



Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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					
	Third Quarter			Nine Months		
	30/09/2019	30/09/2018	Change	30/09/2019	30/09/2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	25,086	27,143	(8)	75,516	75,587	-
Other income	282	42	NM	1,202	175	NM
Changes in inventories of finished goods	16	(25)	NM	(49)	51	NM
Cost of properties sold/consumables used	(1,772)	(1,352)	31	(6,573)	(7,690)	(15)
Staff costs	(7,136)	(6,662)	7	(21,238)	(21,107)	1
Depreciation	(2,699)	(2,412)	12	(8,074)	(6,307)	28
Finance costs	(3,077)	(2,422)	27	(9,510)	(6,655)	43
Other expenses	(7,429)	(11,087)	(33)	(21,794)	(25,937)	(16)
Share of results of a jointly-controlled entity, net of tax	13	-	NM	(7)	230	NM
Profit before tax	3,284	3,225	2	9,473	8,347	13
Income tax expense	(959)	(718)	34	(2,816)	(2,644)	7
Profit for the period	2,325	2,507	(7)	6,657	5,703	17
Other comprehensive loss:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	(2,347)	(3,783)	(38)	(4,100)	(3,493)	17
Other comprehensive loss for the period, net of tax	(2,347)	(3,783)	(38)	(4,100)	(3,493)	17
Total comprehensive (loss)/income for the period	(22)	(1,276)	(98)	2,557	2,210	16
Profit attributable to :						
Owners of the Company	2,325	2,507	(7)	6,657	5,703	17
Non-controlling interests	-	-*	NM	-	-*	NM
	2,325	2,507	(7)	6,657	5,703	17
Total comprehensive (loss)/income attributable to :						
Owners of the Company	(22)	(1,276)	(98)	2,557	2,210	16
Non-controlling interests	-	-*	NM	-	-*	NM
	(22)	(1,276)	(98)	2,557	2,210	16

Notes to Consolidated Statement of Comprehensive Income :

	Group					
	Third Quarter			Nine Months		
	30/09/2019	30/09/2018	Change	30/09/2019	30/09/2018	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit before tax is arrived at after (charging)/crediting:						
Amortisation of other assets	(28)	(28)	-	(83)	(84)	(1)
Amortisation of land use rights	(102)	(94)	9	(309)	(215)	44
Bad debts written off	(50)	(8)	NM	(50)	(8)	NM
Property, plant and equipment written off	(1)	(69)	(99)	(7)	(263)	(97)
(Loss)/Gain on disposal of property, plant and equipment	(1)	-	NM	15	3	NM
Income from financial assets, FVTPL**	5	10	(50)	137	26	NM
Gain on disposal of financial assets, FVTPL	-	-	NM	-	30	(100)
Loss on fair value adjustments on financial assets, FVTPL	(43)	(2)	NM	(96)	(101)	(5)
Interest income	5	3	67	16	13	23
Net foreign exchange gain/(loss)	294	(1,693)	NM	884	(1,615)	NM
Over/(Under) provision of prior years' tax	-	25	(100)	(25)	25	NM

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	
		30/09/2019 \$'000	31/12/2018 \$'000	30/09/2019 \$'000	31/12/2018 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		10,538	14,976	27	41
Trade and other receivables		12,692	13,038	62,054	72,661
Contract assets		636	-	-	-
Inventories		538	587	-	-
Development properties		105,224	109,803	-	-
Total current assets		129,628	138,404	62,081	72,702
Non-current assets					
Financial assets at fair value through profit or loss ("FVTPL")		953	1,049	163	160
Intangible assets		1,178	1,178	-	-
Investment in a jointly-controlled entity	A	484	1,691	-	-
Investment in subsidiaries		-	-	40,987	40,987
Investment properties		395,979	398,085	-	-
Property, plant and equipment	D	259,701	239,652	-	-
Land use rights		6,164	6,618	-	-
Other assets		6,160	6,243	-	-
Deferred tax assets		231	97	-	-
Trade and other receivables		455	472	-	-
Total non-current assets		671,305	655,085	41,150	41,147
Total assets		800,933	793,489	103,231	113,849
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	B	23,621	30,584	274	333
Contract liabilities	C	-	7,661	-	-
Income tax payable		2,925	3,737	-	-
Bank loans		96,396	8,288	-	-
Finance leases	D	2,644	1,363	-	-
Total current liabilities		125,586	51,633	274	333
Non-current liabilities					
Trade and other payables		4,035	3,840	-	-
Bank loans		240,212	321,313	-	-
Finance leases	D	34,469	4,109	-	-
Deferred tax liabilities		12,062	13,226	-	-
Total non-current liabilities		290,778	342,488	-	-
Capital and reserves					
Share capital		125,646	125,646	125,646	125,646
Treasury shares		(996)	(996)	(996)	(996)
Reserves		259,919	274,718	(21,693)	(11,134)
Total equity		384,569	399,368	102,957	113,516
Total liabilities and equity		800,933	793,489	103,231	113,849

Notes to Statements of Financial Position:

- A Decrease was mainly due to dividend received during the financial period.
- B Decrease was mainly due to payments of construction costs during the financial period.
- C Decreased as the construction of the development properties progressed.
- D Increase was mainly due to adoption of SFRS(I) 16 Leases in which right-of-use ("ROU") assets and corresponding lease liabilities were recognised.

