



Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 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		
	Three Months		
	31/03/2014	31/03/2013	Change
	\$'000	\$'000	%
Revenue	17,894	24,563	(27)
Other income	216	445	(51)
Changes in inventories of finished goods	(16)	(34)	(53)
Cost of properties sold / consumables used	(1,479)	(6,614)	(78)
Staff costs	(4,556)	(4,441)	3
Depreciation	(971)	(1,061)	(8)
Finance costs	(884)	(1,061)	(17)
Other expenses	(5,837)	(5,720)	2
Profit before tax	4,367	6,077	(28)
Income tax expense	(970)	(1,093)	(11)
Profit for the year	3,397	4,984	(32)
Other comprehensive (loss) / income, after tax :			
Currency translation differences on translation of financial statements of foreign subsidiaries	(1,874)	927	NM
Fair value gain on cash flow hedge	-	231	NM
Impairment loss on available-for-sale financial assets	278	-	NM
Fair value gain on available-for-sale financial assets	49	83	NM
Other comprehensive (loss) / gain for the year, net of tax	(1,547)	1,241	NM
Total comprehensive income for the period	1,850	6,225	(70)
Profit attributable to :			
Equity holders of the Company	3,399	4,979	(32)
Non-controlling interests	(2)	5	NM
	3,397	4,984	(32)
Total comprehensive income attributable to :			
Equity holders of the Company	1,852	6,220	(70)
Non-controlling interests	(2)	5	NM
	1,850	6,225	(70)

Notes to Consolidated Statement of Comprehensive Income :

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

	Group		
	Three Months		
	31/03/2014	31/03/2013	Change
	\$'000	\$'000	%
Amortisation of other assets	(28)	(28)	(0)
Allowance of doubtful receivables, net	(4)	(5)	(20)
Depreciation of property, plant and equipment	(971)	(1,061)	(8)
Impairment loss on available-for-sale financial assets	(278)	-	NM
Interest income	141	138	2
Net foreign exchange (loss) / gain	(1)	190	NM
Tax			
Adjustment for over-provision of tax in respect of prior years	-	14	NM

NM : Not meaningful

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		31/03/14 \$'000	31/12/13 \$'000	31/03/2014 \$'000	31/12/13 \$'000
Current assets					
Cash and bank balances	A	8,043	12,565	78	44
Trade and other receivables	B	14,386	12,981	43,614	43,694
Inventories		323	339	-	-
Development properties		45,731	45,044	-	-
Other current assets		2,327	2,642	12	3
		70,810	73,571	43,704	43,741
Non-current assets					
Available-for-sale financial assets		1,358	1,315	197	188
Intangible assets		357	357	-	-
Investment in subsidiaries		-	-	40,937	40,937
Investment in an associate		2,098	2,098	-	-
Investment properties		279,377	279,000	-	-
Property, plant and equipment	C	185,952	176,086	-	-
Goodwill		789	789	-	-
Other assets		6,773	6,800	-	-
Other receivables		30,873	30,483	-	-
Deferred income tax assets		469	494	-	-
		508,046	497,422	41,134	41,125
Total assets		578,856	570,993	84,838	84,866
Current liabilities					
Trade and other payables		23,787	24,385	621	565
Tax payables	D	6,721	5,594	-	-
Borrowings		12,612	12,861	-	-
		43,120	42,840	621	565
Non-current liabilities					
Trade and other payables		6,366	5,865	-	-
Borrowings		214,138	208,946	-	-
Deferred income tax liabilities		6,783	6,743	-	-
		227,287	221,554	-	-
Total liabilities		270,407	264,394	621	565
Net assets		308,449	306,599	84,217	84,301
Capital and reserves attributable to equity holders of the Company					
Share capital		125,646	125,646	125,646	125,646
Reserves		182,909	181,057	(41,429)	(41,345)
		308,555	306,703	84,217	84,301
Non-controlling interests		(106)	(104)	-	-
Total equity		308,449	306,599	84,217	84,301

Notes to Statements of Financial Position:

- A Decrease was mainly due to lower cash floats maintained in the various subsidiaries, as well as payments for projects.
- B Increase was due mainly to outstanding instalments not yet due for units sold in a development project.
- C Increase was due to costs of construction for the ongoing projects in Bangkok and Shanghai.
- D Increase was due mainly to tax provision for the current year.

