

ALHAMRA HOTELS AND RESORTS LIMITED

ARBN 608 940 343

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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DIRECTORS GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to governance policies with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below:

Director's Access to Independent Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Board and Risk

The Board representatives meet with the external auditors at least once a year. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and listing with the external auditor.

Remuneration and Management Succession

The Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision making body; and
- Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

ALHAMRA HOTELS AND RESORTS LIMITED

ARBN 600 518 009

DIRECTOR'S REPORT

Your directors present their report on the Company for the financial period ended 31 December 2016

Directors

The names of directors in office at any time during or since the end of the period are:

Muhammad Bobsaid

Rina Rosarina Maria

Abdul Razzaq

Andrew Bristow

Mr Bobsaid was a director from incorporation.

Mr Bristow was a director since listing on 10 November 2016

Ms Maria was a director from incorporation until 30 January 2017

Mr Razzaq became a director on 30 January 2017

Company Secretary

The position of company secretary from incorporation was held by Andrew David Bristow.

Principle Activities

The principle activity of the Company and its Subsidiary PT. Al Hamra Internasional of Indonesia is the operation of restaurants. The Company plans to construct a hotel on Lombok Island.

Our business model and objectives

The Company proposes to generate future income by continuing to develop its restaurant business and build a hotel.

The Company proposes to fund these investments by additional capital raising.

Operating Results

The Company incurred a net operating profit for the period of US\$1,091,909

Dividends Paid or Recommended

No dividends were paid during the period

Review of Operations

Alhamra Hotels and Resorts Limited has been engaged in its principal activities. During the year it has continued its restaurant operations and it now seeks to raise additional capital to fund the expansion of its restaurants and work on the planned construction of a hotel

Financial Position

The net assets of the Company during the financial period other than those disclosed elsewhere in this report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period other than those disclosed elsewhere in this report.

After Balance Date Events

There have been no events that have affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future since the Balance Date.

Future Developments and Business Strategies

The Company will pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of the Australia or elsewhere.

ALHAMRA HOTELS AND RESORTS LIMITED

ARBN 608 940 343

DIRECTORS' REPORT

Information on Directors

Muhammad Bobsaid –Chairman and Managing Director

Mr Bobsaid started his career in sales in Saudi Arabia and then Australia. Looking for a change in careers Mr Bobsaid became assistant Chef at the Jakarta Indonesia Restaurant in Melbourne, Australia in 1996. He returned to Saudi Arabia in 1997 and for the next 3 years was the marketing manager for the Al Jizan Foodstuff Company.

In the year 2000 he moved to Indonesia where he owned a series of restaurants before establishing the Al Hamra restaurant in Mataram on the Island of Lombok in 2012.

He is the Chief Chairman of Asosiasi Pariwisata Islami Indonesia (Islamic Tourism Association of Indonesia).

Interest in Shares and Options

450 000 CDIs and 750 000 A Class Preference Shares

Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Abdul Razzaq

Is currently the CEO & Managing Director of Mogul Edible Products Ltd, Mogul Beverages Ltd and Mogul Plastic Ltd. Previously Mr Razzaq was the CEO of Acqua Gen Services, Sales and Marketing manager of Mitsubishi Electric (Lahore) and Allied Engineering (CAT).

He has extensive knowledge in the development of sales models, performance management, procurement and business strategy.

Interest in Shares and Options

Nil

Special Responsibilities

Nil

Directorships held in other listed Entities

Alliance Global Capital Ltd

Andrew Bristow

Andrew has over 30 years of legal experience.

He specialises in Corporate and Commercial Law with an emphasis on start-up companies and small to medium enterprises, as well as corporate governance and company secretarial practice.

Interest in Shares and Options

Nil

Special Responsibilities

Nil

Directorships held in other listed Entities

Alliance Global Capital Ltd

Dated 30 March 2017



MUHAMMAD BOBSAID

ALHAMRA HOTELS AND RESORTS Limited

ARBN 608 940 343

REMUNERATION REPORT (Unaudited)

This report details the nature and amount of remuneration for each director of ALHAMRA HOTELS AND RESORTS Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

All issues in relation of both Executive Directors and Non-Executive Directors are dealt with by the Board as a whole.

