AMARA HOLDINGS LIMITED

Co. Regn. No. 197000732N

Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 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		
	Three Months		
	31/3/2018	31/3/2017	Change
	$'000	$'000	%
		(Restated)	
Revenue	**22,626**	20,023	13
Other income	**1,409**	380	271
Changes in inventories of finished goods	**26**	(51)	NM
Cost of properties sold/consumables used	**(2,201)**	(1,160)	90
Staff costs	**(7,340)**	(6,649)	10
Depreciation	**(2,152)**	(1,484)	45
Finance costs	**(2,002)**	(1,664)	20
Other expenses	**(7,512)**	(7,106)	6
Share of results of a jointly-controlled entity, net of tax	**223**	18	NM
Profit before tax	**3,077**	2,307	33
Income tax expense	**(960)**	(700)	37
Profit for the period	**2,117**	1,607	32
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**1,875**	(2,605)	NM
Other comprehensive income/(loss) for the period, net of tax	**1,875**	(2,605)	NM
Total comprehensive income/(loss) for the period	**3,992**	(998)	NM
Profit attributable to :			
Owners of the Company	**2,117**	1,607	32
Non-controlling interests	**-***	-*	NM
	2,117	1,607	32
Total comprehensive income/(loss) attributable to :			
Owners of the Company	**3,992**	(998)	(500)
Non-controlling interests	**-***	**-***	NM
	3,992	(998)	NM

Notes to Consolidated Statement of Comprehensive Income :

	Group		
	Three Months		
	31/3/2018	31/3/2017	Change
Profit before tax is arrived at after (charging)/crediting:	**$'000**	$'000	%
		(Restated)	
Amortisation of other assets	**(28)**	(28)	-
Amortisation of land use rights	**(47)**	-	NM
Allowance of doubtful non-trade receivables, net	**-**	193	(100)
Property, plant and equipment written off	**(66)**	(25)	164
Gain on disposal of property, plant and equipment	**3**	22	(86)
Income from financial assets, FVTPL**	**3**	3	-
Gain on disposal of financial assets, FVTPL	**30**	16	88
Gain on fair value adjustments on financial assets, FVTPL	**21**	139	(85)
Interest income	**26**	4	550
Net foreign exchange gain/(loss)	**1,237**	(1,301)	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	
		31/3/2018	31/12/2017	**31/3/2018**	31/12/2017
		$'000	$'000	**$'000**	$'000
ASSETS			(Restated)		(Restated)
Current assets					
Cash and bank balances		**9,080**	8,983	**33**	29
Trade and other receivables		**10,784**	10,164	**64,809**	64,863
Inventories		**493**	467	**-**	-
Development properties		**103,773**	102,016	**-**	-
Total current assets		**124,130**	121,630	**64,842**	64,892
Non-current assets					
Financial assets, FVTPL		**1,297**	1,280	**167**	156
Intangible assets		**389**	389	**-**	-
Investment in a jointly-controlled entity		**1,681**	1,978	**-**	-
Investment in subsidiaries		**-**	-	**41,987**	41,987
Investment properties		**376,982**	373,660	**-**	-
Property, plant and equipment		**254,039**	239,492	**-**	-
Land use rights		**7,503**	6,451	**-**	-
Goodwill		**789**	789	**-**	-
Other assets		**6,324**	6,352	**-**	-
Deferred income tax assets		**142**	157	**-**	-
Trade and other receivables		**179**	192	**-**	-
Total non-current assets		**649,325**	630,740	**42,154**	42,143
Total assets		**773,455**	752,370	**106,996**	107,035
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	**A**	**38,517**	27,357	**316**	251
Income tax payable		**4,403**	3,447	**-**	-
Bank loans		**64,537**	66,734	**-**	-
Finance leases		**1,202**	124	**-**	-
Total current liabilities		**108,659**	97,662	**316**	251
Non-current liabilities					
Trade and other payables		**3,613**	3,544	**-**	-
Bank loans		**259,921**	259,176	**-**	-
Finance leases		**5,443**	248	**-**	-
Deferred income tax liabilities		**12,591**	12,504	**-**	-
Total non-current liabilities		**281,568**	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		**258,942**	254,950	**(17,970)**	(17,866)
		383,592	379,600	**106,680**	106,784
Non-controlling interests		**(364)**	(364)	**-**	-
Total equity		**383,228**	379,236	**106,680**	106,784
Total liabilities and equity		**773,455**	752,370	**106,996**	107,035

Note to Statements of Financial Position:

A Increase was mainly due to accrued construction costs for a completed project.