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

30/09/2019	
\$'000	
Secured	Unsecured
99,040	Nil

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

Amount repayable after one year

30/09/2019	
\$'000	
Secured	Unsecured
274,681	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 \$37,113,000 (2018: \$5,472,000) are secured by the lessor's title on the leased assets.

1 (c) Consolidated Statement of Cash Flows

	Group		Group	
	Third Quarter		Nine Months	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before income tax	3,284	3,225	9,473	8,347
Adjustments for:				
Amortisation of other assets	28	28	83	84
Amortisation of land use rights	102	94	309	215
Depreciation of property, plant and equipment	2,699	2,412	8,074	6,307
Property, plant and equipment written off	1	69	7	263
Loss/(Gain) on disposal of property, plant and equipment	1	-	(15)	(3)
Income from financial assets, FVTPL	(5)	(10)	(137)	(26)
Gain on disposal of financial assets, FVTPL	-	-	-	(30)
Loss on fair value adjustment of financial assets, FVTPL	43	2	96	101
Interest income	(5)	(3)	(16)	(13)
Interest expense	3,077	2,422	9,510	6,655
Share of results of a jointly-controlled entity, net of tax	(13)	-	7	(230)
Exchange difference	(30)	3,295	(26)	2,261
Operating cash flows before movements in working capital	9,182	11,534	27,365	23,931
Inventories	(14)	26	49	(50)
Trade and other receivables	909	(2,362)	363	(3,242)
Trade and other payables	(1,643)	19,314	(6,444)	22,738
Development properties	2,987	(17,140)	4,579	(18,187)
Contract assets/liabilities	(3,641)	-	(8,297)	-
Cash generated from operations	7,780	11,372	17,615	25,190
Income tax paid	(1,895)	(1,951)	(3,946)	(3,598)
Net cash from operating activities	5,885	9,421	13,669	21,592
Investing activities				
Proceeds from sale of financial assets, FVTPL	-	15	-	49
Income received from financial assets, FVTPL	5	10	137	26
Payment for land use rights	-	-	-	(1,020)
Proceeds from disposal of property, plant and equipment	-	-	20	8
Payments for property, plant and equipment	(1,035)	(2,153)	(2,762)	(5,536)
Additional costs incurred on investment properties	-	(994)	-	(3,167)
Interest received	5	3	16	13
Dividend received from a jointly-controlled entity	-	-	1,200	520
Net cash used in investing activities	(1,025)	(3,119)	(1,389)	(9,107)
Financing activities				
Interest paid	(3,077)	(2,633)	(9,510)	(7,223)
Payment of dividends on ordinary shares	-	-	(11,499)	(5,750)
Repayment of finance lease liabilities	(390)	(412)	(1,240)	(1,106)
Proceeds from bank borrowings	60,578	44,226	102,962	84,198
Repayment of bank borrowings	(62,672)	(44,335)	(97,442)	(78,279)
Net cash used in financing activities	(5,561)	(3,154)	(16,729)	(8,160)
Net (decrease)/increase in cash and cash equivalents	(701)	3,148	(4,449)	4,325
Cash and cash equivalents at beginning of period	11,235	10,159	14,976	8,983
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	4	(1)	11	(2)
Cash and cash equivalents at end of period	10,538	13,306	10,538	13,306

Note to Consolidated Statement of Cash Flows :

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

	Group	
	30/09/2019	30/09/2018
	\$'000	\$'000
Cash at bank and on hand	8,718	12,454
Fixed deposits	1,820	852
	10,538	13,306

AMARA HOLDINGS LIMITED

Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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	-	-	-	6,657	6,657	6,657	-	6,657
Other comprehensive loss	-	-	(4,100)	-	(4,100)	(4,100)	-	(4,100)
Total	-	-	(4,100)	6,657	2,557	2,557	-	2,557
Dividend relating to 2018	-	-	-	(11,499)	(11,499)	(11,499)	-	(11,499)
Balance at 30 September 2019	125,646	(996)	(10,611)	270,530	259,919	384,569	-	384,569

	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	-	-	-	5,703	5,703	5,703	-	5,703
Other comprehensive loss	-	-	(3,493)	-	(3,493)	(3,493)	-	(3,493)
Total	-	-	(3,493)	5,703	2,210	2,210	-	2,210
Dividend relating to 2017	-	-	-	(5,750)	(5,750)	(5,750)	-	(5,750)
Effects of acquiring non-controlling interests in a subsidiary	-	-	-	(364)	(364)	(364)	364	-
Balance at 30 September 2018	125,646	(996)	(4,756)	255,802	251,046	375,696	-	375,696

AMARA HOLDINGS LIMITED**Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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
Profit for the period, representing total comprehensive income for the period	-	-	940	-	940	940
Dividend relating to 2018	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 30 September 2019	<u>125,646</u>	<u>(996)</u>	<u>(22,619)</u>	<u>926</u>	<u>(21,693)</u>	<u>102,957</u>

	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
Loss for the period, representing total comprehensive loss for the period	-	-	(1,420)	-	(1,420)	(1,420)
Dividend relating to 2017	-	-	(5,750)	-	(5,750)	(5,750)
Balance at 30 September 2018	<u>125,646</u>	<u>(996)</u>	<u>(25,962)</u>	<u>926</u>	<u>(25,036)</u>	<u>99,614</u>

- 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 September 2019	576,936	125,646

As at 30 September 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.