The Constitution of ALHAMRA HOTELS AND RESORTS Limited requires approval by the shareholders in general meetings of a maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$50,000 per annum.

Non-Executive Directors hold office until such as they retire, resign or are removed from office under the terms set out in the constitution of the Company. Non-Executive Directors do not receive any performance based remuneration.

Details of remuneration for period ended 31 December 2016.

Mr Bristow has an indirect interest in Highgate Corporate Advisors Pty Ltd which receives \$13,000 per annum for the provision secretarial services and acting as nominated advisor

Details of the remuneration for each Director of the Company was as follows:

Name	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Muhammad	Nil	Nil	Nil	Nil

Bobsaid				
Abdul Razzaq	Nil	Nil	Nil	Nil
Andrew Bristow	Nil	Nil	Nil	Nil



IQBAL YASIR & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of **ALHAMRA HOTELS AND RESORTS LTD** and its subsidiary (together referred to as the Group) as at 31 December 2016 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof for the year then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards and Samoa's International Companies Act, 1987 and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the group as at 31 December 2016 and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards and Samoa's International Companies Act, 1987.

Other Matters paragraph

The financial statements of the subsidiary company have been audited by KANTOR AKUNTAN PUBLIK DRS.H.BASRI HARDJOSUMARTO,M.SIAK & REKAN (Registered Public Accountants), Indonesia, who expressed unmodified opinion on its separate financial statements on 17 February 2017.

Lahore.

Date: 29 March 2017



Iqbal Yasir Riaz
IQBAL YASIR AND COMPANY
(Chartered Accountants)

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ALHAMRA HOTELS AND RESORTS LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 US\$
ASSETS		
NON CURRENT ASSETS		
Property and equipment	6	520,877
CURRENT ASSETS		
Inventories	7	151,403
Receivable from shareholders	8	162,675
Prepaid expenses		243,476
Other receivables		913,359
Cash and bank balance	9	157,462
		1,628,375
TOTAL ASSETS		2,149,252
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	10	14,000,001
Issued, subscribed and paid up capital	10	69,000
Share premium		153,675
Consolidated retained earnings		943,508
Equity attributable to equity holders of the parent		1,166,183
Non-controlling interests		964,154
Total Equity		2,130,337
CURRENT LIABILITIES		
Accrued and other liabilities	11	11,659
Provision for tax		7,256
		18,915
CONTINGENCIES AND COMMITMENTS	12	-
TOTAL EQUITY AND LIABILITIES		2,149,252

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ALHAMRA HOTELS AND RESORTS LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 US\$
Revenue	13	1,667,325
Cost of Revenue	14	(1,095,097)
Gross profit		572,228
Gain on bargain purchase on acquisition of subsidiary	18	782,804
General and administrative expenses	15	(240,218)
Profit before tax		1,114,814
Taxation		(16,905)
Profit after tax		1,097,909
Earnings per share		
- Basic	16.1	0.24
- Diluted	16.2	0.24
Profit attributable to:		
Owners of parent		943,508
Non controlling interest		154,401
		1,097,909

The annexed notes from 1 to 22 form an integral part of these financial statements.


 CHIEF EXECUTIVE




 DIRECTOR

ALHAMRA HOTELS AND RESORTS LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>2016</u>
	<u>US\$</u>
Profit for the year	1,097,909
Other comprehensive income for the year	-
Total comprehensive income for the year	<u>1,097,909</u>
Total comprehensive income attributable to:	
Owners of parent	943,507
Non controlling interest	<u>154,401</u>
	<u>1,097,909</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

ALHAMRA HOTELS AND RESORTS LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 US\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	1,114,814
Adjustments for:	
- Bargain purchase gain on acquisition of subsidiary	(782,804)
- Depreciation	36,321
Operating profit before working capital changes	368,331
WORKING CAPITAL CHANGES	
(Increase)/Decrease in current assets	
Inventories	(147,433)
Receivable from shareholders	(162,675)
Prepaid expenses	(116,401)
Other receivables	35,703
Increase/(Decrease) in current liabilities	
Accrued and other liabilities	9,673
	(381,133)
Less; Tax paid	(13,102)
Net cash flow from operating activities	(25,904)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of subsidiary	20,691
Net cash inflow from investing's activities	20,691
CASH FLOWS FROM FINANCING ACTIVITIES	
Issue of new shares	9,000
Share premium	153,675
Net cash flow from financing activities	162,675
Net increase in cash and cash equivalents	157,462
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	157,462

