



Unaudited Half Year Financial Statement And Dividend Announcement for the Period Ended 30 June 2020

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		
	Six Months		
	30/06/2020	30/06/2019	Change
	\$'000	\$'000	%
Revenue	27,884	50,430	(45)
Other income	390	920	(58)
Changes in inventories of finished goods	(100)	(65)	54
Cost of properties sold/consumables used	(1,949)	(4,801)	(59)
Staff costs	(8,347)	(14,102)	(41)
Depreciation	(5,594)	(5,451)	3
Finance costs	(5,232)	(6,500)	(20)
Other expenses	(9,764)	(14,158)	(31)
Share of results of a jointly-controlled entity, net of tax	(29)	(20)	45
(Loss)/Profit before tax	(2,741)	6,253	NM
Income tax expense	(893)	(1,857)	(52)
(Loss)/Profit for the period	(3,634)	4,396	NM
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations, representing total other comprehensive income/(loss) for the period	2,655	(1,753)	NM
Total comprehensive (loss)/income for the period	(979)	2,643	NM
(Loss)/Profit attributable to :			
Owners of the Company	(3,634)	4,396	NM
Total comprehensive (loss)/income attributable to :			
Owners of the Company	(979)	2,643	NM

Notes to Consolidated Statement of Comprehensive Income :

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

	Group		
	Six Months		
	30/06/2020	30/06/2019	Change
	\$'000	\$'000	%
Amortisation of other asset	(56)	(58)	(3)
Property, plant and equipment written off	-	(6)	(100)
(Loss)/Gain on disposal of property, plant and equipment	(9)	16	NM
Dividend income from financial assets at FVTPL*	14	132	(89)
Loss on fair value adjustments on financial assets at FVTPL	(150)	(53)	NM
Interest income - fixed deposits	8	11	(27)
Foreign exchange gain, net	177	590	(70)
Under provision of prior years' income tax	(2)	(25)	(92)

NM : Not meaningful

* Financial assets at fair value through profit or loss

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		30/06/2020	31/12/2019	30/06/2020	31/12/2019
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	A	6,793	10,211	28	39
Trade and other receivables		14,144	14,357	61,181	73,017
Inventories		438	538	-	-
Development properties		105,005	104,250	-	-
Contract assets	B	2,075	2,354	-	-
Total current assets		128,455	131,710	61,209	73,056
Non-current assets					
Trade and other receivables		332	355	-	-
Financial assets at fair value through profit or loss ("FVTPL")		816	966	142	167
Intangible assets		1,178	1,178	-	-
Investment in a jointly-controlled entity		445	474	-	-
Investment in subsidiaries		-	-	40,987	40,987
Investment properties	C	418,828	417,477	-	-
Property, plant and equipment		225,964	228,800	-	-
Other asset		6,076	6,132	-	-
Deferred tax assets		640	648	-	-
Right-of-use assets		33,224	33,951	-	-
Total non-current assets		687,503	689,981	41,129	41,154
Total assets		815,958	821,691	102,338	114,210
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	D	18,142	20,105	245	373
Contract liabilities	B	193	-	-	-
Income tax payable		4,541	4,238	-	-
Bank loans	E	6,932	38,400	-	-
Lease liabilities		2,283	2,259	-	-
Total current liabilities		32,091	65,002	245	373
Non-current liabilities					
Trade and other payables	D	4,326	4,514	-	-
Bank loans	F	337,160	297,208	-	-
Lease liabilities		36,221	36,485	-	-
Deferred tax liabilities		14,742	14,586	-	-
Total non-current liabilities		392,449	352,793	-	-
Capital and reserves					
Share capital		125,646	125,646	125,646	125,646
Treasury shares		(996)	(996)	(996)	(996)
Reserves		266,768	279,246	(22,557)	(10,813)
Total equity		391,418	403,896	102,093	113,837
Total liabilities and equity		815,958	821,691	102,338	114,210

Notes to Statements of Financial Position:

A Decrease was mainly due to payment of dividend during the financial period.

B Change was due to progress of the construction of the development properties.

C The increase in investment properties was mainly attributable to translation gain relating to the Group's overseas investment properties.

The carrying amounts of the investment properties as at 30 June 2020 are based on the independent valuations as at 31 December 2019 and have not taken into account any potential impact of the COVID-19 pandemic, which may be significant.

The outbreak of the COVID-19 has negatively impacted the hospitality and tourism sector and has affected the financial performance of the Group. There are recent signs of increased market activity as countries began easing their restrictions, but the pace of recovery remains highly uncertain. The COVID-19 situation is thus still evolving and has resulted in significant short term market uncertainty. The lack of visibility regarding future cash flows and insufficient market transactions available for benchmarking to adopt meaningful capitalisation rates also presents difficulties in obtaining appropriate property valuations.

After due consideration, the Board of Directors are of the view that under these circumstances, it may be difficult to reasonably quantify any impact on the carrying amounts of the investment properties as some of the key assumptions used to derive valuations currently would be subjective and arbitrary.

