



Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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					
	Third Quarter			Nine Months		
	30/09/2014	30/09/2013	Change	30/09/2014	30/09/2013	Change
\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	18,559	18,512	0	56,142	60,971	(8)
Other income	399	228	75	985	798	23
Changes in inventories of finished goods	(7)	(6)	17	(41)	(36)	14
Cost of properties sold / consumables used	(1,304)	(2,217)	(41)	(4,720)	(11,637)	(59)
Staff costs	(4,971)	(4,278)	16	(14,209)	(13,106)	8
Depreciation	(959)	(1,052)	(9)	(2,963)	(3,175)	(7)
Finance costs	(961)	(891)	8	(2,742)	(2,868)	(4)
Other expenses	(6,540)	(5,653)	16	(18,346)	(17,361)	6
Profit before tax	4,216	4,643	(9)	14,106	13,586	4
Income tax expense	(584)	(795)	(27)	(2,489)	(2,631)	(5)
Profit for the year	3,632	3,848	(6)	11,617	10,955	6
Other comprehensive income / (loss), after tax :						
Currency translation differences on translation of financial statements of foreign subsidiaries	2,644	(215)	NM	158	2,375	(93)
Fair value gain on cash flow hedge	-	-	NM	-	232	(100)
Impairment loss on available-for-sale financial assets	-	-	NM	278	-	NM
Fair value gain on available-for-sale financial assets	(18)	18	NM	38	66	(42)
Other comprehensive gain / (loss) for the year, net of tax	2,626	(197)	NM	474	2,673	(82)
Total comprehensive income for the period	6,258	3,651	71	12,091	13,628	(11)
Profit attributable to :						
Equity holders of the Company	3,625	3,850	(6)	11,615	10,946	6
Non-controlling interests	7	(2)	NM	2	9	(78)
	3,632	3,848	(6)	11,617	10,955	6
Total comprehensive income attributable to :						
Equity holders of the Company	6,251	3,653	71	12,089	13,619	(11)
Non-controlling interests	7	(2)	NM	2	9	(78)
	6,258	3,651	71	12,091	13,628	(11)

Notes to Consolidated Statement of Comprehensive Income :

	Group					
	Third Quarter			Nine Months		
	30/09/2014	30/09/2013	Change	30/09/2014	30/09/2013	Change
\$'000	\$'000	%	\$'000	\$'000	%	
Profit before tax is arrived at after (charging) / crediting:						
Amortisation of other assets	(28)	(28)	(0)	(84)	(84)	(0)
Allowance of doubtful receivables, net	(5)	(15)	(67)	(13)	(19)	(32)
Depreciation of property, plant and equipment	(959)	(1,051)	(9)	(2,963)	(3,175)	(7)
Gain / (loss) on disposal of available-for-sale financial assets	-	-	NM	79	(2)	NM
Impairment loss on available-for-sale financial assets	-	-	NM	(278)	-	NM
(Loss) / gain on disposal / write off of property, plant and equipment	(67)	2	NM	(70)	(315)	(78)
Interest income	141	139	1	424	415	2
Net foreign exchange gain / (loss)	84	(138)	NM	60	(41)	NM
Over / (under) provision of prior year tax	118	-	NM	158	(5)	NM

NM : Not meaningful

AMARA HOLDINGS LIMITED

Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 2014

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		30/09/2014 \$'000	31/12/13 \$'000	30/09/2014 \$'000	31/12/13 \$'000
Current assets					
Cash and bank balances		14,224	12,565	15	44
Trade and other receivables	A	15,703	12,981	37,631	43,694
Inventories		297	339	-	-
Development properties		45,171	45,044	-	-
Other current assets		3,082	2,642	19	3
		78,477	73,571	37,665	43,741
Non-current assets					
Available-for-sale financial assets		1,311	1,315	147	188
Intangible assets		357	357	-	-
Investment in subsidiaries		-	-	40,937	40,937
Investment in an associate		2,098	2,098	-	-
Investment properties		279,963	279,000	-	-
Property, plant and equipment	B	204,145	176,086	-	-
Goodwill		789	789	-	-
Other assets		6,717	6,800	-	-
Other receivables		31,112	30,483	-	-
Deferred income tax assets		425	494	-	-
		526,917	497,422	41,084	41,125
Total assets		605,394	570,993	78,749	84,866
Current liabilities					
Trade and other payables	C	21,775	24,385	486	565
Tax payables	D	2,883	5,594	-	-
Borrowings	E	11,271	12,861	-	-
		35,929	42,840	486	565
Non-current liabilities					
Trade and other payables	C	8,215	5,865	-	-
Borrowings	E	241,669	208,946	-	-
Deferred income tax liabilities		6,660	6,743	-	-
		256,544	221,554	-	-
Total liabilities		292,473	264,394	486	565
Net assets		312,921	306,599	78,263	84,301
Capital and reserves attributable to equity holders of the Company					
Share capital		125,646	125,646	125,646	125,646
Reserves		187,377	181,057	(47,383)	(41,345)
		313,023	306,703	78,263	84,301
Non-controlling interests		(102)	(104)	-	-
Total equity		312,921	306,599	78,263	84,301

