

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

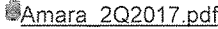
Issuer & Securities

Issuer/ Manager	AMARA HOLDINGS LIMITED
Securities	AMARA HOLDINGS LTD - SG1F08854688 - A34
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	14-Aug-2017 19:15:40
Status	New
Announcement Sub Title	Second Quarter and/ or Half Yearly Results
Announcement Reference	SG170814OTHRREI3
Submitted By (Co./ Ind. Name)	Ms Susan Teo Geok Tin / Ms Foo Soon Soo
Designation	Company Secretaries
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attachment

Additional Details

For Financial Period Ended	30/06/2017
Attachments	 Total size =170K



Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

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		
	30/6/2017	30/6/2016	Change	30/6/2017	30/6/2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	19,817	18,208	9	39,840	38,652	3
Other income	126	32	294	367	443	(17)
Changes in inventories of finished goods	25	22	14	(26)	(33)	(21)
Cost of properties sold/consumables used	(1,516)	(1,625)	(7)	(2,676)	(3,201)	(16)
Staff costs	(6,360)	(5,305)	20	(13,009)	(11,156)	17
Depreciation	(1,404)	(1,393)	1	(2,888)	(2,761)	5
Finance costs	(1,733)	(1,311)	32	(3,397)	(3,313)	3
Other expenses	(6,166)	(6,533)	(6)	(13,272)	(15,056)	(12)
Share of results of a jointly-controlled entity, net of tax	67	2,196	(97)	85	29,933	(100)
Profit before tax	2,856	4,291	(33)	5,024	33,508	(85)
Income tax expense	(1,245)	(799)	56	(1,945)	(1,552)	25
Profit for the period	1,611	3,492	(54)	3,079	31,956	(90)
Other comprehensive income/(loss), after tax :						
Currency translation differences on translation of financial statements of foreign subsidiaries	89	(2,148)	NM	(2,516)	(5,812)	(57)
Fair value loss on available-for-sale financial assets reclassified to profit or loss	-	-	NM	-	-	NM
Fair value gain on available-for-sale financial assets, net	13	4	225	152	-	NM
Other comprehensive income/(loss) for the period, net of tax	102	(2,144)	NM	(2,364)	(5,812)	(59)
Total comprehensive income for the period	1,713	1,348	27	715	26,144	(97)
Profit attributable to :						
Equity holders of the Company	1,611	3,492	(54)	3,079	31,973	(90)
Non-controlling interests	.*	.*	NM	.*	(17)	NM
Total comprehensive income attributable to :	1,611	3,492	(54)	3,079	31,956	(90)
Equity holders of the Company	1,713	1,348	27	715	26,161	(97)
Non-controlling interests	.*	.*	NM	.*	(17)	NM
Total comprehensive income attributable to equity holders of the Company	1,713	1,348	27	715	26,144	(97)

Notes to Consolidated Statement of Comprehensive Income :

	Group					
	Second Quarter			Six Months		
	30/6/2017	30/6/2016	Change	30/6/2017	30/6/2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit before tax is arrived at after (charging)/crediting:						
Amortisation of other assets	(28)	(28)	-	(56)	(56)	-
Loss on disposal of a subsidiary	(47)	-	NM	(47)	-	NM
Gain on disposal of available-for-sale financial assets	-	13	(100)	16	13	23
Property, plant and equipment written off	(153)	(5)	NM	(178)	(7)	NM
Gain on disposal of property, plant and equipment	-	130	(100)	22	130	(83)
Income from available-for-sale financial assets	9	13	(31)	12	18	(33)
Interest income	6	72	(92)	10	144	(93)
Net foreign exchange loss	88	(984)	NM	(1,213)	(3,036)	(60)
Under provision of prior years' tax	(168)	-	NM	(168)	-	NM