The annexed notes from 1 to 22 form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ALHAMIRA HOTELS AND RESORTS LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital		Share premium	Consolidated retained earnings	Total	Non-controlling interest	Total Equity
	Ordinary	Convertible					
	US\$						
Shares issued during the year	54,000	15,000	153,675	-	222,675	-	222,675
Acquisition of subsidiary	-	-	-	-	-	809,753	809,753
Profit for the year	-	-	-	943,508	943,508	154,401	1,097,910
Balance as at 31 December 2016	54,000	15,000	153,675	943,508	1,166,183	964,154	2,130,338

The annexed notes from 1 to 22 form an integral part of these financial statements.

CHIEF EXECUTIVE



DIRECTOR

ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUS AND NATURE OF BUSINESS

The group consists of the following companies:

1.1 Holding company

Alhamra Hotels and Resorts Limited was incorporated under the International Companies Act, 1988 in Samoa as an International Company on 30 September 2015. The registered office of the company is situated at 2nd Floor, Building B, SNPF Plaza, Savalalo Apia Samoa. The principal activity of the company is investment holding. It holds 51% of holdings in the subsidiary company.

1.2 Subsidiary company

PT Alhamra International (the subsidiary), was established based on Notarial Deed No. 28 dated April 25, 2012 of Heni Hapsari, S.H., notary public in Mataram. The Articles of Association have been approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter AHU-39235.AH.01.01.Tahun 2012. In accordance with article 3 of the Company's Articles of Association, the scope of activities covers the hotel business in the form of accommodation facilities and other necessary services. The Company's office is Jl. Pejanggik No. 15, Pejanggik, Mataram.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in US Dollar and all values are rounded to the nearest cent, except otherwise

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

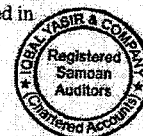
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement(s) with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2.2 Statement of compliance

These financial statements have been prepared in accordance with the International Accounting and Financial Reporting Standards and the requirements of the Samoa's International Companies Act, 1987. In case requirements differ, the provisions or directives of the International Companies Act, 1987 shall prevail.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations which became effective during the period

Below is a list of the amendments to IFRSs and the new Interpretations that are mandatorily effective for accounting periods that begin on or after 1 January 2015.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IFRS 5 resulting from September 2014 annual improvements to IFRSs
- Amendments to IFRS 7 resulting from September 2014 annual improvements to IFRSs
- Amendments to IFRS 10 for consolidation exceptions
- Amendments to IFRS 11 Accounting for Acquisition of Interest in Joint Operations
- Amendments to IFRS 12 regarding the application of consolidation exception
- Amendments to IAS 1 Presentation of Financial Statements, disclosure initiative
- Amendments to IAS 16 and IAS 38 for determining acceptable methods of depreciation or amortization and
- Amendments to IAS 17 resulting from September 2014 annual improvements to IFRSs
- Amendments to IAS 27 for reinstating the equity method as an accounting option for investments in
- Amendments to IAS 28 for restating the equity method as an accounting option for investments in subsidiary,
- Amendments to IAS 34 resulting from September 2014 annual improvements to IFRSs

3.2 Standards, amendments or interpretations issued but not yet effective

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the period beginning on or after 01 April 2016:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 16 Leases
- Amendments to IFRS 2 for classifying and measuring share-based payment transactions
- Amendments to IAS 7 for disclosure initiative
- Amendments to IAS 12 for recognition of deferred tax assets for unrealized losses

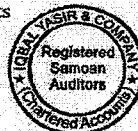
4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company.

4.1 Measurement of fair value

When measuring the fair value of assets and liabilities, the company uses market observables data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as stated in Note 17 to these financial statements



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4.2 Revenue Recognition

In making their judgment, the directors considered the detailed criteria for the recognition of revenue from the rendering of services as set out in IAS 18 and, in particular, whether the company has established the right to record the said revenue.

5 SIGNIFICANT OF ACCOUNTING POLICIES

5.1 Functional and presentation currency

These financial statements are prepared in US Dollars, which is the group's functional as well as presentation currency.

