

A full-page background image of a sunset over the ocean. The sun is low on the horizon, creating a bright orange and yellow glow. The sky is filled with soft, white clouds. The water in the foreground is a deep blue with gentle ripples. The text 'EMERGING STRONGER' is centered in white, bold, sans-serif capital letters. The word 'EMERGING' is on the top line and 'STRONGER' is on the bottom line, with the sun partially obscured by the letter 'G' in 'EMERGING'.

# EMERGING STRONGER

AMARA HOLDINGS LIMITED

ANNUAL REPORT 2021

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Difficulties are meant to rouse.

We weather storms  
and emerge stronger, ready to  
face the ever-changing rapids  
of unpredictable times.

AT  
**AMARA**

**Three core businesses  
form a united front that  
continues to redefine living.**

**We are reinforced by  
overcoming each challenge.**

# AMARA VISION

Sharing a common vision and an identical set of values, we strive to deliver a brand experience unique to Amara in our three interrelated core businesses.

The Amara vision is to be recognised as a leading Asian integrated lifestyle group, with premium brands that exude the value, quality and style of our product offerings, and a warm and personalised service that goes beyond the expectations of our customers.



## **Our Core Values**

allow us to embody the innovative and creative spirit, daring to dream and constantly keeping up with trends. We are committed to providing a quality and superior integrated lifestyle product, delivered with the utmost professionalism and that special touch of Asian hospitality.

## **Our Goal**

is to maintain excellence in all that we do, and offer long term benefits to our shareholders, our customers and our employees.

## **Our Greatest Asset**

is our people. We value their contributions and are dedicated to lifelong training and bringing out the best in our people.

# AMARA BRAND



## AMARA HOLDINGS LIMITED

A homegrown integrated lifestyle group principally engaged in three business areas, namely, hotel investment and management, property investment and development, and specialty restaurants and food services.



### AMARA HOTELS & RESORTS

Amara presents the world with a fresh approach to luxury hotels and resorts. We promise to enrich, fulfil and inspire our guests with individual experiences that are cherished and memorable. We are the creator of special moments and unique memories.

Because this moment matters.



### SILK ROAD

Experience first-hand the cuisine of the Silk Road where Marco Polo first discovered Asia and where the finest dishes from the orient are created by master chefs.

Showcasing the very best of provincial Chinese cuisine, our show kitchen allows you to be a part of the action – a truly individual experience.



### AMARA HOTELS

Amara Hotels are contemporary Asian business hotels offering a friendly environment in which to relax or do business. Amara Hotels offer the latest business hotel facilities in a convenient city location, where guests will find stylish interiors, world class service and an experience as individual as you.



### THANYING

At Thanying Restaurant, we offer you a unique taste of rich, exquisite and Royal Thai cuisine. Within a uniquely Thai ambience, and distinctly Thai service, Thanying Restaurant relives the culinary past when only the most exquisite morsels were prepared and presented with the pomp and richness deserving of royalty.



### AMARA SIGNATURE

Amara Signature Hotels boast stylish interiors and a prestigious address. Our luxurious properties offer ideal accommodations for modern travellers.

Whether staying for work or pleasure, guests will experience an unprecedented access to destination dining, state-of-the-art facilities, and world-class service.



### 100 AM

Redefining lifestyle, our retail mall brand 100 AM aims to create a unique shopping experience featuring a wide variety of retail, lifestyle and dining concepts tailored to the changing lifestyle in each vibrant and dynamic location.



### AMARA SANCTUARY

Amara Sanctuary Resorts offer guests an idyllic environment to relax and rejuvenate. Nestled in exotic locations, our resorts blend traditional local elements with modern amenities.

Stunning accommodations and innovative dining concepts ensure that our guests experience sensory delights.

# CEO'S MESSAGE



THE GROUP WILL REMAIN FINANCIALLY PRUDENT, CONSERVING ESSENTIAL RESOURCES TO PREPARE FOR GRADUAL RECOVERY WITH THE REOPENING OF BORDERS AND ECONOMIES.

**Albert Teo Hock Chuan**  
Chief Executive Officer

The global economy recovered from the COVID-19 induced recession last year, as the widespread roll-out of vaccinations in most developed countries allowed economies to re-open and business activities to gradually normalise. According to the International Monetary Fund's latest outlook, the global economy grew by an estimated 5.9% in 2021, after contracting by 3.1% in 2020<sup>1</sup>.

Singapore's economy grew in tandem, expanding 7.6% for 2021, rebounding from the 4.1% contraction in 2020, according to statistics from the Ministry of Trade and Industry ("MTI")<sup>2</sup>. On the hospitality front, latest statistics from the Singapore Tourism Board ("STB") showed that Singapore's international visitor arrivals and tourism receipts reached 330,000 and an estimated S\$1.9 billion respectively in 2021, with encouraging signs of recovery in the tourism sector, seen in the year-on-year growth in the last three quarters of 2021<sup>3</sup>.

For Amara, the financial year ended 31 December 2021 ("FY 2021") continued to be a challenging year, with lockdowns and restrictions in jurisdictions that we operate in, due to the COVID-19 pandemic. We continued to navigate through the difficult period by activating our business continuity plans at all business units, and exercising prudence by putting in place appropriate cost and risk management measures to strengthen our operating capabilities.

Revenue-wise, we took up several initiatives aimed at recapturing revenue streams from the domestic market.

This concerted strategy has paid off as revenue increased 10% to S\$66.9 million in FY 2021 from S\$61.1 million in the previous financial year ("FY 2020"), well-supported by topline growth for all our three business segments – Hotel Investment and Management, Property Investment and Development, and Specialty Restaurants and Food Services, in line with the Group's marketing drive, and adoption of initiatives and promotions.

We saw a net profit of S\$7.6 million for FY 2021, a turnaround from a net loss of S\$11.4 million in FY 2020, mainly with improved revenue, lowered operating and finance costs and narrowed fair value loss of investment properties.

Net asset value per share stood at 69.89 Singapore cents as at 31 December 2021, as compared to 67.45 Singapore cents as at 31 December 2020. The Group will remain financially prudent, conserving essential resources to prepare for gradual recovery with the reopening of borders and economies. Our gearing ratio remained healthy and we are well supported by our principal bankers and available banking facilities.

<sup>1</sup> International Monetary Fund, 25 January 2022 – World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation.

<sup>2</sup> Ministry of Trade and Industry, 17 February 2022 – MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 per cent".

<sup>3</sup> Singapore Tourism Board, 25 January 2022 – Singapore's tourism sector remained resilient in 2021, ready for recovery in 2022 and beyond.

## HOTEL INVESTMENT AND MANAGEMENT

Our Hotel Investment and Management segment has stayed resilient amidst the COVID-19 pandemic with our active marketing drive for both the corporate and leisure segments, and tie-ups with government agencies in Singapore.

In Singapore, the Group's two hotels, Amara Singapore and Amara Sanctuary Resort, Sentosa have continued to see a gradual pick-up during the year under review, with a series of initiatives. This included promotional prices for corporate and leisure guests, and the launch of new room packages to encourage staycations or work-cations. Both hotels have additionally been deployed as dedicated facilities for persons to serve their "Stay-Home Notice".

Additionally, to attract alternative revenue sources for the F&B business, we actively tapped on e-commerce platforms to provide takeaway and delivery options at both hotels. We are also constantly on the lookout for prospective tenants for suitable venues on the hotel premises.

We will continue to focus on the renewal of our hotel and F&B offerings and the upskilling of our team and streamlining of our processes to prepare for the reopening of Singapore to the world.

Amara Bangkok continued to be negatively impacted by the reduction in tourists due to border restrictions as a result of the pandemic. The Emergency Decree, first imposed on 26 March 2020, was extended several times till 31 January 2022. Nonetheless, we actively participated in the government's "We Travel Together" tourism campaign to boost revenue from domestic travellers, and continue to be well engaged in online marketing efforts for staycation packages. Additionally Amara Bangkok has been registered with the authority for the Alternative State Quarantine programme since 11 June 2020. Subsequent to year-end, on 1 February 2022, Thailand has restarted its "Test & Go" programme, allowing vaccinated international travellers from all countries to enter without lengthy quarantine

restrictions. This was earlier suspended on 22 December 2021, citing the rising number of Omicron variant cases in the country. This move will serve to provide a gradual uplift to both domestic and international travel over time, and augur well for Amara Bangkok.

Amara Signature Shanghai has seen an improvement in performance with the launch of room and MICE packages and other marketing initiatives, despite some domestic travel restrictions imposed on cities with COVID-19 infection cases. Indeed, China has continued to see a recovery in domestic travels, rebounding quickly after the outbreak of the coronavirus pandemic in the first quarter of 2020. For the third quarter of 2021, approximately 818 million domestic tourist trips were made within the country<sup>4</sup>. Whilst this is still below the level before the outbreak of the pandemic due to sporadic outbreaks, it is an encouraging indicator, underscored by consumer confidence.

We have seen an increase in domestic leisure customers particularly during the long public holiday periods and likewise, for corporates, with business trips allowed within the country. Looking ahead, we will continue to focus on domestic travels for leisure and business within China through targeted marketing initiatives.

Operationally, for our Hotel Investment and Management division, we have put in place business continuity plans in all our hotel operations since the pandemic started, from recruitment freeze to re-deployment of staff to other job functions to deferring all discretionary expenses and non-critical capital expenditures.

We have and will continue to raise productivity and key capabilities through technology, including investing in digital platforms that facilitate contactless interactions, and improving internal processes and operational efficiencies, as we prepare for the reopening of economies in a significant way.



<sup>4</sup> Statista, 27 January 2022 – Quarterly domestic tourist arrivals in China Q1 2019-Q3 2021.

## PROPERTY INVESTMENT AND DEVELOPMENT

Our Property Investment segment in both Singapore and Shanghai continued to stay resilient during the year under review.

In Singapore, our office tower, with its focus on healthcare services, remained resilient given its strategic location and niche positioning.

As for our commercial property, 100 AM mall in Tanjong Pagar, occupancy has been stable and high with some tenant rejuvenation during the year, welcoming new Japanese brands like Dr.stretch and Henri Charpentier. Our anchor tenants, including Itadakimasu by PARCO, Fairprice Finest and Don Don Donki – also continued to attract consumers with their product varieties. We will continue to strategically work towards maintaining a good tenant mix to stay relevant, and catering for a differentiated lifestyle mall experience.

Overseas in Shanghai, the office component is fully leased to JA Space, which operates office co-sharing services to other enterprises. As for 100 AM Shanghai mall, there has been a renewal in the tenant mix which includes a new tenant, No. 9 Theatre, for mystery-solving games trending in China, joining the fold. We will focus on attracting new tenants as part of ongoing rejuvenation to provide a varied collection of lifestyle options for a differentiated experience.

For Property Development, we have successfully launched all our developments.

In March 2021, our wholly-owned subsidiary, Creative Investments Pte Ltd, together with joint venture partners, acquired a freehold residential development Surrey Point via a collective sale, in line with our strategy to look for freehold unique sites to develop.

Real estate statistics released by the Urban Redevelopment Authority (“URA”) showed that for the whole of 2021, prices of private residential properties increased by 10.6%, compared with

the 2.2% increase in 2020<sup>5</sup>.

With the latest round of property cooling measures including ABSD rates, lower TDSR and LTV rules on 16 December 2021 and a rising interest rate environment, the Group expects the private residential market to remain challenging and will remain cautious and selective in replenishing our land bank.

We remain focused on the sale and delivery of our freehold sites, 10 Evelyn, M5 and Bedok Avenue, with active marketing efforts. These well-located developments, which are tastefully designed and attractively priced, will continue to appeal to discerning homeowners and real estate investors looking for a unique lifestyle.

## SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services arm continued to see muted performance amidst the pandemic, with impact from the restrictions imposed on the number of guests per table, coupled with safe management measures for dining out.

During the year, to boost sales, we continued to leverage on e-commerce platforms, focusing on takeaway and delivery options. F&B offers and other festive menus were put in place to cater to increased demand during the festive periods as more people were in town due to the travel restrictions.

We will continue to refresh our menus for this complementary pillar, to bring unique dining experiences to all our guests.



<sup>5</sup> Urban Redevelopment Authority, 28 January 2022 – Release of 4th Quarter 2021 real estate statistics.



## OUTLOOK - EMERGING STRONGER

The global economic recovery is continuing, even as the pandemic resurges, with the rapid spread of Delta and Omicron variants increasing uncertainty. The International Monetary Fund expects global growth for 2022 to moderate to 4.4%, from 5.9% in 2021. Barring the materialisation of downside risks, the Singapore economy is expected to grow by “3.0% to 5.0%” in 2022.

According to the International Air Transport Association, air traffic volumes are not expected to return to pre-COVID-19 levels until 2024<sup>6</sup>. The global growth outlook for 2022 is expected to remain fragile, with overall demand likely to reach 61% of pre-crisis (2019) levels<sup>7</sup>.

In Singapore, due to macro headwinds and stiffer regional competition, STB sees encouraging signs of recovery amid the introduction of Vaccinated Travel Lanes (“VTLs”) and strong domestic consumption. As for China, this market has seen a rebound in domestic tourism market in the past year, with a resumption of trans-provincial group tours since mid-July 2020. This augurs well for Shanghai, given its strategic position as a financial and tourism hub. In Thailand, with the reopening to vaccinated international travellers from all countries, there are hopes of the COVID-19 crisis bottoming out.

We have adapted and will continue to closely monitor the situation through proactive management and operational agility to recover our business performances.

The Group has made steady strides and modified the way operations are run amidst the pandemic. With a strong and balanced asset portfolio, the drive for value creation, geographical diversity, and a streamlined business, we firmly believe that we have emerged stronger and are in a good position to overcome challenges posed by the ongoing pandemic. We will continue to practise prudent financial management and attain a lean and

nimble business structure, generating long-term sustainable value for our investors.

