



Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2014

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		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	19,689	17,896	10	37,583	42,459	(11)
Other income	370	125	196	586	570	3
Changes in inventories of finished goods	(18)	4	NM	(34)	(30)	13
Cost of properties sold / consumables used	(1,937)	(2,806)	(31)	(3,416)	(9,420)	(64)
Staff costs	(4,682)	(4,387)	7	(9,238)	(8,828)	5
Depreciation	(1,033)	(1,062)	(3)	(2,004)	(2,123)	(6)
Finance costs	(897)	(916)	(2)	(1,781)	(1,977)	(10)
Other expenses	(5,969)	(5,988)	(0)	(11,806)	(11,708)	1
Profit before tax	5,523	2,866	93	9,890	8,943	11
Income tax expense	(935)	(743)	26	(1,905)	(1,836)	4
Profit for the year	4,588	2,123	116	7,985	7,107	12
Other comprehensive (loss) / income, after tax :						
Currency translation differences on translation of financial statements of foreign subsidiaries	(612)	1,663	NM	(2,486)	2,590	NM
Fair value gain on cash flow hedge	-	-	NM	-	231	(100)
Impairment loss on available-for-sale financial assets	-	-	NM	278	-	NM
Fair value gain on available-for-sale financial assets	7	(35)	NM	56	48	17
Other comprehensive (loss) / gain for the year, net of tax	(605)	1,628	NM	(2,152)	2,869	NM
Total comprehensive income for the period	3,983	3,751	6	5,833	9,976	(42)
Profit attributable to :						
Equity holders of the Company	4,591	2,117	117	7,990	7,096	13
Non-controlling interests	(3)	6	NM	(5)	11	NM
Total comprehensive income attributable to :	4,588	2,123	116	7,985	7,107	12
Equity holders of the Company	3,986	3,745	6	5,838	9,965	(41)
Non-controlling interests	(3)	6	NM	(5)	11	NM
	3,983	3,751	6	5,833	9,976	(42)

Notes to Consolidated Statement of Comprehensive Income :

Profit before tax is arrived at after (charging) / crediting:

	Group					
	Second Quarter			Six Months		
	30/06/2014	30/06/2013	Change	30/06/2014	30/06/2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Amortisation of other assets	(28)	(28)	(0)	(56)	(56)	(0)
Allowance of doubtful receivables, net	(5)	-	NM	(8)	(4)	100
Depreciation of property, plant and equipment	(1,033)	(1,063)	(3)	(2,004)	(2,123)	(6)
Gain / (loss) on disposal of available-for-sale financial assets	80	(2)	NM	79	(2)	NM
Impairment loss on available-for-sale financial assets	-	-	NM	(278)	-	NM
Loss on disposal of property, plant and equipment	-	(317)	(100)	-	(317)	(100)
Interest income	142	138	3	283	276	3
Net foreign exchange (loss) / gain	(23)	(93)	(75)	(24)	97	NM
Property, plant and equipment written off	(2)	-	NM	(2)	-	NM
Over / (under) provision of prior year tax	40	(19)	NM	-	(5)	NM

NM : Not meaningful

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1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		30/06/2014 \$'000	31/12/13 \$'000	30/06/2014 \$'000	31/12/13 \$'000
Current assets					
Cash and bank balances		13,676	12,565	47	44
Trade and other receivables	A	16,434	12,981	37,671	43,694
Inventories		286	339	-	-
Development properties		44,946	45,044	-	-
Other current assets		2,131	2,642	4	3
		77,473	73,571	37,722	43,741
Non-current assets					
Available-for-sale financial assets		1,325	1,315	150	188
Intangible assets		357	357	-	-
Investment in subsidiaries		-	-	40,937	40,937
Investment in an associate		2,098	2,098	-	-
Investment properties		279,444	279,000	-	-
Property, plant and equipment	B	192,020	176,086	-	-
Goodwill		789	789	-	-
Other assets		6,745	6,800	-	-
Other receivables		31,083	30,483	-	-
Deferred income tax assets		448	494	-	-
		514,309	497,422	41,087	41,125
Total assets		591,782	570,993	78,809	84,866
Current liabilities					
Trade and other payables	C	21,941	24,385	424	565
Tax payables		4,794	5,594	-	-
Borrowings		12,738	12,861	-	-
		39,473	42,840	424	565
Non-current liabilities					
Trade and other payables	C	6,441	5,865	-	-
Borrowings	D	232,599	208,946	-	-
Deferred income tax liabilities		6,606	6,743	-	-
		245,646	221,554	-	-
Total liabilities		285,119	264,394	424	565
Net assets		306,663	306,599	78,385	84,301
Capital and reserves attributable to equity holders of the Company					
Share capital		125,646	125,646	125,646	125,646
Reserves		181,126	181,057	(47,261)	(41,345)
		306,772	306,703	78,385	84,301
Non-controlling interests		(109)	(104)	-	-
Total equity		306,663	306,599	78,385	84,301

