AMARA HOLDINGS LIMITED

Co. Regn. No. 197000732N

Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2018

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		
	30/6/2018	30/6/2017	Change	30/6/2018	30/6/2017	Change
	$'000	$'000	%	$'000	$'000	%
		(Restated)			(Restated)	
Revenue	**25,818**	19,817	30	**48,444**	39,840	22
Other (expense)/income	**(1,276)**	139	NM	**133**	519	(74)
Changes in inventories of finished goods	**50**	25	100	**76**	(26)	NM
Cost of properties sold/consumables used	**(4,137)**	(1,516)	173	**(6,338)**	(2,676)	137
Staff costs	**(7,105)**	(6,360)	12	**(14,445)**	(13,009)	11
Depreciation	**(1,743)**	(1,404)	24	**(3,895)**	(2,888)	35
Finance costs	**(2,231)**	(1,733)	29	**(4,233)**	(3,397)	25
Other expenses	**(7,338)**	(6,166)	19	**(14,850)**	(13,272)	12
Share of results of a jointly-controlled entity, net of tax	**7**	67	(90)	**230**	85	171
Profit before tax	**2,045**	2,869	(29)	**5,122**	5,176	(1)
Income tax expense	**(966)**	(1,245)	(22)	**(1,926)**	(1,945)	(1)
Profit for the period	**1,079**	1,624	(34)	**3,196**	3,231	(1)
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	**(1,585)**	89	NM	**290**	(2,516)	NM
Other comprehensive (loss)/income for the period, net of tax	**(1,585)**	89	NM	**290**	(2,516)	NM
Total comprehensive (loss)/income for the period	**(506)**	1,713	NM	**3,486**	715	388
Profit attributable to :						
Owners of the Company	**1,079**	1,624	(34)	**3,196**	3,231	(1)
Non-controlling interests	**-***	-	NM	**-***	-*	NM
	1,079	1,624	(34)	**3,196**	3,231	(1)
Total comprehensive (loss)/income attributable to :						
Owners of the Company	**(506)**	1,713	NM	**3,486**	715	388
Non-controlling interests	**-***	-	NM	**-***	-*	NM
	(506)	1,713	NM	**3,486**	715	388

Notes to Consolidated Statement of Comprehensive Income :

	Group					
	Second Quarter			Six Months		
	30/6/2018	30/6/2017	Change	30/6/2018	30/6/2017	Change
Profit before tax is arrived at after (charging)/crediting:	$'000	$'000	%	$'000	$'000	%
		(Restated)			(Restated)	
Amortisation of other assets	**(28)**	(28)	-	**(56)**	(56)	-
Amortisation of land use rights	**(74)**	-	NM	**(121)**	-	NM
Property, plant and equipment written off	**(128)**	(153)	(16)	**(194)**	(178)	9
Gain on disposal of property, plant and equipment	**-**	-	-	**3**	22	(86)
Income from financial assets, FVTPL**	**13**	9	44	**16**	12	33
Gain on disposal of financial assets, FVTPL	**-**	-	-	**30**	16	88
(Loss)/gain on fair value adjustments on financial assets, FVTPL	**(120)**	13	NM	**(99)**	152	NM
Loss on disposal of a subsidiary	**-**	(47)	NM	**-**	(47)	NM
Interest income	**5**	6	(17)	**10**	10	-
Net foreign exchange (loss)/gain	**(1,159)**	88	NM	**78**	(1,213)	NM

NM : Not meaningful

* Amount less than $1,000

** Financial assets, fair value through profit or loss

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1 (b) (i) Statements of Financial Position