## PROPOSED DIVIDEND

To express our appreciation towards our shareholders, the Board of Directors has recommended a final tax exempt dividend of 0.5 cent per ordinary share, representing a total dividend payout of S\$2.9million. The proposed dividend translates to a payout ratio of about 38.2% of Amara’s FY 2021 net profit.

## WORDS OF APPRECIATION

I would like to thank our Board of Directors for their counsel and guidance to keep Amara resilient amidst macro volatilities. A special word of appreciation to our Lead Independent Director, Mr Foo Ko Hing, who will step down on 27 April 2022. We thank him for his years of valuable contributions and wish him the best in his endeavours.

To our management and staff, for constantly putting the well-being of our guests and customers as a top priority, my deepest appreciation for all your hard work and commitment during these difficult times.

I would also like to extend my appreciation to our business partners and associates for their support. We will emerge stronger, having put in place the necessary measures, and actively curated creative and unique offerings for sustainable long-term growth.

## ALBERT TEO HOCK CHUAN

Chief Executive Officer  
28 March 2022



<sup>6</sup> International Air Transport Association, 24 November 2020 – Deep Losses Continue Into 2021.

<sup>7</sup> International Air Transport Association, 4 October 2021 – Losses Reduce but Challenges Continue – Cumulative \$201 Billion Losses for 2020-2022.

# GOING FARTHER GOING THE DISTANCE



AMARA SANCTUARY RESORT, SENTOSA

# OUR BUSINESS PORTFOLIO

## HOTEL INVESTMENT AND MANAGEMENT

### AMARA SINGAPORE

Our flagship city centre hotel, Amara Singapore, is conveniently located next to Tanjong Pagar MRT station in the thriving Central Business District. Amara Singapore is easily accessible by major transportation modes and is within walking distance to the fascinating Chinatown, the Tanjong Pagar Conservation District, graded office buildings, foreign and local banks, post offices, shops, as well as dining and entertainment establishments.

The 388-room Amara Singapore showcases special touches which include a lobby with a minimalist theme, a contemporary Balinese-style resort pool and a collection of chic restaurants including our iconic Silk Road and Thanying Restaurants. Complemented by a host of facilities, our valued guests can enjoy luxurious inner-city living at Amara Singapore.

Furthermore, the Grand Ballroom with a 500 auditorium style seating capacity as well as four function rooms cater to events of all scales, from weddings and social functions to meetings and exhibitions.

### Element and Element on Tras Street

This restaurant and bar, with a seating capacity of 190, features chic interiors and International cuisines. A semi-private dining area is available for private gatherings and events. With music and a creative bar concept, Element on Tras Street allows urbanites to chill and unwind with a wide selection of wine, novel cocktails, boutique beer and artisanal coffee blends.



ELEMENT

### AMARA SANCTUARY RESORT, SENTOSA

Amara Sanctuary Resort, Sentosa, our very first boutique resort, provides the ultimate modern luxury in the quiet seclusion of an exotic tropical garden setting. Specially crafted for discerning individuals who appreciate a luxury retreat with a modern, yet natural twist, the resort offers a well appointed respite from the urban hustle, one imbued with the unique Amara touch. Set amidst lush tropical greenery overlooking the South China Sea and near the white sands of Palawan Beach at Sentosa Island, Amara Sanctuary Resort, Sentosa offers a unique combination of contemporary design and luxurious hotel facilities. Spacious and well-equipped, the resort promises an unadulterated charm.

Amara Sanctuary Resort, Sentosa is nestled beautifully on a hilltop, surrounded by 3.8 hectares of gardens and natural tropical rainforest. Its unique character is derived from an exotic blend of colonial architecture and modern design concepts, as well as comprehensive luxurious hotel facilities that come together to shape an ideal and individual resort experience for both business and leisure stay.

The resort's 140 beautifully designed guest rooms, Courtyard and Verandah suites, Larkhill Terrace suites as well as villas offer the ultimate comfort, luxury living and state-of-the-art facilities. Guests may also choose to stay in the privacy and tranquillity of the Courtyard and Verandah suites for a taste of contemporary colonial style. To complement the existing colonial architecture, the deluxe guest rooms are situated in a stylishly designed building that offers contemporary accommodation with superb views of the surrounding tropical landscape.

## AMARA BANGKOK

Amara Bangkok marks our first entry into the “Land of Smiles”. Located on Surawong Road, parallel to Silom and Sathorn Roads, Amara Bangkok is situated in one of the most vibrant areas in Bangkok, known for its rich and colourful local entertainment and shopping activities as well as the financial district of Bangkok.

This 250-room hotel in Bangkok is designed as an exciting business and leisure hotel. Guests can enjoy Amara’s signature cuisines in the chic Element restaurant, a tranquil sunset bar by the rooftop pool, a lobby bar and comprehensive MICE facilities, as well as a 24-hour gymnasium with a view of the city.

With Amara Bangkok’s strategic location, there is easy access to and from Suvarnabhumi International Airport, bringing convenience to tourists and business travellers alike.



AMARA BANGKOK

## AMARA SIGNATURE SHANGHAI

Located at the junction of Jiaozhou Road and Changshou Road in Puxi, Shanghai, Amara Signature Shanghai is part of a mixed-use development comprising a 343-room hotel, retail centre and office building. Amara Signature Shanghai benefits from its strategic location within the city centre and capitalises on Shanghai’s renowned status as Asia’s leading business and financial centre.

Amara Signature Shanghai comprises 343 spacious rooms and suites between the 7th and 30th floors, with each room featuring floor-to-ceiling windows overlooking the vibrant city. All rooms capture a welcoming ambiance with modern classic interiors, comfortable plush beddings, spacious bathroom, complimentary high-speed Wi-Fi and flat-screen TVs with satellite channels.

Food and beverage establishments include all-day dining restaurant BLU, offering sumptuous a la carte and buffet selections featuring Singaporean, Japanese, Western and local Chinese cuisines. Stylish lobby bar FLO is an ideal location for guests to socialise over fine wines, refreshments and music. The boutique, Grab N Go, serves healthy delights with local, organic ingredients for the health conscious, as well as exquisite souvenirs to bring home. The Grand Ballroom along with ten multipurpose function rooms are equipped with state-of-the-art facilities and flexible configuration, with 191 parking spaces available in the basement, specially designed for events and conferences of all scales.



## PROPERTY INVESTMENT AND DEVELOPMENT

### 100 AM

100 AM, a lifestyle mall located in the west end of the Central Business District and adjacent to Amara Singapore, is well positioned to benefit from the rejuvenation of the Tanjong Pagar district. This area is gradually being developed for inner-city living and displays much promise and growth with a cluster of high-end residential and hotel developments shaping up the vicinity.

100 AM opened in November 2012 to an overwhelming response from residents, office workers, professionals, business travellers and tourists in the precinct with its diverse and attractive retail mix. Anchor tenant FairPrice Finest offers shoppers a high standard of grocery shopping with a wide selection. SGEat Food Court as well as a line-up of restaurants and cafes, namely, The Public Izakaya by Hachi, Ura Hototogisu, Starbucks, Ya Kun Kaya Toast and others provide more dining options.

In 2016, Itadakimasu by PARCO, launched a restaurant zone on Level 3 featuring Japanese restaurants. Leading Japanese value store chains – Daiso and Don Don Donki joined the mall in 2018. A 12-storey office building, also known as 100 AM, is strategically accessible from within the shopping centre. With its convenient location at 100 Tras Street, it is a stroll away from the Tanjong Pagar MRT station, and is easily accessible by bus or car. The office building is also located close to diverse amenities such as major local and foreign banks and post offices.

Opened in April 2019, 100 AM Shanghai introduces refreshing extravagance and variety to the Puxi region. 100 AM Shanghai, a mixed use development, comprises a retail centre and office building. The retail centre features a plethora of cafes and restaurants such as Starbucks, with retail and lifestyle brands such as a spa and tea specialty shops. Built to Grade A specifications, the office building has been leased to a local company, JA Space, offering office co-working space. 100 AM Shanghai is only a short walk away from the city's subway lines 7 and 13.

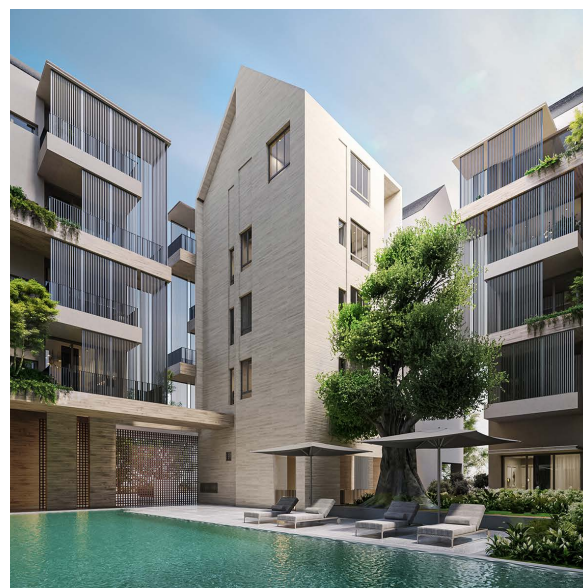
### 10 EVELYN

10 Evelyn is a freehold five-storey boutique residence located just off Newton Road in an exclusive private residential enclave. 10 Evelyn is conveniently located within walking distance to a myriad of amenities such as commercial malls, top educational institutions, nearby medical cluster as well as the Newton Food Centre that is known for its delicious hawker fare. It is also just a 9-minute drive to CBD, and a 7-minute walk from Newton MRT station connected by the Downtown Line and North South Line, and Novena MRT station.

Designed by award-winning architect – Mr Mok Wei Wei, of W Architects – all four residential blocks at 10 Evelyn are adorned with lush greenery, enveloped by tranquil garden landscaping to be enjoyed from both inside and outside of the development. Apart from the landscaped courtyard with a lawn, facilities of the boutique development include a gymnasium, a swimming pool and car park.

The 56 units at 10 Evelyn consist of a mix of 1-bedroom and 2-bedroom units and 3-bedroom penthouses.

10 Evelyn is developed by Creative Investments Pte Ltd, a subsidiary of Amara Holdings Limited.



10 EVELYN

## M5

Cradled in the heart of the city, M5 is surrounded by commercial hubs and hipster hotspots. Encircled by a well-connected transport network, M5 is a few minutes' drive to Orchard Road, Singapore's premier shopping belt. It is also a stone's throw away from many prestigious educational institutions and suburban malls.

M5, a 12-storey freehold boutique development at 5 Jalan Mutiara, is designed by award-winning architect Mr Yip Yuen Hong of ip:li. Inspired by a gem's geometry, the sparkling architecture is characterised by an iconic diamond tip design at the base and artistically-random window sizes.

The 33-unit M5 offers an exquisite collection of 1- and 2-bedroom apartments as well as penthouses at the edge of Orchard Road, making it an investment and an abode a cut above the rest.

M5 is developed by TTH Development Pte Ltd, a subsidiary of Amara Holdings Limited. M5 won the SIA Architectural Design Award 2019 Honourable Mention for High Density Housing.



M5

## SPECIALTY RESTAURANTS AND FOOD SERVICES

### THANYING RESTAURANT

Since its inception in 1988, Thanying Restaurant has devotedly created culinary history by offering the most exquisite Royal Thai cuisine fit for royalties. Meticulous effort is put into the preparation and the presentation of each dish. Moreover, each Thai Chef has his/her own area of specialty, trained in the tradition of Thai Court cuisine.

In June 2019, Thanying Shanghai opened on Level 2 of 100 AM Shanghai, offering authentic fine Thai cuisine. The restaurant has an elegant interior with 2 private rooms, 1 semi-private room and a feature photo wall showcasing the rich culture, lifestyle and landscape of Thailand. In October 2019, the flagship Thanying Restaurant, located at Amara Singapore, reopened its doors after a revamp to transform its interiors into a refreshing modern setting.