Notes to Statements of Financial Position:

- A Increase was due to outstanding instalments not yet due for units sold in a development project.
- B Increase was due to construction cost for the Group's ongoing projects.
- C Decrease was due to payment of construction cost for the ongoing projects partially offset against slight increase in retention sum due to contractors.
- D Increase was due to draw down of loans to fund ongoing projects.

(b) (ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

30/06/2014	
\$'000	
Secured	Unsecured
12,738	Nil

31/12/13	
\$'000	
Secured	Unsecured
12,861	Nil

Amount repayable after one year

30/06/2014	
\$'000	
Secured	Unsecured
232,599	Nil

31/12/13	
\$'000	
Secured	Unsecured
208,946	Nil

Details of any collateral

The borrowings are secured by the followings :

- (a) first legal mortgages on certain subsidiaries' property, plant and equipment and investment and development properties;
- (b) an assignment in escrow of interest in a subsidiary's lease and rental proceeds from its investment properties; 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.

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1 (c) Consolidated Statement of Cash Flows

	Notes	Group		Group	
		Second Quarter		Six Months	
		30/06/2014	30/06/2013	30/06/2014	30/06/2013
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit before tax		5,523	2,866	9,890	8,943
Adjustments for:					
Amortisation of other assets		28	28	56	56
Depreciation of property, plant and equipment		1,033	1,063	2,004	2,123
Income from available-for-sale financial assets		(10)	(9)	(13)	(11)
Interest expense		897	916	1,781	1,977
Interest income		(142)	(138)	(283)	(276)
(Gain) / loss on disposal of available-for-sale financial assets		(80)	2	(79)	2
Impairment loss on available-for-sale financial assets		-	-	278	-
Fair value loss / (gain) on available-for-sale financial assets		3	(4)	3	(4)
Loss on disposal / write off of property, plant and equipment		2	317	2	317
Exchange difference		(63)	507	(38)	429
Operating cash flow before working capital changes		7,191	5,548	13,601	13,556
Changes in operating assets and liabilities :					
Development properties		785	406	98	18,006
Inventories		37	3	53	30
Payables		(1,771)	1,114	(1,868)	(2,232)
Receivables		(2,062)	499	(3,542)	(6,374)
Cash generated from operations		4,180	7,570	8,342	22,986
Net income tax paid		(3,018)	(1,429)	(2,797)	(1,816)
Net cash generated from operating activities		1,162	6,141	5,545	21,170
Cash flows from investing activities					
Income received from quoted equity investments		10	9	13	11
Interest received		142	138	283	276
Payments for property, plant and equipment	A	(7,684)	(3,390)	(20,416)	(5,873)
Payments for available-for-sale financial assets		(5)	-	(5)	-
Proceeds from disposal of property, plant and equipment		-	130	-	131
Proceeds from sale of available-for-sale financial assets		122	33	127	33
Additional costs incurred on investment properties		(67)	-	(444)	(1,064)
Investment in an associate		-	(853)	-	-
Net cash used in investing activities		(7,482)	(3,933)	(20,442)	(6,486)
Cash flows from financing activities					
Interest paid		(897)	(916)	(1,781)	(1,977)
Payment of dividends to shareholders of Amara Holdings Limited	B	(5,769)	(3,462)	(5,769)	(3,462)
Net repayments of finance lease liabilities		(33)	(23)	(66)	(45)
Net draw down of bank borrowings	C	18,650	16,333	23,625	5,155
Net cash generated from / (used in) financing activities		11,951	11,932	16,009	(329)
Net increase in cash and cash equivalents held		5,631	14,140	1,112	14,355
Cash and cash equivalents at beginning of financial period		8,046	15,452	12,565	15,226
Effect of exchange rate changes on cash and cash equivalents		(1)	23	(1)	38
Cash and cash equivalents at the end of financial period		13,676	29,615	13,676	29,619

Note to Consolidated Statement of Cash Flows :

Cash and cash equivalents at the end of the financial year comprise the following :

	Group	
	30/06/2014	30/06/2013
	\$'000	\$'000
Cash and bank balances	13,676	29,615

Notes to Statement of Cash Flows:

- A Increase was due to payment of construction cost for the Group's ongoing projects.
- B Increase was due to higher dividend payment from \$0.6 cents per ordinary share to \$1 cents per ordinary share.
- C Increase was due to draw down of bank borrowings to finance payments for ongoing projects.