	Note	Group		Company	
		30/6/2018	31/12/2017	30/6/2018	31/12/2017
		$'000	$'000 (Restated)	$'000	$'000 (Restated)
ASSETS					
Current assets					
Cash and bank balances		**10,159**	8,983	**42**	29
Trade and other receivables		**10,697**	10,164	**58,765**	64,863
Inventories		**543**	467	**-**	-
Development properties		**103,420**	102,016	**-**	-
Total current assets		**124,819**	121,630	**58,807**	64,892
Non-current assets					
Financial assets, FVTPL		**1,177**	1,280	**165**	156
Intangible assets		**389**	389	**-**	-
Investment in a jointly-controlled entity		**1,688**	1,978	**-**	-
Investment in subsidiaries		**-**	-	**41,987**	41,987
Investment properties		**376,080**	373,660	**-**	-
Property, plant and equipment		**249,982**	239,492	**-**	-
Land use rights		**7,332**	6,451	**-**	-
Goodwill		**789**	789	**-**	-
Other assets		**6,296**	6,352	**-**	-
Deferred income tax assets		**138**	157	**-**	-
Trade and other receivables		**539**	192	**-**	-
Total non-current assets		**644,410**	630,740	**42,152**	42,143
Total assets		**769,229**	752,370	**100,959**	107,035
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	A	**34,035**	27,357	**231**	251
Income tax payable		**3,895**	3,447	**-**	-
Bank loans		**73,590**	66,734	**-**	-
Finance leases		**1,174**	124	**-**	-
Total current liabilities		**112,694**	97,662	**231**	251
Non-current liabilities					
Trade and other payables		**3,734**	3,544	**-**	-
Bank loans		**258,415**	259,176	**-**	-
Finance leases		**5,098**	248	**-**	-
Deferred income tax liabilities		**12,316**	12,504	**-**	-
Total non-current liabilities		**279,563**	275,472	**-**	-
Capital, reserves and non-controlling interests					
Share capital		**125,646**	125,646	**125,646**	125,646
Treasury shares		**(996)**	(996)	**(996)**	(996)
Reserves		**252,322**	254,950	**(23,922)**	(17,866)
		376,972	379,600	**100,728**	106,784
Non-controlling interests		**-**	(364)	**-**	-
Total equity		**376,972**	379,236	**100,728**	106,784
Total liabilities and equity		**769,229**	752,370	**100,959**	107,035

Note to Statements of Financial Position:

A Increase was mainly due to the newly opened hotel.

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

Amount repayable in one year or less, or on demand

30/6/2018	
$'000	
Secured	Unsecured
74,764	Nil

31/12/2017	
$'000	
Secured	Unsecured
66,858	Nil

Amount repayable after one year

30/6/2018	
$'000	
Secured	Unsecured
263,513	Nil

31/12/2017	
$'000	
Secured	Unsecured
259,424	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 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.

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1 (c) Consolidated Statement of Cash Flows

	Note	Group Second Quarter		Group Six Months	
		30/6/2018	30/6/2017	30/6/2018	30/6/2017
		$'000	$'000 (Restated)	$'000	$'000 (Restated)
Operating activities					
Profit before income tax		2,045	2,869	5,122	5,176
Adjustments for:					
Amortisation of other assets		28	28	56	56
Amortisation of land use rights		74	-	121	-
Depreciation of property, plant and equipment		1,743	1,404	3,895	2,888
Property, plant and equipment written off		128	153	194	178
Gain on disposal of property, plant and equipment		-	-	(3)	(22)
Income from financial assets, FVTPL		(13)	(9)	(16)	(12)
Gain on disposal of financial assets, FVTPL		-	-	(30)	(16)
Loss/(gain) on fair value adjustment of financial assets, FVTPL		120	(13)	99	(152)
Interest income		(5)	(6)	(10)	(10)
Interest expense		2,231	1,733	4,233	3,397
Loss on disposal of a subsidiary		-	47	-	47
Share of results of a jointly-controlled entity, net of tax		(7)	(67)	(230)	(85)
Exchange difference		373	(287)	(1,034)	845
Operating cash flows before movements in working capital		6,717	5,852	12,397	12,290
Inventories		(50)	(25)	(76)	26
Trade and other receivables		(273)	1,583	(880)	1,597
Trade and other payables		(3,459)	(4,163)	7,770	(8,150)
Development properties		537	(1,608)	(1,047)	(2,157)
Cash generated from operations		3,472	1,639	18,164	3,606
Income tax paid		(1,745)	(1,839)	(1,647)	(1,896)
Net cash from/(used in) operating activities		1,727	(200)	16,517	1,710
Investing activities					
Proceeds from sale of financial assets, FVTPL		-	1	34	43
Payments for financial assets, FVTPL		-	(4)	-	(4)
Income received from financial assets, FVTPL		13	9	16	12
Payment for land use rights		-	-	(1,020)	-
Proceeds from disposal of property, plant and equipment		-	-	8	22
Payments for property, plant and equipment	A	(192)	(1,379)	(7,729)	(8,227)
Additional costs incurred on investment properties		-	(154)	(2,173)	(3,003)
Interest received		5	6	10	10
Dividend received from a jointly-controlled entity		-	3,200	520	3,200
Net cash (used in)/from investing activities		(174)	1,679	(10,334)	(7,947)
Financing activities					
Interest paid		(2,415)	(1,733)	(4,590)	(3,397)
Purchase of treasury shares		-	-	-	(83)
Payment of dividends on ordinary shares		(5,750)	(17,249)	(5,750)	(17,249)
Repayment of finance lease liabilities		(445)	(31)	(694)	(62)
Proceeds from bank borrowings		15,222	56,060	39,972	65,540
Repayment of bank borrowings		(7,084)	(35,422)	(33,944)	(39,744)
Net cash (used in)/from financing activities		(472)	1,625	(5,006)	5,005
Net increase/(decrease) in cash and cash equivalents		1,081	3,104	1,177	(1,232)
Cash and cash equivalents at beginning of period		9,080	11,694	8,983	16,024
Effect of foreign exchange rate charges on the balance of cash held in foreign currencies		(2)	241	(1)	247
Cash and cash equivalents at end of period		10,159	15,039	10,159	15,039