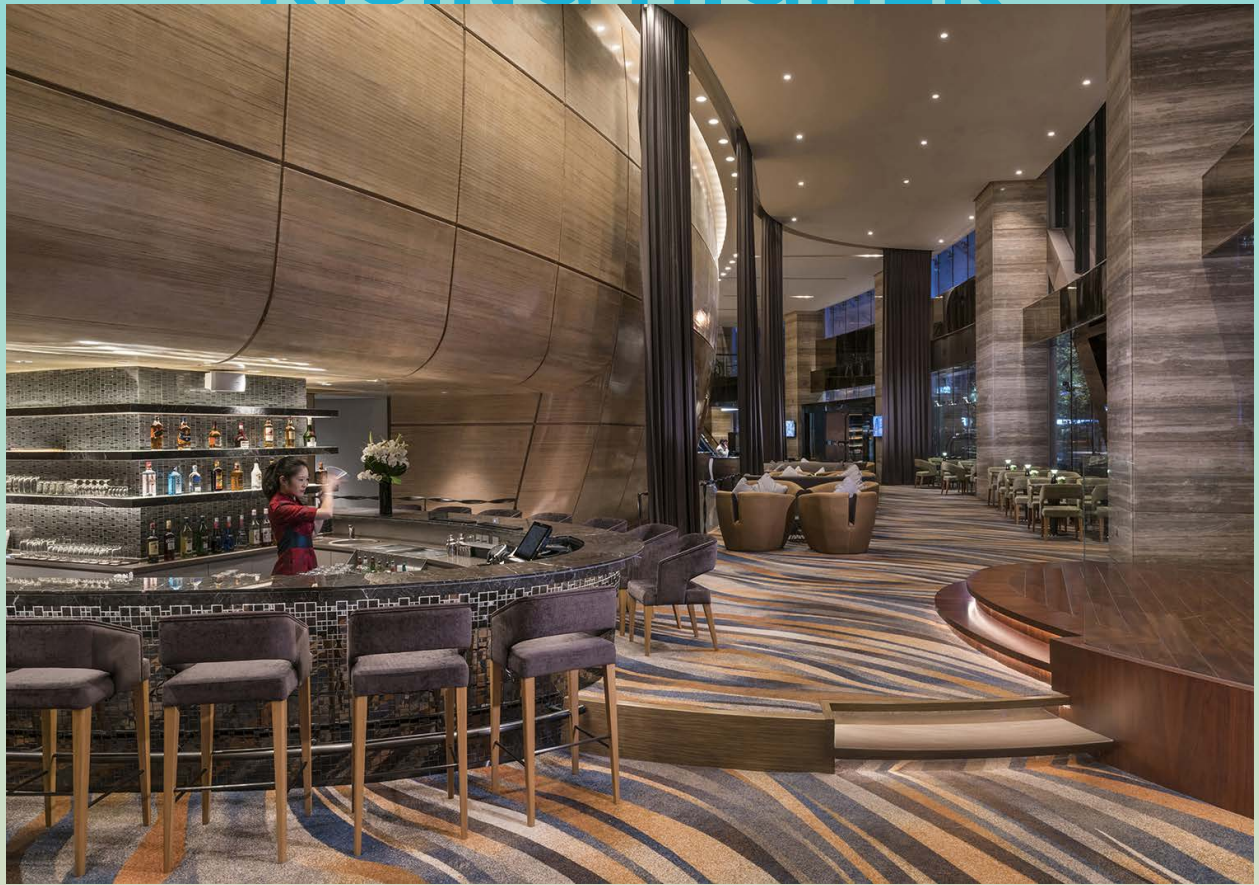
### SILK ROAD RESTAURANT

Established in November 2001 and located at Amara Singapore, the award-winning Silk Road Restaurant is a full service restaurant featuring selected cuisines from along the historical Silk Road in China, namely, the provinces of Sichuan, Shaanxi, Liaoning and Beijing. A team of highly specialised and trained chefs ensure that the original unique flavour and taste of the dishes are maintained with the judicious use of specially imported spices and sauces. Whilst providing excellent service standards, the service staff are also knowledgeable about the culinary customs and history of the dishes served in the restaurant. Since its inception, the restaurant has won many accolades and rave reviews from discerning locals, tourists and Chinese expatriates alike, who are well-travelled in China and keen to enjoy authentic Chinese cuisine.



SILK ROAD RESTAURANT

# RISING ABOVE RISING HIGHER



AMARA SIGNATURE SHANGHAI



# BOARD OF DIRECTORS



**ALBERT TEO HOCK CHUAN**  
Executive Director/Chief Executive Officer

First appointed  
21 August 1970  
Last re-elected  
26 April 2021

Mr Teo joined the Group as Non-Executive Director in 1970 and became an Executive Director in 1982, where he was responsible for the development of Amara Hotel, marking the Group's entry into the hotel industry. Currently he serves as the Chief Executive Officer and Chairman of the Board, as well as a member of the Nominating Committee.

Mr Teo has been instrumental in spearheading the direction and development of the Group. He plays a pivotal role in the Group's diversification and expansion strategy, particularly in broadening Amara's earnings base through penetration within the Asian region.

As the Group's Chief Executive Officer, Mr Teo is passionately involved in the Group's corporate developments, including the transformation of Amara Singapore, as well as the Group's entry into the resort hotel business, Amara Sanctuary Resort, Sentosa.

Under his leadership, the Group's recurring earnings have been further strengthened with the revamped and rebranded mall - 100 AM, located in the heart of the Tanjong Pagar district, which was successfully opened in November 2012. The Group's recurring income streams have been broadened through projects such as Amara Bangkok, a business hotel development in Bangkok CBD, which was opened in 2015;

Amara Signature Shanghai which opened in 2018; as well as 100 AM Shanghai which comprises an office building and retail centre. Mr Teo is committed in building the Amara brand as a homegrown Singaporean brand competing alongside international hospitality players.

Mr Teo brings with him a wealth of experience to the Group. His past experience includes working with Pricewaterhouse (now known as PwC), an international public accounting firm; a large listed group involved in wholesaling, manufacturing and retailing; and an international bank in Singapore.

Currently, Mr Teo serves as a board member of Singapore Hotel Association (SHA) and has been a board member since September 2005. He was the President of SHA from July 2015 to June 2019. Mr Teo was also Chairman of Singapore Hotel and Tourism Education Centre (SHATEC) from July 2006 to June 2015.

Mr Teo holds a Bachelor of Commerce degree from the University of Western Australia and is a member of Chartered Accountants Australia and New Zealand and the Institute of Chartered Secretaries and Administrators of London.



**SUSAN TEO GEOK TIN**  
Executive Director/Company Secretary

First appointed  
26 May 1995  
Last re-elected  
29 April 2019

Ms Susan Teo has held the position of Company Secretary since 14 September 1984.

Her past experience includes working with Pricewaterhouse (now known as PwC), an international public accounting firm in Singapore and Australia.

In her current role, Ms Teo has direct oversight of the function of the corporate affairs of the Group which includes treasury, finance, legal, company secretarial, human resource and administration.

Ms Teo holds a Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology (now known as Curtin University) and a Graduate Diploma in Computer Science from La Trobe University. She is a member of the Chartered Accountants Australia and New Zealand and the Institute of Singapore Chartered Accountants.



**LAWRENCE MOK KWOK WAH**  
Non-Executive Director

First appointed  
26 May 1995  
Last re-elected  
26 April 2021

Mr Lawrence Mok has been a Director of the Company since May 1995. He is a member of the Audit Committee as well as the Remuneration Committee.

Mr Mok has more than 40 years of experience in the Information Technology and Engineering industries. His experience includes financial and management accounting, treasury management, corporate planning, change management, quality and workplace safety and health process management, customer service operations management, and general business management.

Currently, Mr Mok is a consultant in business operations and risk management. He holds a Bachelor of Accountancy (Honours) degree from the University of Singapore (now known as National University of Singapore) and is a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia.



**FOO KO HING**  
**Non-Executive, Lead Independent Director**

First appointed  
 17 June 2013  
 Last re-elected  
 9 June 2020

Mr Foo Ko Hing joined Amara Holdings Limited's Board in June 2013 and was appointed as a member of Remuneration Committee in October 2013, and the Chairman of the Audit Committee and a member of Nominating Committee in April 2017.

He has over 20 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the venture debt/equity investment and capital markets. He has previously served on the Boards of numerous SGX-listed companies in various sectors.

After leaving Pricewaterhouse (now known as PwC) in 1986, Mr Foo joined HSBC Group Singapore in the Trust and Fiduciary Business. He was later seconded to HSBC Bank Jersey C.I. in 1989 and was subsequently promoted to Executive Director, covering fiduciary activities, private banking, compliance and investment functions. He returned to Singapore in 1991 and resumed responsibilities with HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development.

Mr Foo is the Singapore-based Co-Founder and Director of Cerealtch Pte Ltd, an advanced manufacturing and food technology company specializing in enzyme application and micro ingredient development for the industrial baking and consumer sector. He also currently sits on the Board of Gallant Venture Ltd, a company listed on the SGX Mainboard, and is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management and Nominating Committees.

He holds an Honours degree in Economics and Accounting from University of Newcastle Upon Tyne, UK.



**CHIA KWOK PING**  
Non-Executive, Independent Director

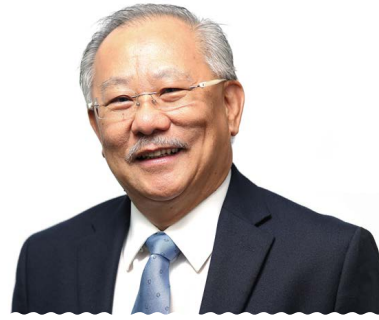
First appointed  
2 November 2015  
Last re-elected  
9 June 2020

Mr Chia Kwok Ping was appointed to the Board of Amara Holdings Limited in November 2015. He was appointed as the Chairman of the Nominating Committee in April 2017 and is also a member of the Audit Committee as well as the Remuneration Committee since April 2017.

Mr Chia brings with him over 20 years of experience in the hospitality industry, and has held senior positions in various hospitality and property investment companies. He previously represented TCC Land Co., Ltd for all of its international property acquisitions and management via TCC Land International. The Thailand-based hospitality and property group has assets spanning across the United States, United Kingdom, Australia, China, Japan and South-East Asia.

Mr Chia has extensive hands-on experience in hospitality management, having taken on the roles of Resident Manager, General Manager, Owner Representative and Asset Manager during his career. He also sat on the Board of the Singapore Hotel Association from 2010 to 2014, and has been an Independent Director, Chairman of Nominating Committee and Member of Remuneration Committee of Heeton Holdings Limited, a company listed on the SGX Mainboard since 2012.

Mr Chia holds a Bachelors of Business Administration (Honours) degree from the National University of Singapore.



**TAN TIONG CHENG**  
Non-Executive, Independent Director

First appointed  
21 June 2018  
Last re-elected  
29 April 2019

Mr Tan Tiong Cheng joined the Board of Amara Holdings Limited in June 2018. He was appointed as the Chairman of the Remuneration Committee and a member of the Audit Committee in August 2018.

Mr Tan was the Senior Advisor to Knight Frank Pte Ltd until 31 March 2020. He was President of Knight Frank Asia Pacific Pte Ltd until 31 March 2019, and was the Executive Chairman of Knight Frank Pte Ltd's Group of Companies until 31 March 2017. Over the last four decades, he has amassed an extensive and in-depth knowledge of real estate. Mr Tan sits on the Boards of The Straits Trading Company Limited, UOL Group Limited and Heeton Holdings Limited as an Independent and Non-Executive Director. He is the Chairman of the Remuneration Committee with The Straits Trading Company Limited and the Chairman of Remuneration Committee and a member of the Audit and Risk Committee with UOL Group Limited. He is also the Lead Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of Heeton Holdings Limited.

A Colombo Plan Scholar, Mr Tan graduated top of his class with a Diploma in Urban Valuation from the University of Auckland, New Zealand. A Licensed Appraiser, he is also a Fellow Member of the Singapore Institute of Surveyors and Valuers and of the Association of Property and Facility Managers, an Associate Member of the New Zealand Institute of Valuers, and a Senior Member of The Property Institute of New Zealand. He served as a member of the Valuation Review Board until 30 April 2016.

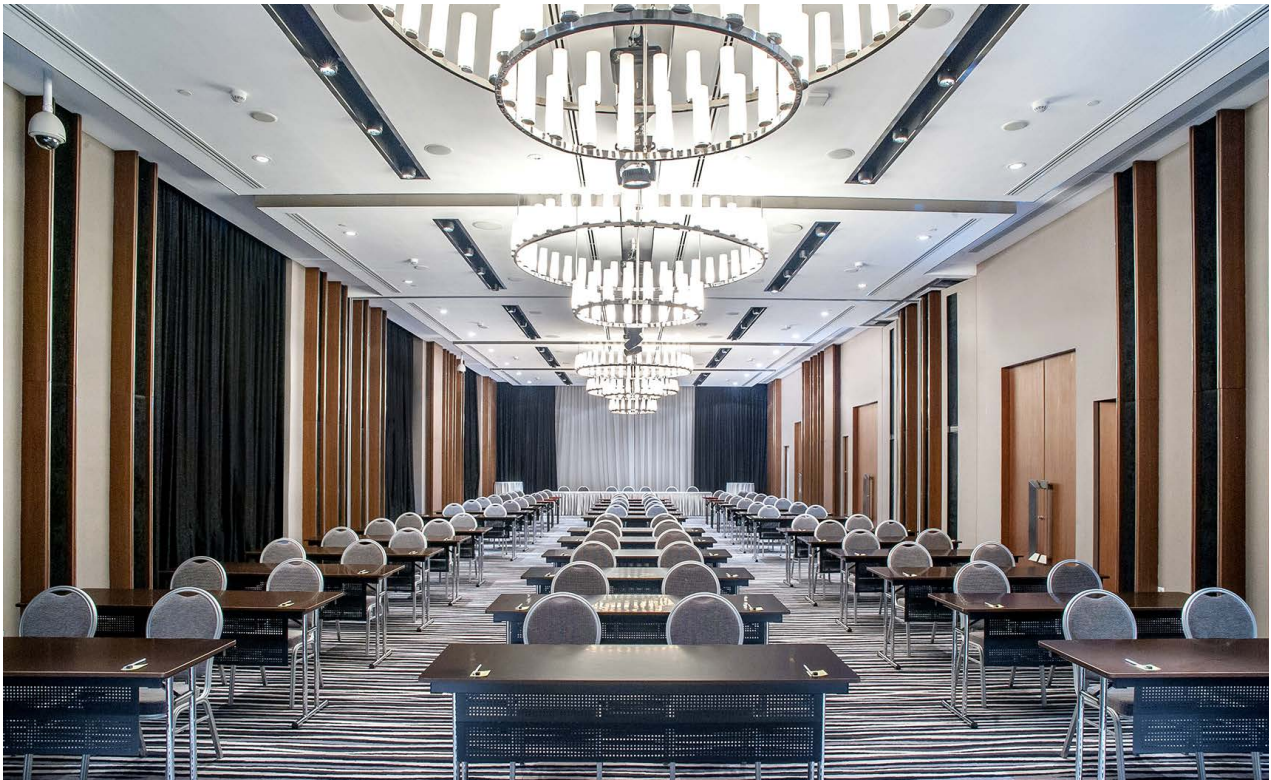
# GROWING STURDIER STANDING STRONG



BEDOK AVENUE

# OPERATIONS AND FINANCIAL REVIEW

The Group posted a revenue of S\$66.9 million for the financial year ended 31 December 2021 ("FY 2021"), an increase of 10.0% from S\$61.1 million in the previous corresponding year ("FY 2020"). This was mainly due to higher revenue from the Hotel Investment and Management segment and sales of development properties. Net profit attributable to owners of the Company was S\$7.6 million, a recovery from a net loss attributable to owners of the Company of S\$11.4 million in FY 2020.