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- 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

	Equity attributable to equity holders of the Company									
	Share Capital	Retained Earnings & Other Reserves*	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Fair Value Reserve	Hedging Reserve	Total Reserves	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014	125,646	168,081	9,773	3,448	(245)	-	181,057	306,703	(104)	306,599
Profit for the period	-	7,990	-	-	-	-	7,990	7,990	(5)	7,985
Other comprehensive (loss) / income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	(2,486)	-	-	(2,486)	(2,486)	-	(2,486)
Impairment loss on available-for-sale financial assets	-	-	-	-	278	-	278	278	-	278
Fair value gain on available-for-sale financial assets	-	-	-	-	56	-	56	56	-	56
Other comprehensive (loss) / income for the period, net of tax	-	-	-	(2,486)	334	-	(2,152)	(2,152)	-	(2,152)
Total comprehensive (loss) / income for the period	-	7,990	-	(2,486)	334	-	5,838	5,838	(5)	5,833
Dividend relating to 2013	-	(5,769)	-	-	-	-	(5,769)	(5,769)	-	(5,769)
Balance at 30 June 2014	125,646	170,302	9,773	962	89	-	181,126	306,772	(109)	306,663

* Includes other reserves of \$112,000 as at 30 June 2014.

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Statement of Changes in Equity - Group

	Equity attributable to equity holders of the Company									
	Share Capital	Retained Earnings & Other Reserves*	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Fair Value Reserve	Hedging Reserve	Total Reserves	Total	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2013	125,646	144,745	9,773	92	(317)	(232)	154,061	279,707	(111)	279,596
Profit for the period	-	7,096	-	-	-	-	7,096	7,096	11	7,107
Other comprehensive income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	2,590	-	-	2,590	2,590	-	2,590
Fair value gain on cash flow hedge	-	-	-	-	-	231	231	231	-	231
Fair value gain on available-for-sale financial assets	-	-	-	-	48	-	48	48	-	48
Other comprehensive income for the period, net of tax	-	-	-	2,590	48	231	2,869	2,869	-	2,869
Total comprehensive income for the period	-	7,096	-	2,590	48	231	9,965	9,965	11	9,976
Dividend relating to 2012	-	(3,462)	-	-	-	-	(3,462)	(3,462)	-	(3,462)
Balance at 30 June 2013	125,646	148,379	9,773	2,682	(269)	(1)	160,564	286,210	(100)	286,110

* Includes other reserves of \$112,000 as at 30 June 2013.

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Statement of Changes in Equity - Company

	<u>Share Capital</u> \$'000	<u>Accumulated Losses</u> \$'000	<u>Fair Value Reserve</u> \$'000	<u>Other Reserve</u> \$'000	<u>Total Reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2014	125,646	(42,300)	29	926	(41,345)	84,301
Loss for the period	-	(145)	-	-	(145)	(145)
Fair value loss on available-for-sale financial assets	-	-	(2)	-	(2)	(2)
Total comprehensive loss for the period	-	(145)	(2)	-	(147)	(147)
Dividend relating to 2013	-	(5,769)	-	-	(5,769)	(5,769)
Balance at 30 June 2014	125,646	(48,214)	27	926	(47,261)	78,385

	<u>Share Capital</u> \$'000	<u>Accumulated Losses</u> \$'000	<u>Fair Value Reserve</u> \$'000	<u>Other Reserve</u> \$'000	<u>Total Reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2013	125,646	(44,661)	4	926	(43,731)	81,915
Loss for the period	-	(182)	-	-	(182)	(182)
Fair value gain on available-for-sale financial assets	-	-	17	-	17	17
Total comprehensive (loss) / income for the period	-	(182)	17	-	(165)	(165)
Dividend relating to 2012	-	(3,462)	-	-	(3,462)	(3,462)
Balance at 30 June 2013	125,646	(48,305)	21	926	(47,358)	78,288

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- 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.