Notes to Statements of Financial Position:

- A Increase was mainly due to outstanding value added tax to be refunded.
- B Increase was due to construction cost for ongoing projects.
- C Decrease was due to settlement of accrued payments partially offset against increase in deposits collected.
- D Decrease was due to lower provision in 2014.
- E 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

30/09/2014	
\$'000	
Secured	Unsecured
11,271	Nil

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

Amount repayable after one year

30/09/2014	
\$'000	
Secured	Unsecured
241,669	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 property;
- (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 Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 2014
1 (c) Consolidated Statement of Cash Flows

	Notes	Group		Group	
		Third Quarter		Nine Months	
		30/09/2014	30/09/2013	30/09/2014	30/09/2013
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit before tax		4,216	4,643	14,106	13,586
Adjustments for:					
Amortisation of other assets		28	28	84	84
Depreciation of property, plant and equipment		959	1,051	2,963	3,175
Income from available-for-sale financial assets		(8)	(10)	(21)	(21)
Interest expense		961	891	2,742	2,868
Interest income		(141)	(139)	(424)	(415)
(Gain) / loss on disposal of available-for-sale financial assets		-	-	(79)	2
Impairment loss on available-for-sale financial assets		-	-	278	-
Fair value (gain) / loss on available-for-sale financial assets		(3)	4	-	-
Loss / (gain) on disposal / write off of property, plant and equipment		67	(2)	70	315
Exchange difference		142	14	104	441
Operating cash flow before working capital changes		6,221	6,480	19,823	20,035
Changes in operating assets and liabilities :					
Development properties		(225)	264	(127)	18,270
Inventories		(11)	10	42	40
Payables		1,608	(1,228)	(260)	(3,460)
Receivables		(249)	(1,076)	(3,791)	(7,454)
Cash generated from operations		7,344	4,450	15,687	27,431
Net income tax paid		(2,418)	(829)	(5,215)	(2,645)
Net cash generated from operating activities		4,926	3,621	10,472	24,786
Cash flows from investing activities					
Income received from quoted equity investments		8	10	21	21
Interest received		141	139	424	415
Payments for property, plant and equipment	A	(10,246)	(8,141)	(30,662)	(14,014)
Payments for available-for-sale financial assets		(1)	(2)	(6)	(2)
Proceeds from disposal of property, plant and equipment		-	4	-	135
Proceeds from sale of available-for-sale financial assets		-	-	127	33
Additional costs incurred on investment properties	B	(519)	(108)	(963)	(1,172)
Net cash used in investing activities		(10,617)	(8,098)	(31,059)	(14,584)
Cash flows from financing activities					
Interest paid		(961)	(891)	(2,742)	(2,868)
Payment of dividends to shareholders of Amara Holdings Limited		-	-	(5,769)	(3,462)
Net repayments of finance lease liabilities		(31)	(26)	(97)	(71)
Net draw down / (repayment) of bank borrowings	C	7,229	(12,708)	30,854	(7,552)
Net cash generated from / (used in) financing activities		6,237	(13,625)	22,246	(13,953)
Net increase / (decrease) in cash and cash equivalents held		546	(18,102)	1,659	(3,751)
Cash and cash equivalents at beginning of financial period		13,676	29,615	12,565	15,226
Effect of exchange rate changes on cash and cash equivalents		2	(27)	-	11
Cash and cash equivalents at the end of financial period		14,224	11,486	14,224	11,486

Note to Consolidated Statement of Cash Flows :

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

	Group	
	30/09/2014	30/09/2013
	\$'000	\$'000
Cash and bank balances	14,224	11,486

Notes to Statement of Cash Flows:

- A Increase was due to payment of construction costs for ongoing projects.
- B Increase was due to payment of progress claim on upgrading works.
- C Increase was due to draw down of bank borrowings to finance payments for ongoing projects.

AMARA HOLDINGS LIMITED

Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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 Capital \$'000	Retained Earnings & Other Reserves* \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Hedging Reserve \$'000	Total Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'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	-	11,615	-	-	-	-	11,615	11,615	2	11,617
Other comprehensive income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	158	-	-	158	158	-	158
Impairment loss on available-for-sale financial assets	-	-	-	-	278	-	278	278	-	278
Fair value gain on available-for-sale financial assets	-	-	-	-	38	-	38	38	-	38
Other comprehensive income for the period, net of tax	-	-	-	158	316	-	474	474	-	474
Total comprehensive income for the period	-	11,615	-	158	316	-	12,089	12,089	2	12,091
Dividend relating to 2013	-	(5,769)	-	-	-	-	(5,769)	(5,769)	-	(5,769)
Balance at 30 September 2014	125,646	173,927	9,773	3,606	71	-	187,377	313,023	(102)	312,921