AMARA BANGKOK

The Hotel Investment and Management segment, which contributed to 61.9% of the Group's revenue in FY 2021, grew 3.6% in revenue from S\$40.0 million in FY 2020 to S\$41.4 million in FY 2021. The Property Investment and Development segment, which represents 36.9% of the Group's revenue, increased 21.6% from S\$20.3 million in FY 2020 to S\$24.6 million in the year under review. The Specialty Restaurants and Food Services segment, which made up the remaining 1.2% of the Group's revenue, remained relatively stable year-on-year, from S\$806,000 in FY 2020 to S\$809,000 in FY 2021.

Amara's liquidity and gearing ratio remained healthy, with a cash and bank balance of S\$16.1 million as at 31 December 2021, while our net

gearing stood at 47.4% in FY 2021 as compared to 48.7% in FY 2020. We remain well supported by our principal bankers and available banking facilities.

Net asset value per share improved to 69.89 Singapore cents as at 31 December 2021, from 67.45 Singapore cents a year ago. Earnings per share stood at 1.31 Singapore cents in FY 2021, compared to negative 1.99 Singapore cents in FY 2020.

Additionally, we are also tapping into the various support schemes by the Singapore Government to tide over the COVID-19 pandemic, such as the Enhanced Jobs Support Scheme, waiver of foreign worker levies and various government subsidies.

## HOTEL INVESTMENT AND MANAGEMENT

AMARA SINGAPORE



Amara's largest contributor to the topline, the Hotel Investment and Management segment, reported S\$41.4 million in revenue, an increase of 3.6% from FY 2020 revenue of S\$40.0 million. This segment makes up 61.9% of Amara's business.

It has been more than two years since the initial outbreak of the pandemic. The rollout of widescale vaccination programmes globally has enabled Vaccinated Travel Lanes between some countries and the global economy has gradually improved. However, the high number of cases and threat of COVID-19 variants have led to tourist numbers remaining subdued, and businesses and individuals continuing to be cautious with their spending against the uncertain economic outlook.

The Group is cautiously optimistic on the global tourism industry, and anticipates further recovery in 2022 as air travel and visitor arrivals are expected to improve with many economies embarking to reopen their respective borders in view of growing vaccination rates.

### SINGAPORE

Singapore's tourism performance had improved slightly in 2021 from the peak of the pandemic in the last three quarters of 2020. Visitor arrivals and tourism receipts in 2021 at 330,000 and an estimated S\$1.9 billion respectively show encouraging signs of recovery in the tourism sector<sup>1</sup>.

To stimulate domestic tourism, the Singapore Tourism Board ("STB"), Enterprise Singapore and Sentosa Development Corporation rolled out the SingapoRediscover Campaign in July 2020 and SingapoRediscover Vouchers ("SRV") in December 2020. As at 31 December 2021, close to S\$300 million SRV transactions were recorded<sup>1</sup>. Additionally, STB collaborated with Mastercard on the "Rediscover Priceless Singapore" Campaign to promote local tourism businesses.

Looking ahead, as Singapore's tourism sector slowly recovers, setbacks and challenges are to be expected. Despite this, Singapore's tourism industry is well prepared to welcome more international visitors as the pandemic situation

<sup>1</sup> Singapore Tourism Board, 25 January 2022 – Singapore's tourism sector remained resilient in 2021, ready for recovery in 2022 and beyond.

abates, as tourism businesses have adapted, and invested in new products and experiences. In addition, the recent announcements of simplification of COVID-19 curbs and resumption and expansion of Vaccinated Travel Lanes will help to accelerate the recovery of the accommodation, food and beverage and MICE services.

In FY 2021, both our hotels in Singapore – our flagship hotel, Amara Singapore, and Amara Sanctuary Resort, Sentosa were deployed as Government Quarantine Facility and Stay-Home-Notice Designated Facility. This mitigated the impact of the reduction in tourists due to the pandemic and border restrictions, and reduced spending by corporates and individuals due to uncertainty in the economic outlook.

Amara has always prided ourselves on being dynamic and moving in line with trends, as well as providing an unrivalled experience that resonates with the sophisticated, modern guests. To attract domestic tourists, Amara Sanctuary Resort, Sentosa actively promoted workcation and staycation packages in FY 2021, including staycation with pets. This has borne fruit, where it emerged as a popular destination for staycations, weddings/solemnisation events, and meeting events.

The health and safety of our guests and staff remain our top priority. Since the outbreak of COVID-19, we had provided additional assurances to our guests by implementing stricter hygiene and sanitation practices at our hotels, such as more frequent sanitation of rooms and public areas. As part of our drive to improve productivity and enhance guests' experience, we have also implemented a digital concierge platform at both hotels in Singapore for guests who prefer contactless interaction, and an express checkout service at Amara Sanctuary Resort, Sentosa for guests to minimise contact with staff.

Against the challenging operating environment, we had undertaken some cost saving measures such as recruitment freezing and re-deployment

of staff to other job functions, as well as reduction of non-essential services.

By fortifying our foundations through improving our operational processes and efficiency and constant innovation, Amara will rise and emerge stronger to capture the recovery after the pandemic situation abates.

## SHANGHAI

As most of the world opened up their borders to travellers, China's zero-tolerance pandemic policy remains in place. Both inbound overseas tourism and domestic tourism play integral roles in China's tourism landscape. While international borders remain closed, China's domestic tourism industry is recovering as residents gradually get used to living with COVID-19<sup>2</sup>. According to statistics from The State Council, in the first half of 2021, the number of domestic tourists in China reached 1.87 billion, rising 100.8% year-on-year, and gross revenue of domestic tourism hit 1.63 trillion yuan, up by 157.9% from the previous year<sup>3</sup>. Although sporadic outbreaks temporarily dampen confidence in domestic travel, it quickly rebounds<sup>4</sup>.

At Amara Signature Shanghai, we have increased promotional activities for our room packages in an effort to attract more domestic travellers and MICE packages for corporate bookings. During the year, the hotel saw some cancellation of reservations by domestic guests due to travel restrictions imposed on cities with COVID-19 infections. This was, however, mitigated by an increase in the number of domestic leisure guests during long public holidays, such as during the Golden Week, as well as rise in number of business trips within China, resulting in an improvement in performance of the hotel.

With Shanghai as one of the most popular travel destinations amongst domestic tourists, Amara Signature Shanghai will focus on capturing the strong post-pandemic demand for domestic leisure travel and business travel within China, by extending the unique Amara integrated lifestyle

<sup>2</sup> iResearch, 22 December 2021 – 2021 China's Online Tourism Industry Report.

<sup>3</sup> The State Council, 23 September 2021 – China's tourism industry sees strong post-pandemic recovery.

<sup>4</sup> McKinsey & Company, 22 February 2022 – Outlook for China tourism in 2022: Trends to watch in uncertain times.



experience, through its proximity to 100 AM Shanghai, which houses both a Grade A office tower and mall.

Meanwhile, to manage costs, we have also undertaken recruitment freezing and re-deployment of staff to other job functions, and reduced non-essential services.

To ensure Amara Signature Shanghai continues to grow sustainably, we will continually seek ways to upgrade our operational processes, whilst ensuring strict financial discipline, for greater margin efficiency.

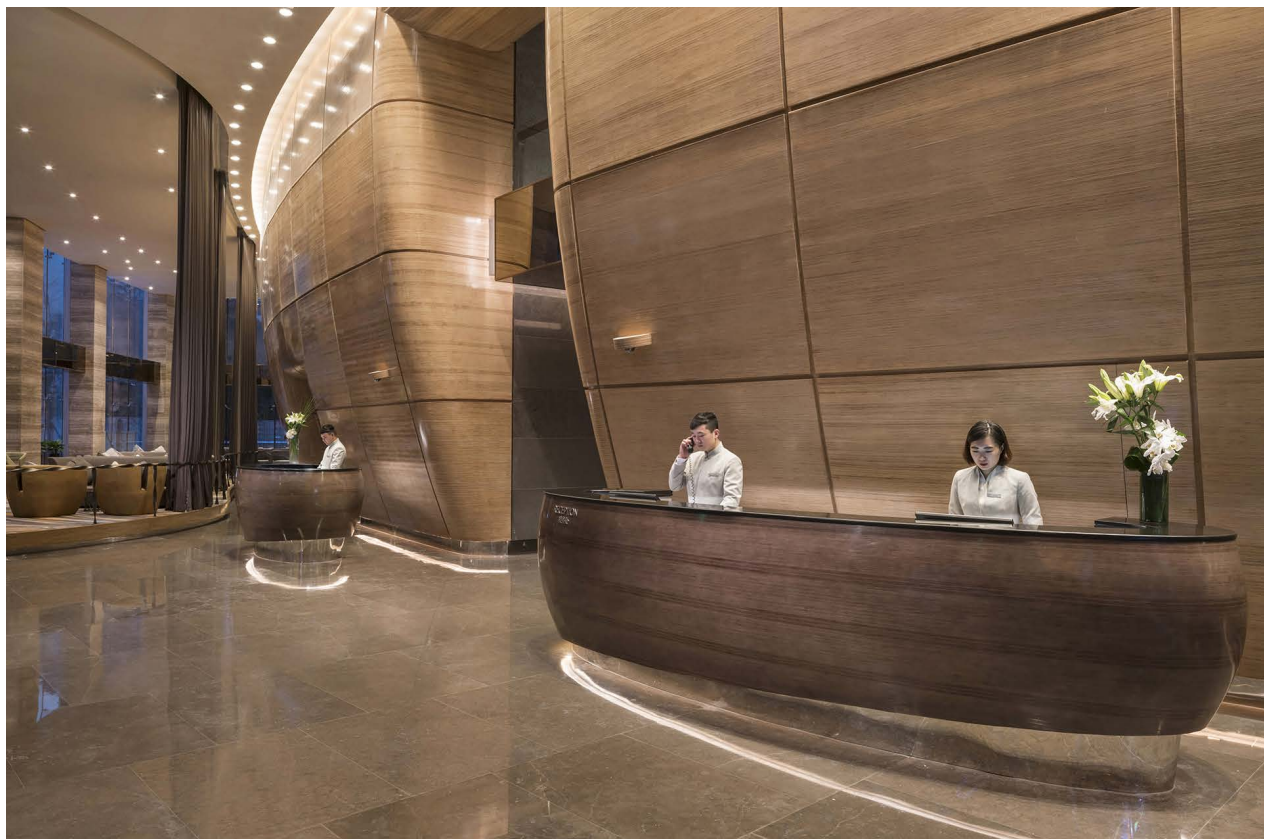
## BANGKOK

The authorities of Thailand imposed the Emergency Decree on 26 March 2020, and had extended it several times till end of January 2022, to curb the spread of the virus. On 1 July 2021, the Thailand government instated the “Phuket Sandbox” programme, and later the “Test and Go”

programme on 1 November 2021<sup>5</sup>, allowing tourists to travel back to Thailand. According to the Ministry of Tourism & Sports, the total number of tourists to Thailand in 2021 was 427,000, compared to the 39.9 million visitors in 2019<sup>6</sup>. Against the uncertainty in the economy, local businesses have also been prudent with their spending.

Amara Bangkok was deployed as a hotel for the Alternative State Quarantine programme, which partially mitigated the reduction in tourists due to the pandemic and border restrictions. We had actively promoted hotel stay packages for the domestic market, as well as participated in the government’s “We Travel Together” tourism campaign to increase revenue from domestic travellers.

The easing of travel restrictions and the “Test and Go” programme are expected to provide some relief to the tourism sector. With Amara Bangkok’s strategic location and top-notch service, we believe it is well-positioned to capitalise on the gradual recovery of Thailand’s tourism sector.



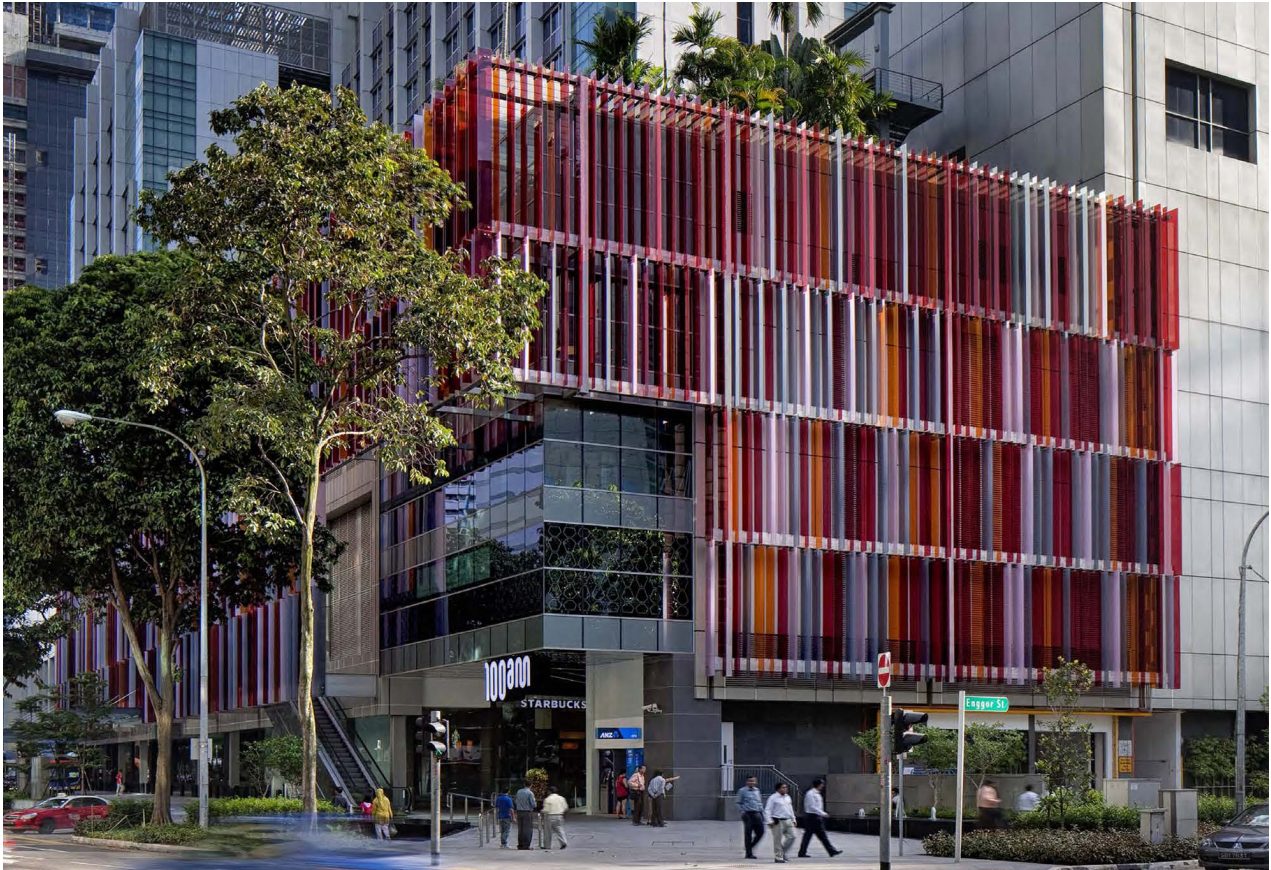
AMARA SIGNATURE SHANGHAI

<sup>5</sup> TAT Newsroom, 27 February 2022 – UPDATED! Sandbox entry rules from 1 March 2022.