Note to Consolidated Statement of Cash Flows :

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

	Group	
	30/6/2018	30/6/2017
	$'000	$'000
Cash at bank and on hand	8,501	13,117
Fixed deposits	1,658	1,922
	10,159	15,039

Note to Consolidated Statement of Cash Flows:

A During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $14,323,000 (30 June 2017: $8,227,000) of which $6,594,000 (30 June 2017: $Nil) was financed by means of finance lease. Cash payment of $7,729,000 (30 June 2017: $8,227,000) was made to purchase property, plant and equipment.

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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	Treasury shares	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2018 as previously reported	125,646	(996)	9,773	1,826	352	242,999	254,950	379,600	(364)	379,236
Effects of adoption of Singapore Financial Reporting Standards (International)	-	-	(9,773)	(3,089)	(352)	13,214	-	-	-	-
Balance at 1 January 2018 as restated	125,646	(996)	-	(1,263)	-	256,213	254,950	379,600	(364)	379,236
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	3,196	3,196	3,196	-	3,196
Other comprehensive income	-	-	-	290	-	-	290	290	-	290
Total	-	-	-	290	-	3,196	3,486	3,486	-	3,486
Dividend relating to 2017	-	-	-	-	-	(5,750)	(5,750)	(5,750)	-	(5,750)
Effects of acquiring non-controlling interest in a subsidiary	-	-	-	-	-	(364)	(364)	(364)	364	-
Balance at 30 June 2018	125,646	(996)	-	(973)	-	253,295	252,322	376,972	-	376,972

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	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total reserves	Equity attributable to owners of the Company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2017 as previously reported	125,646	(913)	9,773	3,089	114	236,355	249,331	374,064	(411)	373,653
Effects of adoption of Singapore Financial Reporting Standards (International)	-	-	(9,773)	(3,089)	(114)	12,976	-	-	-	-
Balance at 1 January 2017 as restated	125,646	(913)	-	-	-	249,331	249,331	374,064	(411)	373,653
Total comprehensive income/(loss) for the period										
Profit for the period	-	-	-	-	-	3,231	3,231	3,231	-	3,231
Other comprehensive loss	-	-	-	(2,516)	-	-	(2,516)	(2,516)	-	(2,516)
Total	-	-	-	(2,516)	-	3,231	715	715	-	715
Purchase of treasury shares, representing transaction with owners, recognised directly in equity	-	(83)	-	-	-	-	-	(83)	-	(83)
Dividend relating to 2016	-	-	-	-	-	(17,249)	(17,249)	(17,249)	-	(17,249)
Effects of disposal of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	47	47
Balance at 30 June 2017	125,646	(996)	-	(2,516)	-	235,313	232,797	357,447	(364)	357,083