5.2 Foreign currencies

Transactions in foreign currencies during the financial period are converted into United States Dollars (US\$) at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities at the statement of financial position date are translated into US\$ at exchange rates ruling at that date. All exchange gains or losses are dealt with in the income statement.

5.3 Foreign operations

Assets and liabilities of foreign operations are translated into US Dollars at the exchange rate prevailing at the reporting date. The results of foreign operations are translated at average rate of exchange for the period.

5.4 Trade and other receivables

Receivables are stated at anticipated realizable value. Bad debts are written off in the period in which they are identified. Allowance for bad and doubtful debts is made on estimates of possible losses which may arise from non-collection of certain debts.

5.5 Financial instruments

Financial instruments are recognized in the Statement of financial position when the Company is a party to the contractual provision of the instruments. The recognized financial instruments of the company in the statement of financial position comprise cash and cash equivalents, investments, short term loans and interest receivables that arise directly from its operations, non-trade receivables and payables arising from transactions entered into in the normal course of business, borrowings, and ordinary share capital. The company classifies its financial assets into following measurement categories.

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held to maturity
- Available for sale

Financial liabilities are classified as either held at fair value through profit or loss or at amortized cost. Management determines the classification of financial assets and liabilities at initial recognition or, where appropriate, at the time of reclassification.

5.6 Cash and cash equivalent

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented.

5.7 Trade creditors

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

5.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's business, revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria has been met for each of the company's activities as described below:

Sale of goods

Revenue is recognized when it is probable that the economic benefits will flow to the company and the amount can be measured reliably.



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Rendering of services

Revenue from contracts is recognized on accrual basis

The recognition of revenue to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which the services are rendered. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period.

Interest / Mark up income

Interest / Mark up is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

5.9 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability.



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. PROPERTY AND EQUIPMENT

	Note	2016 US\$
Operating fixed assets	6.1	133,536
Capital work in progress		387,341
		<u>520,877</u>

6.1 Operating fixed assets

	Machine and Electronics	Furniture and Fixtures	Equipments	Total
	-----US\$-----			
Cost				
Balance as at March 27, 2016	109,525	60,405	721	170,650
Additions during the period	-	-	-	-
Disposals	-	-	-	-
Balance as at December 31, 2016	<u>109,525</u>	<u>60,405</u>	<u>721</u>	<u>170,650</u>
Depreciation				
Balance as at March 27, 2016	8,707	6,837	40	15,585
Charge for the year	11,516	9,928	85	21,529
Depreciation on disposals	-	-	-	-
Balance as at December 31, 2016	<u>20,224</u>	<u>16,765</u>	<u>125</u>	<u>37,114</u>
Rate of depreciation	10%	20%	15%	
Written down value as at December 31, 2016	<u>89,301</u>	<u>43,639</u>	<u>596</u>	<u>133,536</u>



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 US\$
7. INVENTORIES	
Food	78,729
Beverage	34,823
Other supplies	37,851
	<u>151,403</u>
8. RECEIVABLE FROM SHAREHOLDERS	
Receivable against shares issued	<u>162,675</u>
	<u>162,675</u>
The parent company issued shares to shareholders during the financial year ended December 31, 2016. The consideration for issue of shares is to be received from shareholders.	
9. CASH AND BANK BALANCE	
Cash in hand	155,690
Cash at bank	<u>1,772</u>
	<u>157,462</u>
10. SHARE CAPITAL	
Authorized share capital	
Ordinary Share Capital	
1,000,000,000 ordinary shares of US\$ 0.01 each	10,000,000
1 founder share of US\$ 1.00 each	<u>1</u>
	10,000,001
Convertible Shares	
400,000,000 convertible shares of US \$ 0.01 each	4,000,000
	<u>14,000,001</u>
Issued, subscribed and paid up share capital	
Ordinary Share Capital	
5,400,000 shares of US \$ 0.01 each	54,000
Convertible Share Capital	
1,500,000 shares of US \$ 0.01 each	15,000
	<u>69,000</u>
11. ACCRUED AND OTHER LIABILITIES	
Salaries payable	8,208
Utilities payable	1,451
Audit fee payable	<u>2,000</u>
	<u>11,659</u>
12. CONTINGENCIES AND COMMITMENTS	
CONTINGENCIES:	
There were no contingencies as on the statement of financial position date.	
COMMITMENTS:	
There were no commitments as on the statement of financial position date.	
13. REVENUE	
Food	1,284,897
Beverage	305,895
Other supplies	<u>76,533</u>
	<u>1,667,325</u>