<sup>6</sup> Ministry of Tourism & Sports, Thailand, 17 January 2022 – International Tourist Arrivals.

## PROPERTY INVESTMENT AND DEVELOPMENT

The Property Investment and Development segment contributed 36.9% to the Group's topline or S\$24.6 million, a growth of 21.6% from S\$20.3 million recorded in the previous corresponding year.



100 AM SINGAPORE

### COMMERCIAL

For 2021, prices of office space decreased by 5.8%, compared with the decrease of 10.7% in 2020. Rentals of office space increased by 1.9%, compared with the decrease of 8.5% in 2020<sup>7</sup>.

On the other hand, prices of retail space decreased by 4.2%, compared with the decrease of 4.5% in 2020, while rentals of retail space decreased by 6.8%, compared with the decrease of 14.7% in 2020<sup>7</sup>.

As the COVID-19 situation in Singapore improved, safe management measures were reduced. Our mixed-use development in Singapore, 100 AM, achieved stable and high occupancy rate for the retail mall, where we onboarded new tenants

such as Japanese brands, Henri Charpentier and Dr.stretch, in line with our strategy to continually revitalise our tenant mix to inject brand new retail lifestyle experiences. Meanwhile the office tower saw lower occupancy due to a tenant moving out in end-December 2020. The Group has leased out the vacant space in 2022.

The office tower at 100 AM Shanghai remains fully leased to JA Space, which operates office co-sharing services to other enterprises. The mall welcomed several new tenants, such as No. 9 Theatre, which operates experiential mystery-solving games for participants. The mall's occupancy remains stable.

<sup>7</sup> Urban Redevelopment Authority, 28 January 2022 – Release of 4th Quarter 2021 real estate statistics.

## RESIDENTIAL

According to the Urban Redevelopment Authority, prices of private residential properties increased 10.6% in 2021, compared to a growth of 2.2% in 2020<sup>7</sup>. Sales rebounded to 13,027 private residential units in 2021, compared with the 9,982 units in the previous year<sup>7</sup>. The growth can be attributed to several factors, such as the low interest rate environment, attractive housing projects launched, and optimism arising from pandemic recovery, amongst others.

Amara's residential projects are well-located, tastefully designed and uniquely positioned. Marketing and sales for our developments – 10 Evelyn, Bedok Avenue and M5 – are ongoing. However, construction for the 10 Evelyn and Bedok Avenue projects continue to be impacted by the restrictions imposed on labour and safe

management measures, and lack of workers due to COVID-19 infections or home quarantine.

Additionally, in March 2021, we had acquired a freehold residential development Surrey Point via a collective sale through a joint venture comprising our wholly-owned subsidiary, Creative Investments Pte Ltd, with Santarli Capital Venture Pte. Ltd. and Kay Lim Realty Pte. Ltd.

We are cautious about the 2022 outlook for the property industry in Singapore. On 16 December 2021, the government implemented the latest round of cooling measures targeted at private residential and HDB resale markets. In addition to the rising interest rates, the pace of growth for private residential property prices is expected to slow down.

### 10 EVELYN



<sup>7</sup> Urban Redevelopment Authority, 28 January 2022 – Release of 4th Quarter 2021 real estate statistics.

## SPECIALTY RESTAURANTS AND FOOD SERVICES

Similar to other food and beverage (“F&B”) businesses, our Specialty Restaurants and Food Services segment has been adversely affected by the COVID-19 pandemic. In 2021, restrictions on the number of guests per table and safe management measures for dining out continued to plague the F&B industry. The Specialty Restaurants and Food Services segment remained relatively stable year-on-year, posting a revenue of S\$809,000 in FY 2021.



THANYING RESTAURANT, SINGAPORE

We had collaborated with several e-commerce platforms and delivery partners to promote our takeaway and delivery options at both our restaurants – our flagship Thanying Restaurant Singapore and Silk Road Restaurant. Discounts were also offered for self pick-ups at the restaurants to encourage sales.

Separately, to drive other sources of revenue due to the absence of tourists and corporate guests, we had adjusted the menus at both restaurants to

better cater to the taste and preference of local consumers working from home. F&B promotions and festive menus were also offered to cater to the increased demand during festive periods.

With these adjustments to seek alternative revenue sources from local consumers, as well as to improve operational efficiencies, we believe that our restaurants will emerge stronger post-pandemic, and are well-poised to leverage on the return of dining in without curbs.

As countries are adopting the endemic mindset with regard to COVID-19, the global economy is gradually recovering and international tourism is slowly regaining pace as well. The Group is cautiously optimistic of its industries' outlook in the long-term, amidst several lingering uncertainties such as the threat of further and more severe COVID-19 variants.

# EMERGING STRONGER

In the past two years, the Group has taken the opportunity to improve the resilience of our business, such as implementing cost containment measures and revenue enhancement initiatives, upgrade internal processes and improve operational efficiencies.

Our liquidity and gearing ratio also remained healthy over this challenging period. Leveraging on our strengths of a strong brand portfolio and interconnectedness of our three complementary businesses, we are confident that Amara will be able to emerge stronger and ride on the wave of post-pandemic recovery.

# AWARDS AND ACCOLADES

## HOTEL INVESTMENT AND MANAGEMENT

### AMARA BANGKOK

#### SHA Award 2020

Awarded by Amazing Thailand Safety & Health Administration

#### Thailand MICE Venue Standard: TMVS 2020

Awarded by Thailand Convention & Exhibition Bureau

#### Most Recommended Hotel Award 2019

Awarded by Ctrip

#### Travellers' Choice Award 2019

Awarded by TripAdvisor

#### Certificate of Excellence 2016-2019

Awarded by TripAdvisor

#### Green Hotel Award 2018 – Bronze

Awarded by DEQP, Ministry of Natural Resources and Environment, Thailand

#### Top Performance 2018

Awarded by Ctrip

#### Travel Award 2017-2018

Awarded by Rakuten Travel

#### Chinese Preferred Hotel 2017

Awarded by Ctrip

### AMARA SIGNATURE SHANGHAI

#### Popular Hotel of the Year 2021

Awarded by Fliggy Travel (Member of Alibaba Group)

#### Most Popular Hotel Award 2021

Awarded by Ctrip

#### Top Employers Award 2021 – China's Tourism and Hospitality Industry

Awarded by 61HR.com

#### Customer Review Award 2021

Awarded by Agoda

#### Traveller Review Awards 2020

Awarded by Booking.com

#### Loved by Guests Award Winner 2020

Awarded by Hotels.com

#### Favourite Hot Deal Hotel 2020

Awarded by Ctrip

#### Best WeChat Marketing Hotel 2020-2021

#### Digital Marketing Man of the Year 2020

Awarded by Honeybird

#### Most Favourite Hotels Awards 2019

Awarded by Emigrating to Shanghai Magazine

#### Best Business Hotel 2019

Awarded by NEXUS Magazine

#### Best City Icon Hotel 2019

Awarded by Metropolitan Magazine

#### Business Hotel of the Year 2019

Awarded by That's Magazine

#### iDEAL Business Hotel 2018

Awarded by Shanghai Daily

#### Choice New Hotel – Golfers' Choice Award 2018

Awarded by Golf Vacation

#### Best New Wedding Venue – Hotel Wedding Award 2018

Awarded by Hotel Wedding China

#### City Travel Hotel Awards 2018 – Business Hotel Awards of the Year

Awarded by City Travel Hong Kong

#### Gold Circle Award 2018

Awarded by Agoda

#### Xinmin Newspaper Lifestyle Awards 2018 – The City Hotel Awards of the Year

Awarded by Xinmin Newspaper China

#### The Best Landmark Hotel 2018 – T+ City Hotel Selection Awards

Awarded by T+ City Urbanspace

#### China Premium Traveler Award 2018 – Wedding Hotels of the Year in Greater China

Awarded by Premium Traveler China

#### China Premium Traveler Award 2018 – Business Hotels of the Year in Greater China

Awarded by Premium Traveler China

### BLU

#### Hotel Global Buffet of the Year 2019

Awarded by That's Magazine

#### Best Cuisine (Singapore) Restaurant 2019

Awarded by China Best Hotels Awards

### AMARA SANCTUARY RESORT, SENTOSA

#### Employee of the Year Award 2021 Suresh Kumar Govindaraju

Jointly awarded by The National Trade Union Congress, Food, Drinks and Allied Workers Union and Singapore Hotel Association

#### Readers' Choice Awards Winner 2020-2021

#### Best Spa & Resort Hotel in Singapore

Awarded by Expat Living Singapore

#### 6 Pet-Friendly Hotels in Singapore for a Luxurious Staycation 2021

Awarded by Tatler Singapore

#### 5 Best Quiet Hotels in Singapore for a Relaxing Staycation 2021

Awarded by Prestige Singapore

#### Preferred Banquet Venues – Editor's Choice Award 2015, 2018, 2020

Awarded by Blissful Brides

**Most Romantic Hotels 2020**

Awarded by Time Out Singapore

**Wedding Banquet Venue for a Celebration of a Lifetime - Editor's Choice Award 2020**

Awarded by Blissful Brides

**Green Mark Platinum Award 2019**

Awarded by Building and Construction Authority

**Preferred Hotel Partner Award 2019**

Awarded by Ctrip

**Rising Star and Best F&B Outlets Award 2018**

Awarded by Ctrip

**Best Outdoor Solemnisation Venue 2018**

Awarded by Her World Brides

**Best for Staycation Award 2017**

Awarded by TripZilla.com

**Editor's Choice Venue Awards 2017**

Awarded by Her World Brides

**Singapore Service Class 2012 & 2015**

Awarded by SPRING Singapore

**The Best Hotels – Resorts Award 2010-2014**

Awarded by Singapore Tatler

**Excellent Service Award 2013-2014**

Awarded by Singapore Hotel Association and SPRING Singapore

**Best Hotel Wedding Banquet 2013**

Awarded by The Wedding Accolade

**Recommended by TripAdvisor 2012**

Awarded by TripAdvisor

**Hotel Security Award 2011-2012**

Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

**Excellent Service Awards 2011 (2 Star, 9 Gold, 17 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**Best Resort Award 2009**

Awarded by AsiaOne People's Choice

**URA Architectural Heritage Awards (Category A) 2007**

Awarded by the Urban Redevelopment Authority

**SHUTTERS****Singapore's Top Restaurants 2013-2018**

Awarded by Wine & Dine

**TIER BAR****Singapore's Top Restaurants 2014-2017**

Awarded by Wine & Dine

**AMARA SINGAPORE****Travellers' Choice 2020 – Best of the Best**

Awarded by TripAdvisor

**SG Clean Award 2020**

Awarded by STB, NEA and Enterprise Singapore

**SG Clean Guest Recommendation 2020**

Awarded by Orbitz, Wotif, Expedia and Travelocity

**Loved by Guests Luxury Winner 2020**

Awarded by Hotels.com

**Green Mark Award (GoldPlus) 2019**

Awarded by Building and Construction Authority

**RAS Epicurean Award 2019 Best Buffet**

Awarded by Restaurant Association of Singapore

**Employee of the Year Award 2019 – Housekeeping**

Awarded by Singapore Hotel Association

**Travel Award 2018 – Bronze**

Awarded by Rakuten

**3R Awards for Hotels 2018 – Certificate of Participation 2018**

Awarded by NEA and Singapore Hotel Association

**Excellent Service Award (EXSA) 2018 (51 Star, 15 Gold, 22 Silver)**

Awarded by Singapore Hotel Association

**FHA Individual Challenge 2018 Bronze Medal for Chef**

Awarded by Food Hotel Asia

**Best Wedding Setting & Ambience Best Modern Wedding Theme 2018**

Awarded by Her World Brides

**National Safety and Security Awards 2018**

Awarded by Singapore Police and Singapore Civil Defence Force

**RAS Epicurean Star Award (Western Culinary) 2018 2nd Runner-up for Restaurant Chefs**

Awarded by Restaurant Association of Singapore

**Excellent Service Award 2017 (33 Star, 14 Gold, 24 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**SHA Bravery Award 2016-2017**