	30/09/2019	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	1/1/2019	Effects	1/1/2019
	As reported	SFRS(I) 16	As restated
	\$'000	Leases	\$'000
Statement of Financial Position			
Property, plant and equipment	239,652	24,716	264,368
Trade and other payables	(30,584)	423	(30,161)
Finance leases	(5,472)	(31,976)	(37,448)
Deferred tax liabilities	(13,226)	877	(12,349)
Deferred tax assets	97	103	200
Retained earnings	(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		Group	
	Third Quarter		Nine Months	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	Cents	Cents	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue	0.40	0.44	1.16	0.99
(ii) On a fully diluted basis	0.40	0.44	1.16	0.99

- 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	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital at the end of the period/year	66.89	69.46	17.91	19.74

- 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.

Third Quarter 2019 ("3Q 2019") vs Third Quarter 2018 ("3Q 2018")

Group revenue for 3Q 2019 decreased by 8% to \$25.1 million, from \$27.1 million in 3Q 2018. This was mainly due to lower revenue in the Hotel Investment and Management segment.

Other income for 3Q 2019 increased mainly due to foreign exchange gain in 3Q 2019.

Cost of properties sold/consumables used for 3Q 2019 increased by 31% to \$1.8 million, from \$1.4 million in 3Q 2018. This was mainly due to higher sales and progressive recognition of development costs from the Property Investment and Development segment.

Depreciation charge for 3Q 2019 increased by 12% to \$2.7m, from \$2.4m in 3Q 2018. This was mainly due to the addition of property, plant and equipment and recognition of ROU assets upon adoption of SFRS(I) 16 Leases.

Finance costs for 3Q 2019 increased by 27% to \$3.1 million, from \$2.4 million in 3Q 2018. This was mainly due to higher interest rate on bank borrowings, borrowing costs expensed from development properties upon adoption of SFRS(I) 15 Revenue from Contracts with Customers and reclassification of certain lease payments upon adoption of SFRS(I) 16 Leases.

Other expenses for 3Q 2019 decreased by 33% to \$7.4 million, from \$11.1 million in 3Q 2018. This was mainly due to reclassification of certain lease payments in 3Q 2019 upon adoption of SFRS(I) 16 Leases, foreign exchange loss in 3Q 2018 and higher property development marketing expenses in 3Q 2018.

Year to date September 2019 ("YTD Sep 2019") vs Year to date September 2018 ("YTD Sep 2018")

There was no significant change in group revenue for YTD Sep 2019.

Other income for YTD Sep 2019 increased mainly due to foreign exchange gain in YTD Sep 2019.

Cost of properties sold/consumables used for YTD Sep 2019 decreased by 15% to \$6.6 million, from \$7.7 million in YTD Sep 2018. This was mainly due to lower sales and progressive recognition of development costs from the Property Investment and Development segment.

Depreciation for YTD Sep 2019 increased by 28% to \$8.1 million, from \$6.3 million in YTD Sep 2018. This was mainly due to the addition of property, plant and equipment, recognition of ROU assets upon adoption of SFRS(I) 16 Leases and shorter depreciation period for certain assets for YTD Sep 2018 as these assets were ready for their intended use after 1 January 2018.

Finance costs for YTD Sep 2019 increased by 43% to \$9.5 million, from \$6.7 million in YTD Sep 2018. This was mainly due to higher interest rate on bank borrowings, borrowing costs expensed from development properties upon adoption of SFRS(I) 15 Revenue from Contracts with Customers and reclassification of certain lease payments upon adoption of SFRS(I) 16 Leases.

Other expenses for YTD Sep 2019 decreased by 16% to \$21.8 million, from \$25.9 million in YTD Sep 2018. This was mainly due to reclassification of certain lease payments in YTD September 2019 upon adoption of SFRS(I) 16 Leases, foreign exchange loss in YTD Sep 2018 and higher property development marketing expenses in YTD Sep 2018.

- 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.**
 The hospitality industry remains competitive amid the ongoing US - China trade disputes and uncertain global economic conditions.
 Despite recent rebound, the cooling measures continue to dampen the sentiment in the Singapore residential property market.
 The Group focuses on strengthening its operating performance in the challenging environments.
- 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 and the reason(s) for the decision.**
 No dividend has been declared/recommended for the quarter ended 30 September 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 third 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).