ALHAMRA HOTELS AND RESORTS LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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			2016 US\$
14. COST OF REVENUE			
Food			985,587
Beverage			109,510
			<u>1,095,097</u>
15. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits			104,961
Rent, rates and taxes			5,524
Service charges			63,350
Utilities			16,330
Repair and maintenances			7,817
Travelling and conveyance			4,712
Entertainment			13,002
Audit fee			2,000
Depreciation			20,529
Miscellaneous expenses			1,993
			<u>240,218</u>
16. EARNINGS PER SHARES			
16.1 Earnings per share - Basic			
Profit after taxation for the period	US\$		1,097,909
Weighted average number of ordinary shares	Number of shares		4,500,000
Earnings per share - Basic	US\$		<u>0.24</u>
16.2 Earnings per share - Diluted			
Profit after taxation for the period	US\$		1,097,909
Weighted average number of ordinary shares	Number of shares		4,536,986
Earnings per share - Diluted	US\$		<u>0.24</u>
17. RELATED PARTY TRANSACTIONS			
Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. There are no related party transactions in the period.			
18. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS			
Acquisition of PT Alharma International Limited			
On 27 March 2016, the Group acquired 51% of the voting shares of PT Alharma International Limited, an unlisted company based in Indonesia and specializing in the business of hotels, resorts and leisure activities, in exchange for the Group's shares.			
The Group has elected to measure the non-controlling interests in the acquire at proportionate share of net asset value method.			
Assets acquired and liabilities assumed			
The fair value of the identifiable assets and liabilities of PT Alharma International Limited is equal to the carrying value of net assets as at the date of acquisition.			
			US\$
Assets			
Property and equipment			557,548
Cash and cash equivalent			20,691
other receivables			949,062
Advances and prepayments			127,075
Inventories			3,970
			<u>1,658,346</u>



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	2016 US\$
Liabilities	
Taxes payable	(3,803)
Accrued expenses	(836)
Deferred asset equipment	(1,150)
	<u>(5,789)</u>
Total identifiable net assets at carrying value (Assets - Liabilities)	1,652,557
Non-controlling interest measured at proportionate value	(809,753)
Purchase consideration transferred	(60,000)
Bargain purchase gain arising on acquisition	<u>782,804</u>
19. FINANCIAL INSTRUMENTS	
19.1 Financial instruments by class and category	
Financial assets	
Receivable from shareholders	162,675
Other receivables	913,359
Cash and bank balance	157,462
	<u>1,233,496</u>
Financial liabilities	
Accrued and other liabilities	11,659
	<u>11,659</u>
19.2 Fair values of financial instruments	
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.	
As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts. Further, there are no fair value estimation uncertainties.	
19.2.1 Methods of determining fair values	
Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. The fair value of financial assets (other than investments) and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.	
19.2.2 Discount/interest rates used for determining fair values	
The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.	
19.2.3 Fair value hierarchy	
The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:	
Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



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The fair value hierarchy of financial assets measured at fair value is as follows:

	2016			
	Total	Level 1	Level 2	Level 3
Financial assets				
Receivable from shareholders	162,675	-	-	162,675
Other receivables	913,359	-	-	913,359
Cash and bank balance	157,462	-	-	157,462
	<u>1,233,496</u>	<u>-</u>	<u>-</u>	<u>1,233,496</u>
Financial liabilities				
Accrued and other liabilities	11,659	-	-	11,659
	<u>11,659</u>	<u>-</u>	<u>-</u>	<u>11,659</u>

20. FINANCIAL RISK MANAGEMENT

Financial risk factors

Financial instruments comprise investment in equity instruments, interest accrued, trade receivables, cash and bank balances, short term borrowings and trade and other payables.