Awarded by Singapore Hotel Association

**SHA Honesty Award 2016-2017**

Awarded by Singapore Hotel Association

**SHA Vigilance Award 2016-2017**

Awarded by Singapore Hotel Association

**Certificate of Excellence 2015 & 2017-2018**

Awarded by TripAdvisor

**Hotel Security Awards 2011-2013, 2015, 2017-2018****Certificate of Excellence**

Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

**National Kindness Award 2012, 2014, 2016-2018**

Awarded by Singapore Kindness Movement and Singapore Hotel Association

**Excellent Service Award 2016 (34 Star, 10 Gold, 25 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**Singapore Productivity Awards 2016**

Awarded by Singapore Business Federation

**Excellent Service Award 2015**

Awarded by Singapore Hotel Association and SPRING Singapore

**Certificate of Recognition for Skills Future Earn and Learn Programme 2015**

Awarded by WDA

**Excellent Service Awards 2014**

Awarded by Singapore Hotel Association and SPRING Singapore

**Recommended by TripAdvisor 2010-2013**

Awarded by TripAdvisor

**Arts Supporter Award 2013**

Awarded by National Arts Council Patrons of the Arts Awards

**Singapore Service Class 2006-2013**

Awarded by SPRING Singapore

**Excellent Service Awards 2011 (7 Star, 18 Gold, 13 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**HAPA Service Excellence (Top 10) 2009-2011**

Awarded by Hospitality Asia Platinum Awards Singapore Series

**HAPA Best Deluxe Hotel (Top 5) 2009-2011**

Awarded by Hospitality Asia Platinum Awards Singapore Series

**HAPA Best Pastry Chef (Top 5) 2009-2011**

Awarded by Hospitality Asia Platinum Awards Singapore Series

**HAPA Executive Chef of the Year (Top 5) 2009-2011**

Awarded by Hospitality Asia Platinum Awards Singapore Series

**Hotel Security Award 2010 Certificate of Commendation**

Jointly awarded by Singapore Hotel Association, National Crime Prevention Council and F1 & Sports and Hospitality Singapore Tourism Board

**Signature Deluxe Hotel 2008-2010**

Awarded by Hospitality Asia Platinum Awards Regional Series

**Fire Safety Excellence Award 2009**

Awarded by National Fire And Civil Emergency Preparedness Council and Singapore Civil Defence Force

**Excellent Service Awards 2009 (8 Star, 38 Gold, 20 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**Excellent Service Awards 2008**

Awarded by SPRING Singapore

**SHA Courtesy Award 2008**

Awarded by Singapore Hotel Association

**Award for Excellence 2004-2005 – Deluxe Hotel**

Awarded by Hospitality Asia Platinum Awards

**Excellent Service Award 2003-2006**

Awarded by Singapore Hotel Association and SPRING Singapore

**Service Gold National Courtesy Award 2003**

Awarded by Singapore Hotel Association

**ELEMENT****Certificate of Excellence 2019**

Awarded by TripAdvisor

**Singapore's Top Restaurants 2004, 2007, 2012-2013, 2018**

Awarded by Wine & Dine

**Gold Plate Awards 2011 – Buffets Galore**

Awarded by The Singapore Women's Weekly

**Singapore's Top Restaurants 2009 – Silver**

Awarded by Simply Dining



**THANYING RESTAURANT****Singapore's Best Restaurants 1992-2021**

Awarded by Singapore Tatler

**Certificate of Excellence 2016-2018**

Awarded by TripAdvisor

**Singapore's Top Restaurants 1997-2013**

Awarded by Wine &amp; Dine

**Simply Her Editor's Rave on Roast Turkey December 2011**

Awarded by Simply Her

**Luxe Dining Singapore's Best Restaurant 2010-2011**

Awarded by Singapore Tatler

**Best Eats 2010**

Awarded by CNNGo.com

**Citibank – The Business Times Gourmet Choice Awards 2009**

Winner Thai / Vietnamese / Korean Category

**Singapore Service Star 2009-2010**

Awarded by Singapore Tourism Board

**Gold Plate Awards 2007**

Awarded by The Singapore Women's Weekly

**"THAI SELECT" Seal of Approval for Thai Cuisine**

Awarded by Ministry of Commerce Thailand

**"THAI SELECT" Seal of Approval for Thai Cuisine**

Awarded by Ministry of Commerce Thailand

**Finalist for Award for Excellence Asian Cuisine Restaurant 2004-2005**

Awarded by Hospitality Asia Platinum Awards

**The Best Thai Restaurant 2004**

Awarded by The Straits Times – Life! eats

**Excellence in Service Asian Restaurant 1993**

Awarded by Singapore Tourism Board

**Excellence in Service Asian Restaurant (Merit) 1991**

Awarded by Singapore Tourism Board

**SILK ROAD RESTAURANT****Certificate of Excellence 2019**

Awarded by TripAdvisor

**100 Top Chinese Restaurants of the World 2019**

Awarded by Publisher / Author Ch'ng Poh Tiong

**Singapore's Best Restaurants 2003-2019**

Awarded by Singapore Tatler

**Singapore's Top Restaurants 2003-2013, 2018**

Awarded by Wine &amp; Dine

**Singapore Service Class 2006-2012**

Awarded by SPRING Singapore

**Epicurean Star Awards 2012****Top 5 Chinese Restaurants**

Nominated by Restaurant Association of Singapore

**Excellent Service Awards 2011 (1 Star, 5 Gold, 1 Silver)**

Awarded by Singapore Hotel Association and SPRING Singapore

**The Best of Singapore Service Star 2010-2011**

Awarded by Singapore Tourism Board

**Luxe Dining Singapore's Best Restaurants 2010-2011**

Awarded by Singapore Tatler

**The Definitive Guide to Singapore's Top Restaurants 2010-2011**

Awarded by Simply Dining

**Healthier Restaurant Award 2009-2011**

Awarded by Health Promotion Board

**Excellent Award 2010 (4 Gold & 7 Silver)**

Awarded by Restaurant Association of Singapore and SPRING Singapore

**Singapore Service Star 2009-2010**

Awarded by Singapore Tourism Board

**15th Excellent Service Award 2009 (2 Gold & 9 Silver)**

Awarded by Restaurant Association of Singapore and SPRING Singapore

**SuperStar Finalist Excellent Service Award 2008**

Awarded by SPRING Singapore

**Excellent Service Award 2008 (4 Star & 3 Silver)**

Awarded by SPRING Singapore

**Excellent Service Awards 2007 (6 Gold)**

Awarded by SPRING Singapore

**Top Sichuan Restaurant in Singapore Top 50 Restaurants**

Awarded by The Straits Times – Lifestyle August 2006

**Finalist for Award for Excellence Chinese Cuisine Restaurant 2004-2005**

Awarded by Hospitality Asia Platinum Awards

**A Great Table of Singapore 2003-2005**

Awarded by Tables

**Service Gold National Courtesy Award 2003-2004**

Awarded by Singapore Hotel Association

**National Model for Work Redesign 2002**

Awarded by SPRING Singapore

**Editor's Choice**

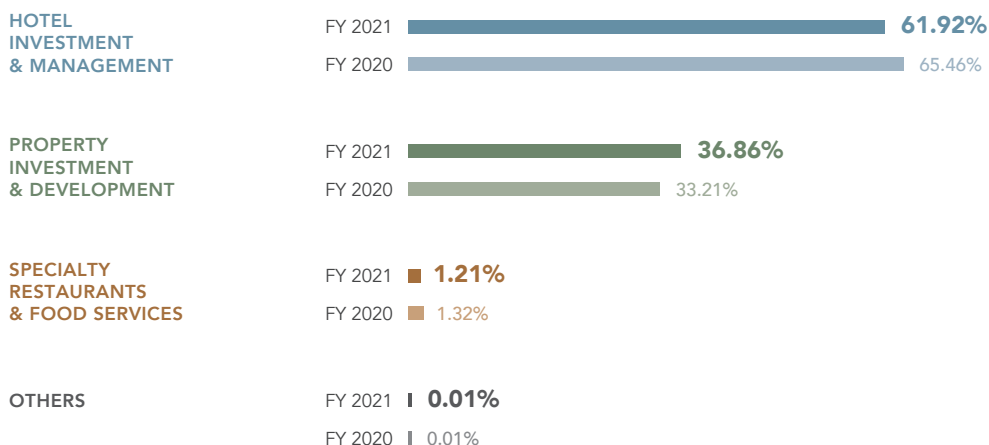
IS Magazine

# FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December 2021

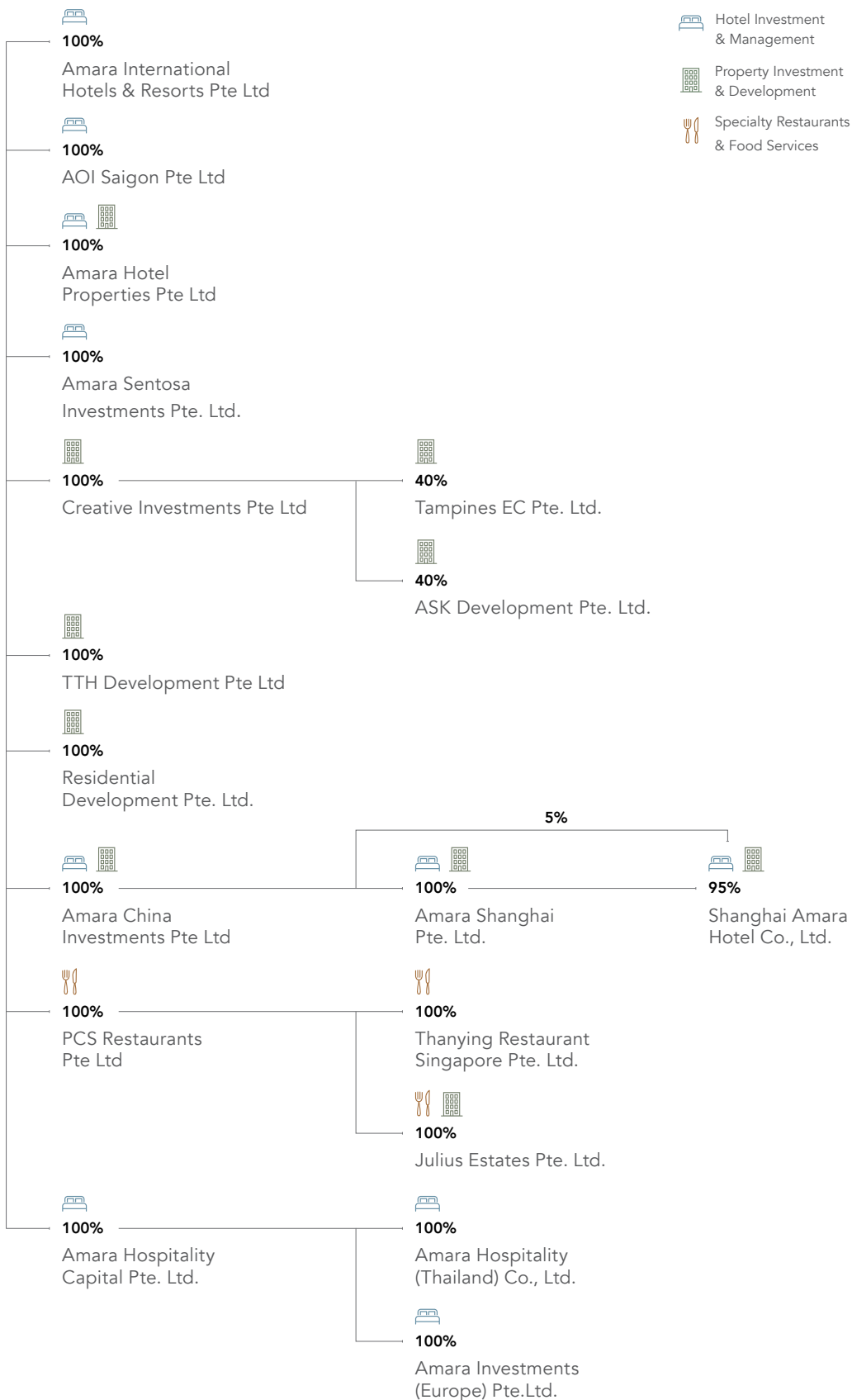
	FY 2021 S\$'000	FY 2020 S\$'000
<b>Income Statement</b>		
Revenue	66,873	61,053
Profit/(Loss) before tax	9,951	(11,100)
Income tax expense	(2,401)	(345)
Profit/(Loss) attributable to shareholders	7,550	(11,445)
<b>Financial Ratios</b>		
	%	%
Profit/(Loss) attributable to shareholders as percentage of revenue	11.29	(18.75)
Gearing ratio	47.40	48.70
<b>Per Share Unit</b>		
	Cents	Cents
Earnings/(Loss) per share	1.31	(1.99)
Net tangible assets per share	69.69	67.25
Net assets value per share	69.89	67.45
<b>Revenue By Country (%)</b>		
	%	%
Singapore	70.57	72.36
Thailand	2.32	4.81
China	27.11	22.83
<b>Revenue By Activity (%)</b>		
	%	%
Hotel Investment & Management	61.92	65.46
Property Investment & Development	36.86	33.21
Specialty Restaurants & Food Services	1.21	1.32
Others	0.01	0.01
	100.00	100.00

## REVENUE BY ACTIVITY (%)



# CORPORATE STRUCTURE

## AMARA HOLDINGS LIMITED



# SUSTAINABILITY REPORT FY 2021

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## BOARD STATEMENT

The Board of Directors (the "Board") of Amara Holdings Limited ("Amara") is pleased to present Amara's fifth annual Sustainability Report for the financial year ended 31 December 2021.

Amara strives to integrate environmental, social and governance ("ESG") considerations across our business activities and in our diligence, transparency and accountability processes to deliver sustainable values to all our stakeholders in the long term.

The Board has the overall responsibility for our sustainability strategies and reporting. The Board reviews Amara's sustainability mission, strategies, material factors, control measures and performances annually.

Our sustainability agenda is directed by the Sustainability Steering Committee ("SSC") and managed by the Sustainability Task Force ("STF"). The SSC, which comprises our senior management staff, sets the direction for all sustainability efforts and is supported by the STF to ensure the successful implementation of our sustainability initiatives.