NM : Not meaningful

* Amount less than \$1,000

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Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		30/6/2017 \$'000	31/12/2016 \$'000	30/6/2017 \$'000	31/12/2016 \$'000
Current assets					
Cash and bank balances		15,039	16,024	72	20
Trade and other receivables		7,248	8,919	35,569	53,190
Inventories		403	429	-	-
Development properties		79,550	77,393	-	-
Other current assets		1,028	1,048	-	5
C		103,268	103,813	35,641	53,215
Non-current assets					
Available-for-sale financial assets		1,192	1,063	142	126
Intangible assets		441	441	-	-
Investment in a jointly-controlled entity	A	26,757	29,872	-	-
Investment in subsidiaries		-	-	41,987	41,987
Investment properties		351,350	349,588	-	-
Property, plant and equipment		229,347	226,184	-	-
Land use rights		6,390	6,692	-	-
Goodwill		789	789	-	-
Other assets		6,408	6,464	-	-
Deferred income tax assets		196	233	-	-
Other non-current assets		225	131	-	-
		623,095	621,457	42,129	42,113
Total assets		726,363	725,270	77,770	95,328
Current liabilities					
Trade and other payables	B	18,292	26,054	156	365
Tax payable		2,841	3,275	-	-
Borrowings		96,088	60,953	-	-
C		117,221	90,282	156	365
Non-current liabilities					
Trade and other payables		4,955	5,343	-	-
Borrowings		241,115	250,449	-	-
Deferred income tax liabilities		5,989	5,543	-	-
		252,059	261,335	-	-
Total liabilities		369,280	351,617	156	365
Net assets		357,083	373,653	77,614	94,963
Capital and reserves attributable to equity holders of the Company					
Share capital		125,646	125,646	125,646	125,646
Treasury shares		(996)	(913)	(996)	(913)
Reserves		232,797	249,331	(47,036)	(29,770)
		357,447	374,064	77,614	94,963
Non-controlling interests		(364)	(411)	-	-
Total equity		357,083	373,653	77,614	94,963

Notes to Statements of Financial Position:

- A Decrease was mainly due to dividend received during the financial period.
- B Decrease was mainly due to payments of construction costs during the financial period.
- C The negative working capital of approximately \$14 million as at 30 June 2017 was attributed to the increase in revolving credit facilities. With adequate project financing facilities available to fund existing projects and based on current cash flow forecast, the Group is able to meet its short term obligations as and when they fall due.

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

Amount repayable in one year or less, or on demand

30/6/2017	
\$'000	
Secured	Unsecured
96,088	Nil

31/12/2016	
\$'000	
Secured	Unsecured
60,953	Nil

Amount repayable after one year

30/6/2017	
\$'000	
Secured	Unsecured
241,115	Nil

31/12/2016	
\$'000	
Secured	Unsecured
250,449	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.

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Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

1 (c) Consolidated Statement of Cash Flows

	Note	Group		Group	
		Second Quarter		Six Months	
		30/6/2017	30/6/2016	30/6/2017	30/6/2016
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Profit before tax		2,856	4,291	5,024	33,508
Adjustments for:					
Amortisation of other assets		28	28	56	56
Depreciation of property, plant and equipment		1,404	1,393	2,888	2,761
Property, plant and equipment written off		153	5	178	7
Gain on disposal of property, plant and equipment		-	(130)	(22)	(130)
Income from available-for-sale financial assets		(9)	(13)	(12)	(18)
Gain on disposal of available-for-sale financial assets		-	(13)	(16)	(13)
Interest income		(6)	(72)	(10)	(144)
Interest expense		1,733	1,311	3,397	3,313
Loss on disposal of a subsidiary		47	-	47	-
Share of results of a jointly-controlled entity, net of tax		(67)	(2,196)	(85)	(29,933)
Operating cash flow before working capital changes		6,139	4,604	11,445	9,407
Changes in operating assets and liabilities :					
Inventories		(25)	(22)	26	33
Receivables		1,547	28,326	1,525	34,897
Payables		(4,163)	(1,582)	(8,150)	(2,733)
Development properties		(1,608)	(19,096)	(2,157)	(21,007)
Exchange difference		(287)	701	845	2,203
Cash generated from operations		1,603	12,931	3,534	22,800
Income tax paid, net		(1,839)	(2,008)	(1,896)	(2,008)
Net cash (used in)/generated from operating activities		(236)	10,923	1,638	20,792
Cash flows from investing activities					
Proceeds from sale of available-for-sale financial assets		1	23	43	23
Purchase of available-for-sale financial assets		(4)	(4)	(4)	(4)
Purchase of intangible assets		-	-	-	(32)
Payments for property, plant and equipment		(1,379)	(111)	(8,227)	(10,507)
Proceeds from disposal of property, plant and equipment		-	157	22	157
Additional costs incurred on investment properties		(154)	(4,322)	(3,003)	(4,322)
Repayment from a third party		36	36	72	72
Income received from quoted equity investments		9	13	12	18
Interest received		6	72	10	144
Dividend received from a jointly-controlled entity		3,200	-	3,200	-
Net cash generated from/(used in) investing activities		1,715	(4,136)	(7,875)	(14,451)
Cash flows from financing activities					
Interest paid		(1,733)	(1,311)	(3,397)	(3,313)
Purchase of treasury shares		-	-	(83)	-
Payment of dividends on ordinary shares		(17,249)	(5,751)	(17,249)	(5,751)
Repayment of finance lease liabilities		(31)	(31)	(62)	(68)
Proceeds from bank borrowings	A	56,060	30,800	65,540	72,300
Repayment of bank borrowings	A	(35,422)	(35,141)	(39,744)	(70,610)
Net cash generated from/(used in) financing activities		1,625	(11,434)	5,005	(7,442)
Net increase/(decrease) in cash and cash equivalents held		3,104	(4,647)	(1,232)	(1,101)
Cash and cash equivalents at beginning of financial period		11,694	17,078	16,024	13,455
Effect of exchange rate changes on cash and cash equivalents		241	124	247	201
Cash and cash equivalents at the end of financial period		15,039	12,555	15,039	12,555