In line with current accounting practice, the Group conducts property valuation on an annual basis and will continue to value the investment properties at least once a year at the end of the financial year and any fair value gains or losses on investment properties will only be recorded in the full year results.

As an example, a decline of 1% in the carrying amount of the Group's investment properties would result in the decrease of the Group's Net Asset Value by about \$4.19 million and Net Asset Value per share of about 0.73 cent as at 30 June 2020.

1 (b) (i) Statements of Financial Position (Continued)

Notes to Statements of Financial Position: (Continued)

- D Decrease was mainly due to payments of operating expenses during the financial period.
 E Decrease due to refinancing of loans and reclassification to non-current bank loans.
 F Increase due to drawdown of loans and reclassification from current bank loans due to refinancing.

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

Amount repayable in one year or less, or on demand

30/06/2020	
\$'000	
Secured	Unsecured
9,215	Nil

31/12/2019	
\$'000	
Secured	Unsecured
40,659	Nil

Amount repayable after one year

30/06/2020	
\$'000	
Secured	Unsecured
373,381	Nil

31/12/2019	
\$'000	
Secured	Unsecured
333,693	Nil

Details of any collateral

The Group's bank loans are secured by the followings:

- (a) first mortgages on certain subsidiaries' property, plant and equipment, right-of-use assets, 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.

Included in secured borrowings as at 30 June 2020 are current lease liabilities of \$2,283,000 (31 December 2019: \$2,259,000) and non-current lease liabilities of \$36,221,000 (31 December 2019: \$36,485,000) which are secured on the right-of-use assets.

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1 (c) Consolidated Statement of Cash Flows

	Note	Group	
		Six Months	
		30/06/2020	30/06/2019
		\$'000	\$'000
Operating activities			
(Loss)/Profit before tax		(2,741)	6,253
Adjustments for:			
Amortisation of other asset		56	58
Depreciation of property, plant and equipment		4,680	4,538
Depreciation of right-of-use assets		914	913
Property, plant and equipment written off		-	6
Loss/(Gain) on disposal of property, plant and equipment		9	(16)
Dividend income from financial assets at FVTPL		(14)	(132)
Loss on fair value adjustment of financial assets at FVTPL		150	53
Interest income - fixed deposits		(8)	(11)
Interest expense		5,232	6,500
Share of results of a jointly-controlled entity, net of tax		29	20
Exchange differences		(164)	4
Operating cash flows before movements in working capital		8,143	18,186
Inventories		100	63
Trade and other receivables		236	(550)
Trade and other payables		(2,154)	(4,663)
Contract assets/liabilities		472	(4,656)
Development properties		(755)	1,592
Cash generated from operations		6,042	9,972
Income tax paid		(573)	(2,051)
Net cash from operating activities		5,469	7,921
Investing activities			
Dividend received from financial assets at FVTPL		14	132
Proceeds on disposal of property, plant and equipment		-	20
Payments for property, plant and equipment		(208)	(1,727)
Additional costs incurred on investment properties		-	(138)
Interest received		8	11
Dividend received from a jointly-controlled entity		-	1,200
Net cash used in investing activities		(186)	(502)
Financing activities			
Interest paid		(5,232)	(6,433)
Payment of dividends on ordinary shares		(11,499)	(11,499)
Repayment of lease liabilities		(326)	(850)
Repayment of bank borrowings		(37,870)	(34,770)
Proceeds from bank borrowings		46,233	42,384
Net cash used in financing activities		(8,694)	(11,168)
Net decrease in cash and cash equivalents		(3,411)	(3,749)
Cash and cash equivalents at beginning of period		10,211	14,976
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(7)	7
Cash and cash equivalents at end of period	A	6,793	11,234

Note to Consolidated Statement of Cash Flows :

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

	Group	
	30/06/2020	30/06/2019
	\$'000	\$'000
Cash at bank and on hand	6,104	8,794
Fixed deposits	689	2,440
	6,793	11,234

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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

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Retained earnings and other reserve* \$'000	Total reserves \$'000	Equity attributable to owners of the Company \$'000
Balance at 1 January 2020	125,646	(996)	(10,226)	289,472	279,246	403,896
Total comprehensive income/(loss) for the period						
Loss for the period	-	-	-	(3,634)	(3,634)	(3,634)
Other comprehensive income	-	-	2,655	-	2,655	2,655
Total	-	-	2,655	(3,634)	(979)	(979)
Dividends paid relating to 2019	-	-	-	(11,499)	(11,499)	(11,499)
Balance at 30 June 2020	125,646	(996)	(7,571)	274,339	266,768	391,418
Balance at 1 January 2019	125,646	(996)	(6,511)	281,229	274,718	399,368
Effects of adopting SFRS(1) 16	-	-	-	(8,436)	(8,436)	(8,436)
Balance at 1 January 2019 as restated	125,646	(996)	(6,511)	272,793	266,282	390,932
Total comprehensive income/(loss) for the period						
Profit for the period	-	-	-	4,396	4,396	4,396
Other comprehensive loss	-	-	(1,753)	-	(1,753)	(1,753)
Total	-	-	(1,753)	4,396	2,643	2,643
Dividends paid relating to 2018	-	-	-	(11,499)	(11,499)	(11,499)
Balance at 30 June 2019	125,646	(996)	(8,264)	265,690	257,426	382,076