The STF oversees the implementation of our control measures and monitors Amara's ESG performance. ESG-related risks are reported to the Board annually and taken into consideration in the formulation of strategies and determination of material factors. The SSC and the STF also review and advise the Board on Amara's public reporting with regard to its performance on ESG matters.

In 2021, the operating environment continues to be challenging as it is uncertain when the COVID-19 situation will ease. With the occurrence of new variants of the virus and the continued movement restrictions imposed by countries worldwide, Amara has remained prudent in our measures and responses.

We continue to place strong emphasis in ensuring the health and safety of our employees by implementing a series of safe workplace measures to ensure the well-being of our employees. We have also implemented measures such as safe-entry, safe-distancing, disinfection, temperature monitoring to protect the health of, amongst others, customers in our hotels, malls, office buildings and restaurants.

Amara is actively monitoring the development of this pandemic and putting appropriate cost and risk management measures in place during this difficult period while continuing to strengthen our operating capabilities to ensure the sustainability of our business.

As we continue our sustainability journey, performance indicators and targets that are material to our business will be progressively reviewed and revised. We seek to strengthen our engagement with stakeholders and improve our sustainability efforts and practices to forge a long-term and sustainable business.

*The Board of Directors*  
**Amara Holdings Limited**

## ABOUT THE REPORT

This Sustainability Report (this “Report”) provides a summary of Amara’s approaches, initiatives and strategies related to sustainability and responsible business practices. The information presented in this Report covers the reporting period from 1 January to 31 December 2021 (the “Reporting Period”).

### REPORTING FRAMEWORK

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards 2016 – Core Option and SGX ST-Listing Manual (Rules 711A and 711B).

The content of this Report is defined by the four reporting principles established by the GRI Standards - Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. This Report is also developed with reference to the primary components as set out in the SGX-ST Listing Rules 711B, on a “comply or explain” basis.

The GRI Standards is an internationally-recognised standard which is applicable to the industry that Amara operates in. The use of the GRI Standards ensures the comparability of our disclosures across time and entities.

### SCOPE OF REPORT

Amara’s core business is hotel investment and management, property investment and development, as well as operation of specialty restaurants and food services. This Report covers the following business activities of Amara in all geographical regions that Amara has presence in:

Geographical Regions	Hotels	Malls and Office Buildings	Restaurants
Singapore	Amara Singapore Amara Sanctuary Resort, Sentosa	100 AM Singapore	Silk Road Restaurant, Singapore Thanying Restaurant, Singapore
China	Amara Signature Shanghai	100 AM Shanghai	Thanying Restaurant, Shanghai
Thailand	Amara Bangkok	-	-

There is no change in Amara’s core business activities and reporting scope in 2021. Amara’s business in residential property developments<sup>1</sup> is not included in the scope of this Report as our business activities in this segment are cyclical. We will continue to review the need to include this segment for future reporting.

### FEEDBACK

As part of our continuous efforts on improving our sustainability performances, we welcome you to provide comments or feedback on any aspect of this Report. Please write to [corporate@amaraholdings.com](mailto:corporate@amaraholdings.com).







<sup>1</sup> Residential property developments are all geographically located in Singapore and include 10 Evelyn, M5, and Bedok Avenue.

# STAKEHOLDER ENGAGEMENT

Our stakeholders are important partners in our sustainability efforts and are crucial in helping us identify ESG-related issues and risks. We seek to work closely and build long-lasting relationships with our stakeholders to understand their expectations and concerns.

We define our stakeholders as entities or individuals who can reasonably be expected to be significantly affected by our activities and services; or whose actions can reasonably be expected to affect the implementation of our strategies and achievement of our objectives.

The following stakeholders are identified through the review of Amara's operating environment based on the above criteria and our approach towards each stakeholder group is summarised below:

Stakeholder	Platform	Frequency	Key Feedback/Concern
<b>Investors</b> 	Annual General Meeting	Annual	<ul style="list-style-type: none"> <li>• Sustainable profitability and shareholder returns</li> <li>• Long term business growth</li> <li>• Transparent and timely disclosure of information</li> <li>• High standard of corporate governance</li> </ul>
	Annual Report	Annual	
	Financial Results	Bi-annual	
	SGX Announcements	Throughout the year	
<b>Employees</b> 	Induction programme for new employees	Throughout the year	<ul style="list-style-type: none"> <li>• Safe working environment</li> <li>• Competitive remuneration and benefits</li> <li>• Training and development opportunities</li> </ul>
	Training and development programme	Throughout the year	
	Career development performance appraisals	Annual	
	Recreational and staff engagement activities	Throughout the year	
	Town hall meetings and regular email communications	Throughout the year	
<b>Customers</b> 	Email feedback	Throughout the year	<ul style="list-style-type: none"> <li>• Deliver high quality products and services</li> <li>• Timely response to customer feedback and complaints</li> </ul>
	Verbal feedback from customers at hotels and restaurants	Throughout the year	
	Online feedback channels	Throughout the year	
<b>Suppliers</b> 	Email correspondences with suppliers	Throughout the year	<ul style="list-style-type: none"> <li>• Fair and equal treatment of suppliers</li> <li>• Timely payments to suppliers and service providers</li> </ul>
	Tele-conversations with suppliers	Throughout the year	
	Regular dialogue sessions with key suppliers and service providers	Throughout the year	
<b>Regulators</b> 	Correspondences through email and letters	Throughout the year	<ul style="list-style-type: none"> <li>• Compliance with changing/prevailing laws and regulations</li> <li>• High standard of corporate governance</li> </ul>
	Meetings, dialogue and briefings	Throughout the year	
	Memberships in industry associations	Throughout the year	
<b>Communities</b> 	Corporate philanthropy, such as fundraising drives	Ad-hoc	<ul style="list-style-type: none"> <li>• Contribution to local communities</li> <li>• Responsible and ethical business practices</li> </ul>
	Corporate volunteering	Ad-hoc	
	Open communication channels with local communities	Throughout the year	

# MATERIALITY ASSESSMENT

To keep abreast of material and critical issues, Amara periodically evaluates and benchmarks its business operations against the changing business landscape, emerging global trends, stakeholders' opinions, and regulatory developments.

The opinions and feedback were gathered from the various stakeholders through the engagement channels stated in the previous section. The materiality assessment is outlined below:

## **Stage 1: Identification**

ESG factors are identified through the feedback provided from stakeholders through the various communication channels. Additionally, benchmarking of Amara's ESG factors was made against those disclosed by suitable peer companies of Amara.

## **Stage 2: Prioritisation**

The SSC, STF, key management personnel and employees responsible for each identified ESG factor review and assess the relevance of material factors, based on the importance to our stakeholders and the level of impact to our business.

We have also aligned our material factors with the United Nations' Sustainable Development Goals ("UNSDGs") to demonstrate how our business has contributed to the achievement of these goals.

## **Stage 3: Validation**

Findings from the first two stages are presented to the Board, which subsequently confirms a list of key material ESG factors for disclosure.



# MATERIALITY ASSESSMENT

A summary of Amara's material factors in ESG performance and the mapping of key initiatives to the relevant UNSDGs is shown below:

Amara's Position	Amara's Initiatives	UNSDGs
<b>Environmental</b> <i>Reducing our environmental footprint</i>	<ul style="list-style-type: none"> <li> <b>Energy and Emissions</b>            We constantly seek new ways to reduce our energy consumption and greenhouse gas emissions (Pgs 41 - 43)         </li> </ul>	 
	<ul style="list-style-type: none"> <li> <b>Water</b>            We strive to maximise our water usage efficiency without compromising the needs of our operations (Pg 43)         </li> </ul>	
	<ul style="list-style-type: none"> <li> <b>Effluents and Waste</b>            We encourage our employees to use resources efficiently and practise good recycling habits (Pg 44)         </li> </ul>	
<b>Social</b> <i>Managing our talent and our responsibilities</i>	<ul style="list-style-type: none"> <li> <b>Talent Retention</b>            We strive to maintain our existing talent pool and offer them training and reskilling opportunities             We also advocate fair employment by hiring from different backgrounds to build an inclusive and diverse work environment             We aim to elevate the skillsets of our workforce and gain a competitive edge in meeting the new challenges imposed by COVID-19 through investing in training and development programmes to upskill and empower our employees (Pgs 45 - 46)         </li> </ul>	 
	<ul style="list-style-type: none"> <li> <b>Occupational Health and Safety</b>            We have streamlined and established reporting procedures for workplace incidents (including suspected or confirmed COVID-19 cases) to ensure prompt response to any incidents             We have also adopted measures to ensure compliance with statutory workplace safety regulations (including COVID-19 preventive measures) and cultivate a strong safety culture (Pg 47)         </li> </ul>	 
	<ul style="list-style-type: none"> <li> <b>Customer Health and Safety</b>            We have established COVID-19 preventive measures, food safety and building safety measures in accordance with the mandatory guidelines set by the local governments             We have also rendered assistance to our customers and tenants in the crisis of COVID-19 pandemic (Pgs 48 - 49)         </li> </ul>	 
	<ul style="list-style-type: none"> <li> <b>Ethics and Regulatory Compliance</b>            We have established robust internal controls and governance policies that are the cornerstones of our commitment to ethical standards and compliances with regulatory requirements             We seek to continuously improve our data protection measures to ensure the private information of our customers and employees are secure (Pgs 51 - 52)         </li> </ul>	
<b>Economic</b> <i>Addressing the flow of capital</i>	<ul style="list-style-type: none"> <li> <b>Economic Performance and Business Recovery</b>            We continue to adopt prudent cost control measures to ensure the sustainability of our business and financial performance (Pg 53)         </li> </ul>	

## OUR ACHIEVEMENTS

Pillars	Material Factors	2021 Targets	2021 Achievements
<b>Environmental</b>	Energy and Emissions	Reduce or maintain the same consumption and intensity levels as 2020.	There was slight increase in energy usage and emissions due to increased business activities.
	Water	Reduce or maintain the same water consumption levels as 2020.	There was an increase in water consumption levels due to increased business activities.
	Effluents and Waste	Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2020.	There was increase in the waste generated mainly due to resumption of business activities with the easing of COVID-19 restrictions. However, there was increase in the proportion of recycled waste.
<b>Social</b>	Talent Retention	Maintain the conduct of performance appraisal for 100% of employees.	Performance appraisal was not performed for all employees as most employees were on no pay leave or clearing leave.
	Occupational Health and Safety	No workplace incident leading to fatalities or permanent disability during the year, as well as zero case of employee infection with COVID-19.	There were no workplace incidents leading to fatalities or permanent disability. However, there were employees infected with COVID-19 amidst the emergence of new and more contagious virus variants during the year. <sup>2</sup>
	Customer Health and Safety	No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers.	There were no reports of non-compliance with relevant health and safety laws and regulations.
<b>Governance</b>	Ethics	Zero confirmed cases which are unethical, fraudulent, or corrupt in nature.	There were no reports of confirmed cases which are unethical, fraudulent, or corrupt in nature.
	Regulatory Compliance	Zero reported cases of non-compliance with relevant laws and regulations that result in significant fines or sanctions.	There were no reports of non-compliance with relevant laws and regulations that resulted in significant fines or sanctions.
	Personal Data Protection	Zero incidents of data security breaches.	There were no reports of data security breaches.

<sup>2</sup> Given the Singapore Government's stance to transit towards living with COVID-19, it is impractical to expect zero cases of COVID-19 workplace transmission moving forward and we have revised our target for subsequent years accordingly (Pg 47).

# ENVIRONMENTAL

At Amara, we endeavour to optimise the use of natural resources and minimise environmental impact that arises from our business activities.

## ENERGY AND EMISSIONS

In 2021, we have maintained the respective BCA Green Mark certifications for our properties located in Singapore. The BCA Green Mark certifications are a testament to our commitment and efforts in environment conservation.