Note to Consolidated Statement of Cash Flows :

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

	Group	
	30/6/2017	30/6/2016
	\$'000	\$'000
Cash at bank and on hand	13,117	11,244
Fixed deposits	1,922	1,311
	15,039	12,555

Notes to Statement of Cash Flows:

A Net increase was mainly due to draw down of loans to fund ongoing projects partially offset against repayment of certain facilities.

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 Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

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	Treasury Shares \$'000	Retained Earnings & Other Reserves* \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Total Reserves \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance at 1 January 2017	125,646	(913)	236,355	9,773	3,089	114	249,331	374,064	(411)	373,653
Profit for the period	-	-	3,079	-	-	-	3,079	3,079	-	3,079
Other comprehensive (loss)/income										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	-	(2,516)	-	(2,516)	(2,516)	-	(2,516)
Fair value gain on available-for-sale financial assets, net	-	-	-	-	-	152	152	152	-	152
Other comprehensive (loss)/income for the period, net of tax	-	-	-	-	(2,516)	152	(2,364)	(2,364)	-	(2,364)
Total comprehensive income/(loss) for the period	-	-	3,079	-	(2,516)	152	715	715	-	715
Effect of disposal of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	47	47
Purchase of treasury shares	-	(83)	-	-	-	-	-	(83)	-	(83)
Dividend relating to 2016	-	-	(17,249)	-	-	-	(17,249)	(17,249)	-	(17,249)
Balance at 30 June 2017	125,646	(996)	222,185	9,773	573	266	232,797	357,447	(364)	357,083

* Includes other reserves of \$112,000 as at 30 June 2017.

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Statement of Changes in Equity - Group

	Equity attributable to equity holders of the Company							Non-controlling Interests \$'000	Total Equity \$'000	
	Share Capital \$'000	Treasury Shares \$'000	Retained Earnings & Other Reserves* \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Total Reserves \$'000			
Balance at 1 January 2016	125,646	(913)	205,031	9,773	6,736	93	221,633	346,366	(131)	346,235
Profit for the period	-	-	31,973	-	-	-	31,973	31,973	(17)	31,956
Other comprehensive loss										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	-	(5,812)	-	(5,812)	(5,812)	-	(5,812)
Other comprehensive loss for the period, net of tax	-	-	-	-	(5,812)	-	(5,812)	(5,812)	-	(5,812)
Total comprehensive income/(loss) for the period	-	-	31,973	-	(5,812)	-	26,161	26,161	(17)	26,144
Dividend relating to 2015	-	-	(5,751)	-	-	-	(5,751)	(5,751)	-	(5,751)
Balance at 30 June 2016	125,646	(913)	231,253	9,773	924	93	242,043	366,776	(148)	366,628

* Includes other reserves of \$112,000 as at 30 June 2016.