* Includes other reserves of \$112,000 as at 30 June 2020 (31 December 2019: \$112,000)

Statement of Changes in Equity - Company

	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Other reserves \$'000	Total reserves \$'000	Total \$'000
Balance at 1 January 2020	125,646	(996)	(11,739)	926	(10,813)	113,837
Loss for the period, representing total comprehensive loss for the period	-	-	(245)	-	(245)	(245)
Total	-	-	(245)	-	(245)	(245)
Dividends paid relating to 2019, representing total transactions with owners recognised directly in equity	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 30 June 2020	125,646	(996)	(23,483)	926	(22,557)	102,093
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	-	-	1,047	-	1,047	1,047
Total	-	-	1,047	-	1,047	1,047
Dividends paid relating to 2018, representing total transactions with owners recognised directly in equity	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 30 June 2019	125,646	(996)	(22,512)	926	(21,586)	103,064

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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 2020	576,936	125,646

As at 30 June 2020 and 31 December 2019, 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.

	30/06/2020	31/12/2019
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 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 2019 except for the adoption of the new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are mandatory for the financial year beginning on or after 1 January 2020.

- 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 the new and revised SFRS(I)s 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.

Group	
Six Months	
30/06/2020	30/06/2019
Cents	Cents
(0.63)	0.76
(0.63)	0.76

(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

Net asset value per ordinary share based on issued share capital at

Group	
30/06/2020	31/12/2019
Cents	Cents
68.08	70.25

Company	
30/06/2020	31/12/2019
Cents	Cents
17.76	19.80

- 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.

First Half 2020 ("1H 2020") vs First Half 2019 ("1H 2019")

Group revenue for 1H 2020 decreased by 45% to \$27.9 million, from \$50.4 million in 1H 2019. This was mainly due to lower revenue in the Hotel Investment and Management segment as a result of the COVID-19 pandemic, circuit breaker and shutdowns.

Other income for 1H 2020 decreased mainly due to lower foreign exchange gain.

Cost of properties sold/consumables used for 1H 2020 decreased by 59% to \$2.0 million, from \$4.8 million in 1H 2019. This was mainly due to lower revenue in the Hotel Investment and Management segment and lower sales and progressive recognition of development costs in the Property Investment and Development segment.

Staff costs for 1H 2020 decreased by 41% to \$8.3 million, from \$14.1 million in 1H 2019. This was mainly due to cost control measures for COVID-19 implemented by the Group and government grant received under job support scheme in 1H 2020.

Depreciation charge for 1H 2020 increased by 3% to \$5.6m, from \$5.5m in 1H 2019. This was mainly due to the addition of property, plant and equipment during the year ended 2019.

Finance costs for 1H 2020 decreased by 20% to \$5.2 million, from \$6.5 million in 1H 2019. This was mainly due to lower interest rate on bank borrowings.

Other expenses for 1H 2020 decreased by 31% to \$9.8 million, from \$14.2 million in 1H 2019. This was mainly due to lower commission charges, cleaning expense, advertising and marketing expenses and utilities in 1H 2020 which was in line with the decrease in revenue.

Income tax expense for 1H 2020 decreased by 52% to \$0.9 million, from \$1.9 million in 1H 2019. This was mainly due to lower business activities as a result of the COVID-19 pandemic.

Other comprehensive income of \$2.7 million in 1H 2020 was mainly due to exchange gain on translation of foreign operation in China arising from appreciation of Chinese Yuan (Renminbi) against the Singapore Dollar. Other comprehensive loss of \$1.8 million in 1H 2019 was mainly due to exchange loss on translation of foreign operation in China arising from depreciation of Chinese Yuan (Renminbi) against the Singapore Dollar.

- 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.**

According to the International Monetary Fund's latest outlook, global economic growth is expected to contract by 4.9% in 2020 compared to 2019, as the impact of COVID-19 further weakened the world economy that was already affected by trade and political tensions. The second quarter GDP of the Singapore economy has contracted by 13.2%.

The uncertainty and challenges that the COVID-19 pandemic brings with it are unprecedented. As the situation is fluid and there is uncertainty of when the pandemic may be effectively contained, the full extent of the COVID-19 impact on the financial performance of the Company and the Group cannot be conclusively determined at present. However, in light of the COVID-19's pervasive health and economic impact globally, along with its devastating effects on the tourism, retail and food and beverage industries, the Group expects its financial performance for 2020 to be impacted but remains optimistic of its long term prospects.

The Group is actively monitoring the development of this pandemic and has activated appropriate business plans, cost-containment measures to tide better through this difficult period while continuing to strengthen its operating capabilities.

- 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 period ended 30 June 2020 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 their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first half-year 2020 financial results to be false or misleading in any material respect.

- 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).

BY ORDER OF THE BOARD
Ms Susan Teo Geok Tin / Ms Foo Soon Soo
Company Secretaries
12 August 2020