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

Amount repayable in one year or less, or on demand

31/3/2018	
$'000	
Secured	**Unsecured**
65,739	**Nil**

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

Amount repayable after one year

31/3/2018	
$'000	
Secured	**Unsecured**
265,364	**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

	Notes	Group	
		31/3/2018	31/3/2017
		$'000	$'000
			(Restated)
Operating activities			
Profit before income tax		**3,077**	2,307
Adjustments for:			
Amortisation of other assets		**28**	28
Amortisation of land use rights		**47**	-
Depreciation of property, plant and equipment		**2,152**	1,484
Property, plant and equipment written off		**66**	25
Gain on disposal of property, plant and equipment		**(3)**	(22)
Income from financial assets, FVTPL		**(3)**	(3)
Gain on disposal of financial assets, FVTPL		**(30)**	(16)
Gain on fair value adjustment of financial assets, FVTPL		**(21)**	(139)
Interest income		**(26)**	(4)
Interest expense		**2,002**	1,664
Share of results of a jointly-controlled entity, net of tax		**(223)**	(18)
Exchange difference		**(1,407)**	1,132
Operating cash flows before movements in working capital		**5,659**	6,438
Inventories		**(26)**	51
Trade and other receivables		**(607)**	14
Trade and other payables		**11,229**	(3,987)
Development properties		**(1,584)**	(549)
Cash generated from operations		**14,671**	1,967
Income tax refund/(paid)		**98**	(57)
Net cash from operating activities		**14,769**	1,910
Investing activities			
Proceeds from sale of financial assets, FVTPL		**34**	42
Income received from financial assets, FVTPL		**3**	3
Payment for land use rights		**(1,020)**	-
Proceeds from disposal of property, plant and equipment		**8**	22
Payments for property, plant and equipment	**A**	**(7,537)**	(6,848)
Additional costs incurred on investment properties		**(2,173)**	(2,849)
Interest received		**26**	4
Dividend received from a jointly-controlled entity		**520**	-
Net cash used in investing activities		**(10,139)**	(9,626)
Financing activities			
Interest paid		**(2,175)**	(1,664)
Purchase of treasury shares		**-**	(83)
Repayment of finance lease liabilities		**(249)**	(31)
Proceeds from bank borrowings	**B**	**(26,860)**	(4,322)
Repayment of bank borrowings	**B**	**24,750**	9,480
Net cash (used in)/from financing activities		**(4,534)**	3,380
Net increase/(decrease) in cash and cash equivalents		**96**	(4,336)
Cash and cash equivalents at beginning of period		**8,983**	16,024
Effect of foreign exchange rate charges on the balance of cash held in foreign currencies		**1**	6
Cash and cash equivalents at end of period		**9,080**	11,694

Note to Consolidated Statement of Cash Flows :

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

	Group	
	31/3/2018	31/3/2017
	$'000	$'000
Cash at bank and on hand	**7,807**	10,067
Fixed deposits	**1,273**	1,627
	9,080	11,694

Notes to Consolidated Statement of Cash Flows:

A During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $14,059,000 (31 March 2017: $6,848,000) of which $6,522,000 (31 March 2017: $Nil) was financed by means of finance lease. Cash payment of $7,537,000 (31 March 2017: $6,848,000) was made to purchase property, plant and equipment.

B Net decrease was mainly due to higher repayment of certain facilities.