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

31/03/14	
\$'000	
Secured	Unsecured
12,612	Nil

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

Amount repayable after one year

31/03/14	
\$'000	
Secured	Unsecured
214,138	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.

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

1 (c) Consolidated Statement of Cash Flows

	Notes	Group	
		31/03/2014 \$'000	31/03/2013 \$'000
Cash flows from operating activities			
Profit before tax		4,367	6,077
Adjustments for:			
Amortisation of other assets		28	28
Depreciation of property, plant and equipment		971	1,061
Income from available-for-sale financial assets		(3)	(2)
Interest expense	A	884	1,061
Interest income		(141)	(138)
Impairment loss of available-for-sale financial assets		278	-
Loss on disposal of available-for-sale financial assets		1	-
Exchange difference		21	(78)
Operating cash flow before working capital changes		6,406	8,009
Changes in operating assets and liabilities :			
Development properties	B	(687)	17,600
Inventories		16	27
Payables		(97)	(3,346)
Receivables	C	(1,480)	(6,877)
Cash generated from operations		4,158	15,413
Net income tax refund / (paid)		222	(387)
Net cash generated from operating activities		4,380	15,026
Cash flows from investing activities			
Income received from quoted equity investments		3	2
Interest received		141	138
Payments for property, plant and equipment	D	(12,732)	(2,483)
Proceeds from disposal of property, plant and equipment		-	1
Proceeds from sale of available-for-sale financial assets		5	-
Additional costs incurred on investments properties		(377)	(211)
Net cash used in investing activities		(12,960)	(2,553)
Cash flows from financing activities			
Interest paid	A	(884)	(1,061)
Net repayments of finance lease liabilities		(33)	(22)
Net draw down / (repayment) of bank borrowings	E	4,975	(11,178)
Net cash generated from / (used in) financing activities		4,058	(12,261)
Net (decrease) / increase in cash and cash equivalents held		(4,522)	212
Cash and cash equivalents at beginning of financial period		12,565	15,226
Effect of exchange rate changes on cash and cash equivalents		-	15
Cash and cash equivalents at the end of financial period		8,043	15,453

Note to Consolidated Statement of Cash Flows :

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

	Group	
	31/03/2014 \$'000	31/03/2013 \$'000
Cash and bank balances	8,043	15,453

Notes to Statements of Cash Flows:

- A Decrease was due to lower interest rates.
- B Decrease in change was due to no development properties being sold in 2014.
- C Higher increase in the 1st quarter 2013 was due to outstanding instalments not yet due for units sold in a development project.
- D Payments were mainly for construction of the projects in Bangkok and Shanghai.
- E Increased in bank borrowings to finance payments for ongoing projects.

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

- 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	Retained	Asset	Foreign	Fair Value	Hedging	Total		Non-	Total
	<u>Capital</u>	<u>Earnings</u>	<u>Revaluation</u>	<u>Currency</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserves</u>	<u>Total</u>	<u>controlling</u>	<u>Equity</u>
	\$'000	& Other <u>Reserves*</u>	<u>Reserve</u>	Translation <u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserves</u>	<u>Total</u>	<u>Interests</u>	<u>Equity</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 Jan 2014	125,646	168,081	9,773	3,448	(245)	-	181,057	306,703	(104)	306,599
Profit for the period	-	3,399	-	-	-	-	3,399	3,399	(2)	3,397
Other comprehensive (loss) / income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	(1,874)	-	-	(1,874)	(1,874)	-	(1,874)
Impairment loss on available-for-sale financial assets	-	-	-	-	278	-	278	278	-	278
Fair value gain on available-for-sale financial assets	-	-	-	-	49	-	49	49	-	49
Other comprehensive (loss) / income for the period, net of tax	-	-	-	(1,874)	327	-	(1,547)	(1,547)	-	(1,547)
Total comprehensive (loss) / income for the period	-	3,399	-	(1,874)	327	-	1,852	1,852	(2)	1,850
Balance at 31 March 2014	125,646	171,480	9,773	1,574	82	-	182,909	308,555	(106)	308,449

* Includes other reserves of \$112,000 as at 31 March 2014.