Statement of Changes in Equity - Company

	Share capital	Treasury shares	Accumulated losses	Fair value reserve	Other reserve	Total reserves	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2018 as previously reported	125,646	(996)	(18,827)	35	926	(17,866)	106,784
Effects of adoption of Singapore Financial Reporting Standards (International)	-	-	35	(35)	-	-	-
Balance at 1 January 2018 as restated	125,646	(996)	(18,792)	-	926	(17,866)	106,784
Total comprehensive loss for the period							
Loss for the period	-	-	(306)	-	-	(306)	(306)
Total	-	-	(306)	-	-	(306)	(306)
Dividend relating to 2017	-	-	(5,750)	-	-	(5,750)	(5,750)
Balance at 30 June 2018	125,646	(996)	(24,848)	-	926	(23,922)	100,728

	Share capital	Treasury shares	Accumulated losses	Fair value reserve	Other reserve	Total reserves	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2017 as previously reported	125,646	(913)	(30,702)	6	926	(29,770)	94,963
Effects of adoption of Singapore Financial Reporting Standards (International)	-	-	6	(6)	-	-	-
Balance at 1 January 2017 as restated	125,646	(913)	(30,696)	-	926	(29,770)	94,963
Total comprehensive loss for the period							
Loss for the period	-	-	(17)	-	-	(17)	(17)
Total	-	-	(17)	-	-	(17)	(17)
Purchase of treasury shares, representing transaction with owners, recognised directly in equity	-	(83)	-	-	-	-	(83)
Dividend relating to 2016	-	-	(17,249)	-	-	(17,249)	(17,249)
Balance at 30 June 2017	125,646	(996)	(47,962)	-	926	(47,036)	77,614

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 2018	576,936	125,646

As at 30 June 2018 and 2017, 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.

	30/6/2018	31/12/2017
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 (January to June 2017: purchased 167,400 treasury shares).

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 2017 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.

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as "Singapore Financial Reporting Standards (International)" ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and has issued its first set of financial information prepared under SFRS(I) for the period ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply new major SFRS(I) 9 *Financial Instruments*.

(a) Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements are as follows:

Cumulative translation differences

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as the date of transition to SFRS(I) on 1 January 2017. As a result, foreign currency translation reserve and retained earnings as at 1 January 2017 has reduced and increased by $3,089,000 respectively.

Use of previous revaluation as deemed cost

The Group has elected to use the previous revaluation of an item of PPE at or before the date of transition to SFRS(I) on 1 January 2017 as deemed cost at the date of the revaluation. The deemed cost becomes the SFRS(I) cost basis at the date of the revalution. As a result, asset revaluation reserve $9,773,000 was reclassified to retained earnings as at 1 January 2017.

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.** (continued)

(b) Adoption of SFRS(I) 9 *Financial Instruments*

The Group and the Company has elected to apply the exemption under SFRS(I) 1 to retrospectively adopt SFRS(I) 9 on 1 January 2017. The Group and the Company has assessed the business models that are applicable on 1 January 2017 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of its equity investment, previously classified as available-for-sale investments, in profit or loss. Accordingly, "Availalbe-for-sale investments" on the statement of financial position have been redesignated as "Financial assets, at fair value through profit or loss".

The reconciliation of this change in accounting policy is as follows:

Group	1/1/2017			31/12/2017		
	As reported	Effects	As restated	As reported	Effects	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Statements of Financial Position						
Fair value reserve	114	(114)	-	352	(352)	-
Retained earnings	236,355	114	236,469	242,999	352	243,351

	Second Quarter			Six months		
	30/6/2017			30/6/2017		
	As reported	Effects	As restated	As reported	Effects	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated Statement of Comprehensive Income						
Other income	126	13	139	367	152	519
Other comprehensive income/(loss) for the period, net of tax	102	(13)	89	(2,364)	(152)	(2,516)
Profit attributable to equity holders of the company	1,611	13	1,624	3,079	152	3,231

Company	1/1/2017			31/12/2017		
	As reported	Effects	As restated	As reported	Effects	As restated
	$'000	$'000	$'000	$'000	$'000	$'000
Statements of Financial Position						
Fair value reserve	6	(6)	-	35	(35)	-
Accumulated losses	(30,702)	6	(30,696)	(18,827)	35	(18,792)

There is no significant effect on net asset value per ordinary share as at 31 December 2017 resulting from the adoption of SFRS(I).