The group has exposure to the following risks from its use of financial instruments:

Market risk

Liquidity risk

Credit risk

The Board of Directors has the overall responsibility for the establishment and oversight of company's risk management framework. The Board is also responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the company's activities.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

20.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist.

Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

20.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:



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2016

US\$

20.2.1 Maximum exposure to credit risk

The maximum exposure to credit risk as at the reporting date is as follows:

Financial assets

Receivable from shareholders

162,675

Other receivables

913,359

Cash and bank balance

157,462

1,070,821

20.2.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external ratings, where available, or to historical information about counterparty default rates.

20.2.2.1 Counterparties with external credit ratings

These include banking companies, which are counter parties to bank balances, various other organizations which are counter parties to investments in debt securities and dividend and profit receivable thereon. These counterparties have reasonably high ratings based on which non-performance by these counterparties is not expected.

20.2.2.2 Counterparties without external credit ratings

These include receivable from shareholders. Non-performance by these counterparties is not expected.

20.2.4 Collateral held

The Company does not hold any collateral to secure its financial assets.

20.2.5 Credit risk management

The Company's credit risk is primarily attributable to its investment in its funds, balances with banks, and security deposits. Bank balances are maintained with counter parties that are banking companies with reasonably high credit ratings. The risk of default is considered minimal in case of investments in debt securities.

20.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue on **29 March 2017** by the Board of Directors of the company.

22. GENERAL

- Figures have been rounded off to the nearest US\$.



CHIEF EXECUTIVE




DIRECTOR

ALHAMRA HOTELS AND RESORTS LIMITED**ARBN 608 940 343****STOCK EXCHANGE INFORMATION****TOP 20 ORDINARY SHAREHOLDERS AS AT 29 March 2017**

Shareholder	Shares	% of issued
MUHAMMAD BOBSAID	2,250,000	32.609%
ANCHOR GLOBAL CAPITAL LTD	2,250,000	32.609%
FARZANA TAHIR	420,000	6.087%
RATRI AZRI	419,000	6.072%
IFTHIKHAR AHMED	300,000	4.348%
IFTHIKAR AHMAD	120,000	1.739%
JAVED IQBAL MUGHAL	40,000	0.580%
MEHMOOD AKHTAR	40,000	0.580%
OMER FAROOQ ABDULLAH	40,000	0.580%
OAMAR JAVED	40,000	0.580%
ABDUL RAZZAQ	20,000	0.290%
GHAZALA ZAFAR	20,000	0.290%
KASHIF ALI BHATTI	20,000	0.290%
ASMA PARVIN	20,000	0.290%
KHANDAKER MORTUZA BISHAL	20,000	0.290%
MOMTAZ AKTER	20,000	0.290%
SAQIB ALI BHATTI	20,000	0.290%
LITON ALI	20,000	0.290%
AKHTAR JAAN	20,000	0.290%
SHAMMI AKTER	20,000	0.290%

Analysis of Holdings as at 29-03-2016

Security Classes

CHESS Depository Interests over Fully Paid Ordinary Shares

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	14	360,000	5.217
100,001-99,999,999,999	4	5,759,000	83.464
Totals	58	62,349,000	88.681

Substantial shareholders

Shares

% of Issued

MUHAMMAD BOBSAID	2,250,000	32.609%
ANCHOR GLOBAL CAPITAL LTD	2,250,000	32.609%
FARZANA TAHIR	420,000	6.087%
RATRI AZRI	419,000	6.072%

ALHAMRA HOTELS AND RESORTS LIMITED

ARBN 608 940 343

CORPORATE DIRECTORY

DIRECTORS

Muhammad Bobsaid

Abdul Razzaq

Andrew Bristow

SECRETARY

ANDREW BRISTOW. AUSTRALIA

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REGISTERED OFFICE – Samoa

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Saualino

Apia Samoa

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NOMINATED ADVISOR

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AUDITOR

IQBAL YASIR & COMPANY

Chartered Accountants

RB-II, 2nd floor,

Flat No15

AWAMI COMPLEX

USMAN BLACK, NEW GARDEN TOWN,

LAHORE PAKISTAN

(REGISTERED IN SAMOA)

CDI/SHARE REGISTRY

BOARDROOM PTY LIMITED

LEVEL 7, 207 KENT STREET,

SYDNEY NSW 2000