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Statement of Changes in Equity - Company

	Share Capital \$'000	Treasury Shares \$'000	Accumulated Losses \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Total Reserves \$'000	Total \$'000
Balance at 1 January 2017	125,646	(913)	(30,702)	6	926	(29,770)	94,963
Loss for the period	-	-	(32)	-	-	(32)	(32)
Other comprehensive income							
Fair value gain on available-for-sale financial assets, net	-	-	-	15	-	15	15
Total comprehensive (loss)/income for the period	-	-	(32)	15	-	(17)	(17)
Purchase of treasury shares	-	(83)	-	-	-	-	(83)
Dividend relating to 2016	-	-	(17,249)	-	-	(17,249)	(17,249)
Balance at 30 June 2017	125,646	(996)	(47,983)	21	926	(47,036)	77,614
Balance at 1 January 2016	125,646	(913)	(42,060)	(1)	926	(41,135)	83,598
Profit for the period	-	-	10,689	-	-	10,689	10,689
Other comprehensive income							
Fair value gain on available-for-sale financial assets, net	-	-	-	5	-	5	5
Total comprehensive income for the period	-	-	10,689	5	-	10,694	10,694
Dividend relating to 2015	-	-	(5,751)	-	-	(5,751)	(5,751)
Balance at 30 June 2016	125,646	(913)	(37,122)	4	926	(36,192)	88,541

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Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

- 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 2017	576,936	125,646

As at 30 June 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 (30 June 2016: 576,936,000 ordinary shares of which 1,800,400 were held 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.

	30/6/2017	31/12/2016
Total issued ordinary shares (including treasury shares)	576,936,000	576,936,000
Less: Treasury shares	(1,967,800)	(1,800,400)
Total issued ordinary shares (excluding treasury shares)	574,968,200	575,135,600

- 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.

During the period January to June 2017, the Company purchased 167,400 treasury shares (January to June 2016: Nil).

	Number of shares	Treasury shares (\$)
Balance at 1 January 2017	1,800,400	913,000
Purchase of treasury shares	167,400	83,000
Balance at 30 June 2017	1,967,800	996,000

- 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 2016 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 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.

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.

	Group		Group	
	Second Quarter		Six Months	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
(i) Based on the weighted average number of ordinary shares on issue	0.28	0.61	0.54	5.55
(ii) On a fully diluted basis	0.28	0.61	0.54	5.55

- 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	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
Net asset value per ordinary share based on issued share capital at the end of the year	62.17	65.04	13.50	16.51

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Unaudited Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30 June 2017

- 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 2017 ("2Q 2017") vs Second Quarter 2016 ("2Q 2016")

Group revenue for 2Q 2017 increased by 9% to \$19.8 million, from \$18.2 million in 2Q 2016. This was mainly due to higher revenue in Hotel Investment and Management segment and Property Investment and Development segment, partially offset against lower revenue from Specialty Restaurants and Food Services segment.

The increase in other income in 2Q 2017 was mainly due to non-recurring items such as foreign exchange and write-off of aged creditors, partially offset against gain on disposal of property, plant and equipment.

Staff costs for 2Q 2017 increased by 20% to \$6.4 million, from \$5.3 million in 2Q 2016. This was mainly due to an increase in pre-opening team headcount and timing difference arising from the recognition of service points into salaries.

Higher loan draw down caused finance costs for 2Q 2017 to increase by 32% to \$1.7 million, from \$1.3 million in 2Q 2016.

Share of results of a jointly-controlled entity, net of tax in 2Q 2016 was from a completed development project.

First Half 2017 ("1H 2017") vs First Half 2016 ("1H 2016")

Group revenue for 1H 2017 increased by 3% to \$39.8 million, from \$38.7 million in 1H 2016. This was mainly due to higher revenue in Hotel Investment and Management segment, partially offset against lower revenue from Specialty Restaurants and Food Services segment.

The decrease in other income in 1H 2017 was mainly due to absence of amortisation of fair value adjustment on advances to a jointly-controlled entity and gain on disposal of property, plant and equipment, partially offset by non-recurring items such as write-off of aged creditors.

Cost of properties sold/consumables used for 1H 2017 decreased by 16% to \$2.7 million, from \$3.2 million in 1H 2016. The decrease was mainly due to write back of accrued construction cost for completed projects and lower consumables used in Hotel Investment and Management segment.

Staff costs for 1H 2017 increased by 17% to \$13 million, from \$11.2 million in 1H 2016. This was mainly due to an increase in pre-opening team headcount and timing difference arising from the recognition of service points into salaries.

Other expenses for 1H 2017 decreased by 12% to \$13.3 million, from \$15.1 million in 1H 2016. This was mainly due to decrease in foreign exchange loss.

Share of results of a jointly-controlled entity, net of tax in 1H 2016 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 sector remains competitive with the increased room inventory amidst an uncertain global economic outlook.

- 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 2017 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 August 2017