs First Half 2018 ("1H 2018")

Group revenue for 1H 2019 increased by 4% to \$50.6 million, from \$48.4 million in 1H 2018. This was mainly due to higher revenue in the Property Investment and Development segment.

Other income for 1H 2019 was mainly due to foreign exchange gain.

Cost of properties sold/consumables used for 1H 2019 decreased by 24% to \$4.8 million, from \$6.3 million in 1H 2018. This was mainly due to lower sales and progressive recognition of development costs from Property Investment and Development segment.

Depreciation for 1H 2019 increased by 38% to \$5.4 million, from \$3.9 million in 1H 2018. This was mainly due to addition of property, plant and equipment.

Finance costs for 1H 2019 increased by 52% to \$6.4 million, from \$4.2 million in 1H 2018. This was mainly due to higher interest rate on bank borrowings, lease interest expenses recognised upon adoption of SFRS(I) 16 Leases and borrowing costs expensed from development properties upon adoption of SFRS(I) 15 Revenue from Contracts with Customers.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
 No prospect statement was made.
- 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.**
 A slowdown in the global economy, geopolitical and ongoing China-United States trade tensions remain potential headwinds to the overall business. Despite the healthy visitor arrivals reported, the hospitality sector in Singapore remains challenging. Business remains uncertain given that tourist spending has fallen. We also face competition from new supply and rising costs.
 According to MAS, the Singapore government is not relaxing property cooling measures for now. Singapore's residential property market remains weak and is compounded further by the second quarter GDP growth slowdown to 0.1%.
- 11 **Dividend**
 (a) Current Financial Period Reported On : None
 (b) Corresponding Period of the Immediately Preceding Financial : None
 (c) Date payable : Not applicable
 (d) Books closure date : Not applicable
- 12 **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**
 No dividend has been declared/recommended for the quarter ended 30 June 2019 as it is not the usual practice of the Group to declare interim dividends.
- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
 There is no general mandate from shareholders for IPTs.
- 14 **STATEMENT BY DIRECTORS**
Pursuant to SGX Listing Rule 705(5)
 To the best of the directors' knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited second quarter 2019 financial results to be false or misleading in any material aspects.
- 15 **CONFIRMATION OF PROCUREMENT OF UNDERTAKINGS FROM ALL DIRECTORS AND EXECUTIVE OFFICERS**
 The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).