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	
	Second Quarter		Six months	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	Cents	Cents (Restated)	Cents	Cents (Restated)
(i) Based on the weighted average number of ordinary shares on issue	**0.19**	0.28	**0.56**	0.56
(ii) On a fully diluted basis	**0.19**	0.28	**0.56**	0.56

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

	Group		Company	
	30/6/2018	31/12/2017	30/6/2018	31/12/2017
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital at the end of the period/year	**65.56**	66.02	**17.52**	18.57

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 2018 ("2Q 2018") vs Second Quarter 2017 ("2Q 2017")

Group revenue for 2Q 2018 increased by 30% to $25.8 million, from $19.8 million in 2Q 2017. This was mainly due to higher revenue in the Hotel Investment and Management segment and the Property Investment and Development segment.

The negative other income for 2Q 2018 was mainly due to foreign exchange losses in 2Q 2018.

Cost of properties sold/consumables used for 2Q 2018 increased by 173% to $4.1 million, from $1.5 million in 2Q 2017. This was mainly due to higher sales and progressive recognition of development costs from the Property Investment and Development segment.

Staff costs increased by 12% to $7.1 million, from $6.4 million in 2Q 2017. This was mainly due to additional headcount of the newly opened hotel.

Depreciation charge increased by 24% to $1.7 million, from $1.4 million in 2Q 2017. This was mainly due to the newly opened hotel.

Finance costs increased by 29% to $2.2 million, from $1.7 million in 2Q 2017. This was mainly due to higher interest rate on loans and finance leases relating to the newly opened hotel.

Other expenses increased by 19% to $7.3 million, from $6.2 million in 2Q 2017. This was mainly due to the newly opened hotel.

Share of results of a jointly-controlled entity, net of tax in 2Q 2018 was from a completed development project.

First Half 2018 ("1H 2018") vs First Half 2017 ("1H 2017")

Group revenue for 1H 2018 increased by 22% to $48.4 million, from $39.8 million in 1H 2017. This was mainly due to higher revenue in the Hotel Investment and Management segment and the Property Investment and Development segment.

The decrease in other income in 1H 2018 was mainly due to gain on fair value adjustments on financial assets, fair value through profit and loss and write-back of creditor in 1H 2017.

Cost of properties sold/consumables used for 1H 2018 increased by 137% to $6.3 million, from $2.7 million in 1H 2017. This was mainly due to higher sales and progressive recognition of development costs from the Property Investment and Development segment.

Staff costs increased by 11% to $14.4 million, from $13.0 million in 1H 2017. This was mainly due to additional headcount of the newly opened hotel.

Depreciation charge increased by 35% to $3.9 million, from $2.9 million in 1H 2017. This was mainly due to the newly opened hotel.

Finance costs increased by 25% to $4.2 million, from $3.4 million in 1H 2017. This was mainly due to higher interest rate on loans and finance leases relating to the newly opened hotel.

Other expenses increased by 12% to $14.9 million, from $13.3 million in 1H 2017. This was mainly due to the newly opened hotel.

Share of results of a jointly-controlled entity, net of tax in 1H 2018 was from a completed development project.

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.**

Although tourist arrivals to Singapore rose by 6.9% y-o-y to reach 7.7 million for the first five months of 2018, the hospitality sector continues to be competitive as the market absorbs the pipeline of hotel rooms which opened in 2017. The Government is planning to release new hotel sites for the second half of this year on the back of optimistic tourism prospects.

The property cooling measures announced by the Government on 5 July 2018 have caught the market by surprise and are expected to dampen market sentiments.

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 2018 financial results to be false or misleading in all 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).

BY ORDER OF THE BOARD
Ms Susan Teo Geok Tin / Ms Foo Soon Soo
Company Secretaries
8 August 2018