There were no changes in the share capital since the end of the previous period reported on.

	Number of shares	Amount
	'000	\$'000
Balance at 1 January and 30 June 2014	576,936	125,646

There were no treasury shares in issue and there was no conversion of any 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.

Please refer to 1 (d)(ii) above.

- 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.

Not applicable.

- 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 computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 December 2013 except for the adoption of certain Financial Reporting Standard ("FRS") and Interpretation ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2014.

- 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.

The adoption of FRS and INT FRS as highlighted in item 4 has no significant impact on the financial statements.

- 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.

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

Group	
Second Quarter	
30/06/2014	30/06/2013
<u>Cents</u> 0.80	<u>Cents</u> 0.37
0.80	0.37

Group	
Six Months	
30/06/2014	30/06/2013
<u>Cents</u> 1.38	<u>Cents</u> 1.23
1.38	1.23

- 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 period reported on; and

(b) immediately preceding financial year

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

Group	
30/06/2014	31/12/13
<u>Cents</u> 53.17	<u>Cents</u> 53.16

Company	
30/06/2014	31/12/13
<u>Cents</u> 13.59	<u>Cents</u> 14.61

- 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 2014 ("2Q 2014") vs Second quarter 2013 ("2Q 2013")

Group revenue for 2Q 2014 increased by 10% to \$19.7 million, from \$17.9 million in 2Q 2013. This was mainly contributed by higher revenue from Hotel Investment and Management segment, higher revenue from development property sold as well as higher rental income from 100 AM due to higher occupancy.

Cost of properties sold / consumables used for 2Q 2014 decreased by 31% to \$1.9 million, from \$2.8 million in 2Q 2013. This was mainly due to write back of construction cost for a project.

Other income for 2Q 2014 increased by 196% to \$370k, from \$125k in 2Q 2013. This was mainly due to higher tenant related income from 100 AM.

First half 2014 ("1H 2014") vs First half 2013 ("1H 2013")

Group revenue for 1H 2014 decreased by 11% to \$37.6 million, from \$42.5 million in 1H 2013. The decrease was mainly due to lower contribution from fewer units of development properties sold, partially offset against higher revenue from 100 AM. The Hotel Investment and Management segment contributed a marginal increase in 1H 2014.

Cost of properties sold / consumables used for 1H 2014 decreased by 64% to \$3.4 million, from \$9.4 million in 1H 2013. This was due to fewer units of development properties sold and write back of construction cost for a project.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In the Company's first quarter 2014 results, it was stated that:

"In Singapore's hospitality sector, growth is expected to slow in the coming quarters. The Singapore Tourism Board has forecasted total tourism receipts for 2014 to be \$23.8 billion to \$24.6 billion, against \$23.5 billion for 2013. Room inventories is also forecasted to grow by over 20% within the next 3 years. Increased levies on costs and increasing labour shortages shall also provide additional challenges to the sector. To meet these challenges, we are continually upgrading our services and product offering, and focus on maintaining occupancy rates and our market share. We have relaunched our newly renovated Elements restaurant and bar with a new theme in December 2013, and more upgrading of our products are being planned.

In our Property Investment and Development segment, our revenue shall be affected by the softening of prices and sales volume in the residential property market. This would be partially offset by improved rentals from our 100 AM shopping mall and office tower, which is enjoying full occupancy."

The results of second quarter 2014 are generally in line with the above statement.

- 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.**

The Singapore Tourism Board has recently rolled out a \$10 million marketing effort to woo China tourists back. With this marketing effort and the opening of the new Sports Hub which has a host of events lined up, visitor arrivals is expected to be boosted. We will continue to tweak our marketing strategy to mitigate the impact of the softening market.

According to the 2Q 2014 real estate statistic from URA, the private property index declined by 1% this quarter, which is the third continuous quarter of decline. In addition, the property cooling measures continue to be in place as MAS is of the view that prices remain high. This would impact our unsold residential development units as well as new units to be launched for the rest of the year.

- 11 **Dividend**

- (a) **Current Financial Period Reported On** : None
- (b) **Corresponding Period of the Immediately Preceding Financial Year** : 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.**

Not applicable

- 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 2014 financial results to be false or misleading in all material aspects.

BY ORDER OF THE BOARD

Ms Susan Teo Geok Tin / Ms Foo Soon Soo

Company Secretaries

12 August 2014