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

AMARA HOLDINGS LIMITED

Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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 January 2013	125,646	144,745	9,773	92	(317)	(232)	154,061	279,707	(111)	279,596
Profit for the period	-	10,946	-	-	-	-	10,946	10,946	9	10,955
Other comprehensive income, net of tax										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	2,375	-	-	2,375	2,375	-	2,375
Fair value gain on cash flow hedge	-	-	-	-	-	232	232	232	-	232
Fair value gain on available-for-sale financial assets	-	-	-	-	66	-	66	66	-	66
Other comprehensive income for the period, net of tax	-	-	-	2,375	66	232	2,673	2,673	-	2,673
Total comprehensive income for the period	-	10,946	-	2,375	66	232	13,619	13,619	9	13,628
Dividend relating to 2012	-	(3,462)	-	-	-	-	(3,462)	(3,462)	-	(3,462)
Balance at 30 September 2013	125,646	152,229	9,773	2,467	(251)	-	164,218	289,864	(102)	289,762

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

AMARA HOLDINGS LIMITED

Unaudited Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30 September 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 January 2014	125,646	(42,300)	29	926	(41,345)	84,301
Loss for the period	-	(264)	-	-	(264)	(264)
Fair value loss on available-for-sale financial assets	-	-	(5)	-	(5)	(5)
Total comprehensive loss for the period	-	(264)	(5)	-	(269)	(269)
Dividend relating to 2013	-	(5,769)	-	-	(5,769)	(5,769)
Balance at 30 September 2014	125,646	(48,333)	24	926	(47,383)	78,263

	<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	-	(256)	-	-	(256)	(256)
Fair value gain on available-for-sale financial assets	-	-	17	-	17	17
Total comprehensive (loss) / income for the period	-	(256)	17	-	(239)	(239)
Dividend relating to 2012	-	(3,462)	-	-	(3,462)	(3,462)
Balance at 30 September 2013	125,646	(48,379)	21	926	(47,432)	78,214

- 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 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	
Third Quarter	
30/09/2014	30/09/2013
<u>Cents</u> 0.63	<u>Cents</u> 0.67
0.63	0.67

Group	
Nine Months	
30/09/2014	30/09/2013
<u>Cents</u> 2.01	<u>Cents</u> 1.90
2.01	1.90

- 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	
30/09/2014	31/12/13
<u>Cents</u> 54.26	<u>Cents</u> 53.16

Company	
30/09/2014	31/12/13
<u>Cents</u> 13.57	<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.

Third quarter 2014 ("3Q 2014") vs Third quarter 2013 ("3Q 2013")

Group revenue for 3Q 2014 increased marginally to \$18.6 million, from \$18.5 million in 3Q 2013. This was mainly due to higher revenue contributed by Hotel Investment and Management segment, partially offset by lower revenue from fewer units of development property sold in Property Investment and Development segment.

Cost of properties sold / consumables used for 3Q 2014 decreased by 41% to \$1.3 million, from \$2.2 million in 3Q 2013. This was mainly due to fewer units of development property sold.

Staff costs for 3Q 2014 increased by 16% to \$5 million, from \$4.3 million in 3Q 2013. This was mainly due to additional headcount in line with the expansion plans of the Group.

Other expenses for 3Q 2014 increased 16% to \$6.5 million, from \$5.7 million in 3Q 2013. This was mainly due to higher operational expenses.

Year to date September 2014 ("YTD Sep 2014") vs Year to date September 2013 ("YTD Sep 2013")

Group revenue for YTD Sep 2014 decreased 8% to \$56.1 million, from \$61 million in YTD Sep 2013. This was mainly due to lower revenue from fewer units of development property sold in the Property Investment and Development segment and partially offset against higher revenue from Hotel Investment and Management segment as well as 100 AM.

Cost of properties sold / consumables used for YTD Sep 2014 decreased 59% to \$4.7 million, from \$11.6 million in YTD Sep 2013 as a result of 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 second quarter 2014 results, it was stated that:

"The Singapore Tourism Board has recently rolled out a \$1 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."

The results of third 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.**

According to the Q2 2014 Tourism Sector Performance report posted by Singapore Tourism Board on 15 October 2014, Singapore reported a 6% year-on-year drop in international visitor arrivals at 3.6million. Consequently, tourism receipts registered a 3% year-on-year drop at \$5.6billion. Chinese arrivals continue to see a decline and this will have a negative impact on Singapore's tourism market.

New hotel entrants are making their foray into the market end of this year through 2015. It is expected that aggressive promotional activities will be undertaken by these new players to establish their foothold and capture market share. This would impact on the occupancy as well as result in more competitive room rates.

With the line up of international events by Singapore Sports Hub in addition to the new plans by Singapore to open more well known attractions, Singapore will continue to be an attractive destination for leisure and business travellers.

We will focus on enhancing our services and product offering to retain our market share amidst this competitive climate.

- 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 third 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 November 2014