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Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2018

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 adopting 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	-	-	-	-	-	2,117	2,117	2,117	-	2,117
Other comprehensive income	-	-	-	1,875	-	-	1,875	1,875	-	1,875
Total	-	-	-	1,875	-	2,117	3,992	3,992	-	3,992
Balance at 31 March 2018	125,646	(996)	-	612	-	258,330	258,942	383,592	(364)	383,228

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Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2018

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 adopting 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	-	-	-	-	-	1,607	1,607	1,607	-	1,607
Other comprehensive loss	-	-	-	(2,605)	-	-	(2,605)	(2,605)	-	(2,605)
Total	-	-	-	(2,605)	-	1,607	(998)	(998)	-	(998)
Purchase of treasury shares, representing transaction with owners, recognised directly in equity	-	(83)	-	-	-	-	-	(83)	-	(83)
Balance at 31 March 2017	125,646	(996)	-	(2,605)	-	250,938	248,333	372,983	(411)	372,572

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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 adopting 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	-	-	(104)	-	-	(104)	(104)
Total	-	-	(104)	-	-	(104)	(104)
Balance at 31 March 2018	125,646	(996)	(18,896)	-	926	(17,970)	106,680

	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 adopting 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	-	-	(92)	-	-	(92)	(92)
Total	-	-	(92)	-	-	(92)	(92)
Purchase of treasury shares, representing transaction with owners, recognised directly in equity	-	(83)	-	-	-	-	(83)
Balance at 31 March 2017	125,646	(996)	(30,788)	-	926	(29,862)	94,788

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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 31 March 2018	576,936	125,646

As at 31 March 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.

	31/3/2018	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 March 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 respectively by $3,089,000.

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 revaluation. 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 have 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, "Available-for-sale investments" on the statement of financial position have been re-designated 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

	31/3/2017		
	As reported	Effects	As restated
	$'000	$'000	$'000
Consolidated Statement of Comprehensive Income			
Other income	241	139	380
Other comprehensive loss for the period, net of tax	(2,466)	(139)	(2,605)
Profit attributable to equity holders of the company	1,468	139	1,607

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	
	31/3/2018	31/3/2017
	Cents	Cents
		(Restated)
(i) Based on the weighted average number of ordinary shares on issue	**0.37**	0.28
(ii) On a fully diluted basis	**0.37**	0.28

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**	
	31/3/2018	31/12/2017	**31/3/2018**	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	**66.72**	66.02	**18.55**	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.

First Quarter 2018 ("1Q 2018") vs First Quarter 2017 ("1Q 2017")

Group revenue for 1Q 2018 increased by 13% to $22.6 million, from $20 million in 1Q 2017. This was mainly due to higher revenue in Hotel Investment and Management segment.

Other income comprised mainly foreign exchange gain of $1.2 million in 1Q 2018.

Cost of properties sold/consumables used for 1Q 2018 increased by 90% to $2.2 million, from $1.2 million in 1Q 2017. The increase was mainly due to higher consumables used in Hotel Investment and Management segment and progressive recognition of development costs from Property Investment and Development segment.

Staff costs for 1Q 2018 increased by 10% to $7.3 million, from $6.6 million in 1Q 2017. This was mainly due to additional headcount from the newly opened hotel.

Depreciation charge for 1Q 2018 increased by 45% to $2.2 million, from $1.5 million in 1Q 2017. The increase was mainly due to additions of property, plant and equipment from a newly opened hotel.

Higher interest rate on loans resulted in finance costs for 1Q 2018 to increase by 20% to $2 million, from $1.7 million in 1Q 2017.

Share of results of a jointly-controlled entity, net of tax in 1Q 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.

The hospitality market in Asia is likely to remain buoyant from the positive global economic outlook and increase in corporate travels. In Singapore, the hotels are likely to benefit from an upswing in leisure and corporate travellers coupled with a relatively muted new room supply in 2018.

The residential property market in Singapore has reversed the downward price trend. Property price index jumped 3.9% y-o-y in the first quarter of 2018.

11 Dividend

(a) Current Financial Period Reported On	: None
(b) Corresponding Period of the Immediately Preceding Financial	: 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 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
14 May 2018