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

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 Jan 2013	125,646	144,745	9,773	92	(317)	(232)	154,061	279,707	(111)	279,596
Profit for the period	-	4,979	-	-	-	-	4,979	4,979	5	4,984
Other comprehensive income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	927	-	-	927	927	-	927
Fair value gain on cash flow hedge	-	-	-	-	-	231	231	231	-	231
Fair value gain on available-for-sale financial assets	-	-	-	-	83	-	83	83	-	83
Other comprehensive income for the period, net of tax	-	-	-	927	83	231	1,241	1,241	-	1,241
Total comprehensive income for the period	-	4,979	-	927	83	231	6,220	6,220	5	6,225
Balance at 31 March 2013	125,646	149,724	9,773	1,019	(234)	(1)	160,281	285,927	(106)	285,821

* Includes other reserves of \$112,000 as at 31 March 2013.

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

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 Jan 2014	125,646	(42,300)	29	926	(41,345)	84,301
Loss for the period	-	(99)	-	-	(99)	(99)
Fair value gain on available-for-sale financial assets	-	-	15	-	15	15
Total comprehensive (loss) / income for the period	-	(99)	15	-	(84)	(84)
Balance at 31 March 2014	125,646	(42,399)	44	926	(41,429)	84,217

	<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	-	(81)	-	-	(81)	(81)
Fair value gain on available-for-sale financial assets	-	-	17	-	17	17
Total comprehensive (loss) / income for the period	-	(81)	17	-	(64)	(64)
Balance at 31 March 2013	125,646	(44,742)	21	926	(43,795)	81,851

AMARA HOLDINGS LIMITED

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2014

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 31 March 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	
31/03/2014	31/03/2013
<u>Cents</u> 0.59	<u>Cents</u> 0.86
0.59	0.86

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	
31/03/2014	31/12/13
<u>Cents</u> 53.48	<u>Cents</u> 53.16

Company	
31/03/2014	31/12/13
<u>Cents</u> 14.60	<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.

Group revenue for the 1st quarter 2014 ("1Q2014") decreased by 27% to \$17.9 million, from \$24.6 million for 1st quarter 2013 ("1Q2013"). This was mainly due to lower revenue from the Property Investment & Development segment as there were no sale of residential development properties in 1Q2014. This was partially offset by higher rental revenue from 100 AM. Revenue from the Hotel Investment and Management segment increased slightly for 1Q2014 over 1Q2013.

Other income decreased to \$0.2 million in 1Q2014 from \$0.4 million in 1Q2013 due mainly to lower interest income and lower foreign exchange gains.

Cost of properties sold / consumables used decreased to \$1.5 million in 1Q2014 from \$6.6 million in 1Q2013, as there were no sales of development properties in 1Q2014.

Depreciation decreased to \$1.0 million in 1Q2014 from \$1.1 million in 1Q2013 due to items being fully depreciated in the previous quarters.

Finance costs decreased to \$0.88 million in 1Q2014 from \$1.1 million in 1Q2013 due mainly to lower interest rates.

Income tax expense decreased to \$0.97 million in 1Q2014 from \$1.1 million in 1Q2013 due to lower taxable income.

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 fourth quarter 2013 results, it was stated that:

"Our Hotel Investment and Management segment shall continue to provide stable contribution to the group. Amara Bangkok is scheduled to begin operations in the latter half of 2014, adding a new source of revenue contribution for the group.

In the Property Investment and Development segment, contribution from our 100 AM shopping mall and office tower is expected to increase due to gradual changes in tenant mix to tenancies with higher yields. In the Singapore residential property market, the cooling measures implemented by the government, the anticipated increase in interest rates and the completion of new units, have affected prices and demand which are expected to soften even further. Our unsold residential development units, as well as new units to be launched in the forthcoming quarters shall be similarly impacted. "

The results of first 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.**

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.

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 first 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

14 May 2014