Award	Properties	Energy Saving Initiatives	Results
Green Mark Gold <sup>PLUS</sup>	<ul style="list-style-type: none"> <li>Amara Singapore</li> <li>100 AM Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Variable speed drives on existing chilled water pumps, condenser water pumps and cooling towers</li> <li>Use of energy efficient tubes and light-emitting diode ("LED") lighting</li> <li>Rooftop greenery</li> <li>Usage of water sub-meters for cooling tower and swimming pool</li> </ul>	<ul style="list-style-type: none"> <li>Chiller plant system efficiency of 0.625 kW/ton</li> </ul>
Green Mark Platinum	<ul style="list-style-type: none"> <li>Amara Sanctuary Resort, Sentosa</li> </ul>	<ul style="list-style-type: none"> <li>Water-cooled system with efficiency of 0.564 kW/RT</li> <li>Energy efficient LED lighting</li> <li>Extensive greenery</li> </ul>	<ul style="list-style-type: none"> <li>Estimated energy savings of 1,654,754 kWh/year</li> <li>Attained Public Utilities Board ("PUB") Water Efficient Building Certification</li> </ul>

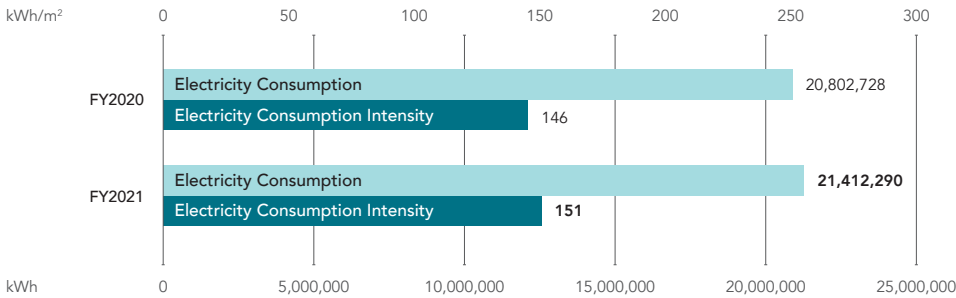
In 2021, following increase in business activities due to the easing of COVID-19 restrictions, we see slight increases in both electricity and gas consumption across our properties. However, we continue to adopt measures to optimise our resource consumption as follows:

Business	Activities
<ul style="list-style-type: none"> <li>Amara Singapore</li> <li>100 AM Singapore</li> <li>Thanying Restaurant, Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of old chillers with new chillers, achieving a new Energy Efficiency of 0.65 (previously &gt; 1.0)</li> <li>Gradual replacement with LED lightings since 2016</li> <li>Promoting the World Wide Fund for Nature's "Earth Hour" and "Go Kosong for Net-Zero Emissions by 2050" to help spread the message of environmental awareness</li> </ul>
<ul style="list-style-type: none"> <li>Amara Sanctuary Resort, Sentosa</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of old air-cooled chillers with new water-cooled chillers, achieving a new Energy Efficiency of 0.6 (previously &gt; 1.691)</li> <li>Gradual replacement with LED lightings since 2018</li> </ul>
<ul style="list-style-type: none"> <li>Amara Bangkok</li> </ul>	<ul style="list-style-type: none"> <li>Electrical equipment for floors with no guest were turned off</li> <li>Planned maintenance of equipment to optimise electricity consumption</li> </ul>
<ul style="list-style-type: none"> <li>Amara Signature Shanghai</li> <li>100 AM Shanghai</li> </ul>	<ul style="list-style-type: none"> <li>Escalators and guest elevators were shut down after midnight</li> <li>Gradual replacement with LED lightings in 2021</li> <li>Adjusted indoor temperature based on weather</li> <li>Shutting down of unused equipment</li> <li>Promoting the World Wide Fund for Nature's "Earth Hour"</li> </ul>

# ENVIRONMENTAL

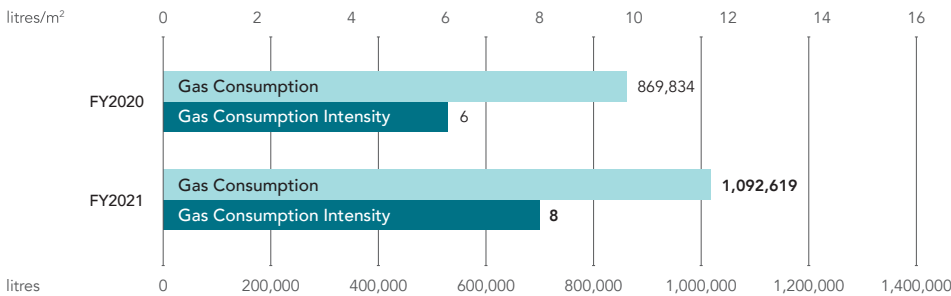
We have seen an overall increase in electricity and gas consumption in 2021 due to the increase in business activities following the easing of COVID-19 restrictions. There was a slight increase in electricity consumption intensity (i.e. kWh per area of activity tracked) of 3.4% to 151 kWh/m<sup>2</sup> in 2021 from 146 kWh/m<sup>2</sup> in 2020.

**Graph 1 - Electricity consumption (kWh) and electricity consumption intensity (kWh/m<sup>2</sup>)**



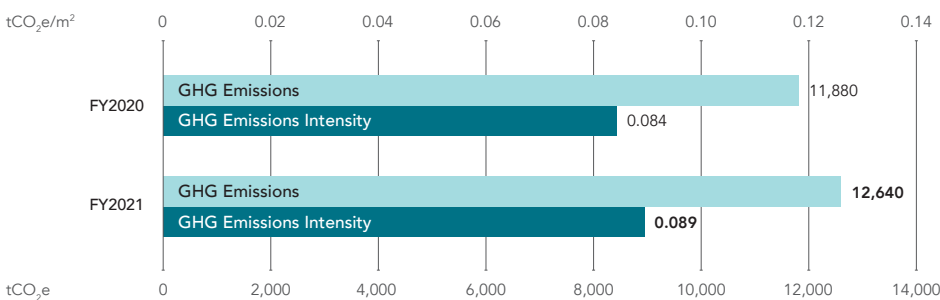
During the Reporting Period, following the lifting of restrictions on the use of central heating at 100 AM Shanghai and Amara Signature Shanghai by China’s authority in the first half of 2021, we see an increase in our gas consumption in FY2021 as compared to FY2020. Our gas consumption intensity increased by 26% to 8 litres/m<sup>2</sup> in 2021 from 6 litres/m<sup>2</sup> in 2020.

**Graph 2 - Gas consumption (litres) and gas consumption intensity (litres/m<sup>2</sup>)**



Consumption of both electricity and gas directly impact our greenhouse gas (“GHG”) emissions. There was an overall increase of 6% in our overall GHG emission intensity (i.e. tCO<sub>2</sub>e per area of activity tracked) in 2021.

**Graph 3 - GHG emissions (tCO<sub>2</sub>e) and GHG emissions intensity (tCO<sub>2</sub>e/m<sup>2</sup>)**



# ENVIRONMENTAL

Target for FY2021	Performance for FY2021	Target for FY2022
Reduce or maintain the same consumption and intensity levels as 2020	There was a slight increase in consumption and emission levels due to increased business activities	Reduce or maintain the same consumption and intensity levels as 2021

## CLIMATE CHANGE

Amara's operations and properties are primarily located in Singapore. Due to the geographical location and maritime exposure of Singapore, its climate is characterised by uniform temperature and pressure.

As reported in studies by the environmental group, Greenpeace East Asia, summers in Shanghai and China's urban cities are expected to be warmer and longer as a result of climate changes. As a result, we may see an increase in our electricity and gas consumption as we seek to maintain optimal indoor temperature at these properties through the summer period. Nevertheless, we will continue to adopt energy conservation measures to control our energy usage.

For the Reporting Period, to the best of our knowledge, we were not materially affected by any climate-related issues.

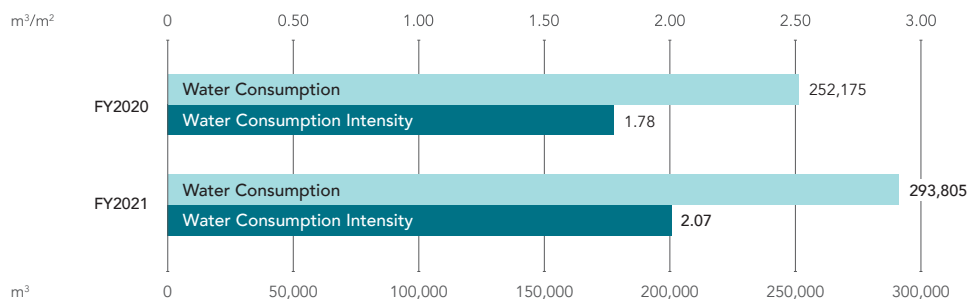
## WATER

Water is a scarce resource and we recognise that businesses play an important role in ensuring the sustainability of water resources. Therefore, we strive to minimise water consumption and improve water usage efficiency.

Our water usage data is closely tracked, monitored and reported to the PUB Singapore through the Water Efficiency Management Plan (for operations in Singapore).

In the Reporting Period, the overall water consumption intensity (i.e.  $m^3$  per area of activity tracked) increased by 16% to  $2.07 m^3/m^2$  in 2021 as compared to  $1.78 m^3/m^2$  in 2020.

**Graph 4 - Water consumption ( $m^3$ ) and water consumption intensity ( $m^3/m^2$ )**



Water consumption increased due to the use of water chiller and an increase in business activities following the easing of COVID-19 restrictions. However, we have continued to monitor our water usage and adopted the following measures to ensure water usage efficiency:

- Installation of water conservation apparatus; and
- Perform frequent checks and maintenance on pipes and installations to prevent potential water leakages.

Target for FY2021	Performance for FY2021	Target for FY2022
Reduce or maintain the same water consumption levels as in 2020	There was an increase in water consumption levels due to increased business activities	Maintain or reduce water consumption in 2022

# ENVIRONMENTAL

## EFFLUENTS AND WASTE

Our waste primarily consists of food waste, cooking oil and general waste. We strive to minimise our waste generation through efficient use of resources and cultivate good recycling habits amongst our employees and tenants.

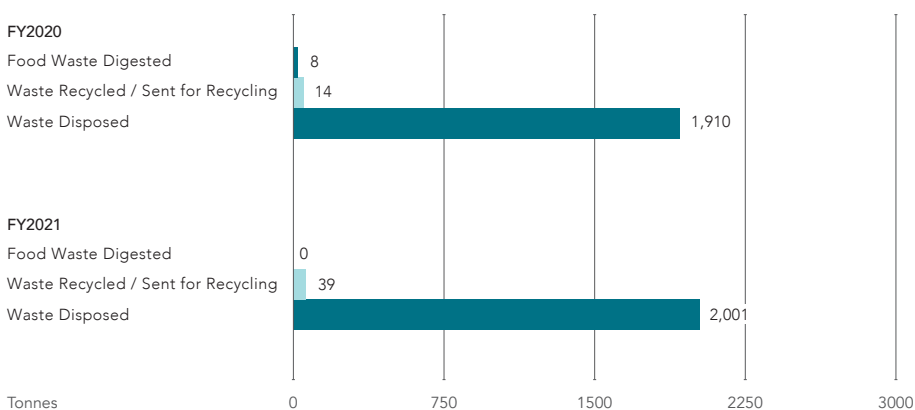
The following measures are adopted as part of our efforts in minimising waste:

- Reduce – avoid generation of waste and discarding of materials through a zero-inventory practice, where we endeavour to order just the right amount of items;
- Recycle – paper, glass bottles, metal, plastic and cooking oil are segregated from general waste for recycling; and
- Disposal – dispose waste in accordance with statutory requirements through licensed vendors.

We have decommissioned our food waste eco-digester in 2021 due to frequent operations disruption, and we are in the midst of sourcing for alternatives to reduce and better manage food waste, of which we expect to be implemented in 2022. In China, we have also implemented plans in response to the local government's food waste policy, such as the Clear Plate Food Action.

In the Reporting Period, non-hazardous waste generated from our operations are as follows:

**Graph 5 - Waste generated**



There was an overall increase in waste generated in 2021 as compared to 2020, mainly due to the resumption of business activities with the easing of COVID-19 restrictions.

Additionally, hazardous waste of 16.9 tonnes was generated from our operations in Amara Bangkok compared to 12.9 tonnes in 2020. The hazardous waste was primarily items used in disease control and disposed by specialised disposal vendors. In Singapore, hazardous waste was also segregated from general waste and disposed by specialised disposal vendors.

Target for FY2021	Performance for FY2021	Target for FY2022
Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2020	Increase in waste generated mainly due to resumption of business activities with the easing of COVID-19 restrictions. However, we have recycled more waste during the Reporting Period	Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2021

## MOVING FORWARD

In the Reporting Period, we did not receive any complaints or notices of non-compliance with relevant environmental regulations and laws in the jurisdictions that we operate in. We will continue to seek new solutions to reduce our carbon footprint and resource consumption. We also target to maintain our record of zero cases of penalties for non-compliance with all relevant environmental regulations of the jurisdictions that we operate in.

## SOCIAL

At Amara, we strive for excellence in all that we do. We also seek to maintain meaningful relationships with our employees, guests, visitors, suppliers and the local communities we operate in.

### TALENT RETENTION

As at 31 December 2021, Amara has a total of 412 employees, a decrease of 46 employees compared to the prior year. Our headcount decreased due to reduced level of recruitment activities.

Our business, especially hotels and restaurants, continues to be adversely affected by the COVID-19 pandemic. Nevertheless, there was no retrenchment of staff across all business operations during this challenging period. Instead, we have cross-trained our employees and encouraged them to perform lateral services.

At Amara, we see great strength in a collaborative and diverse workforce. It is our commitment to provide equal opportunities in all aspects of employment and protect our employees from discrimination, physical or verbal harassment based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation.

We pledge ourselves to the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"), and aim to build a fair and rewarding workplace environment. We also hire Persons with Disabilities ("PWDs") and ex-offenders under Yellow Ribbon Initiative in our hotels (i.e. Amara Sanctuary Resort, Sentosa and Amara Signature Shanghai) to create an inclusive society. Our compensation packages to employees are reviewed against industry standards regularly to ensure that our employees are fairly compensated.

Our employment profile is as follows:

Workforce (As of 31 December 2021)	No. of headcount <sup>3</sup>	Percentage of total headcount (%)
By Gender		
Male	236	57
Female	176	43
By Age Group		
18-30 years old	97	24
31-50 years old	210	51
Over 50 years old	105	25
By Geographical Region		
Singapore	180	43
People's Republic of China (PRC)	147	36
Thailand	85	21

In the Reporting Period, we only conducted performance appraisal for all new employees upon their confirmation. We did not conduct annual performance appraisal for all employees because most employees were on no pay leave or clearing leave. We will continue to conduct annual performance appraisal for all employees in FY2022.

Moving forward, to better align our target with our strategic objectives of providing fair employment opportunities and creating a conducive working environment for our employees, we have updated our target to the following:

Target for FY2021	Performance for FY2021	Target for FY2022
Maintain the conduct of performance appraisal for 100% of employees	Performance appraisal was not conducted for all employees as most employees were on no pay leave or clearing leave	To adopt fair employment practices that are compliant with all relevant manpower laws and regulations in the jurisdictions we operate in

<sup>3</sup> Headcounts are consolidated from across all the jurisdictions we operate in, namely Singapore, People's Republic of China and Thailand, in relation to the scope of this Report.

# SOCIAL

## TRAINING AND DEVELOPMENT

Amara is committed to providing training and development opportunities for our employees as we believe that a competent workforce is necessary for the sustainability and growth of our business.

In 2021, we have nominated employees to attend courses under various training organisations, such as SkillsFuture Singapore (“SSG”), Enterprise Singapore and Singapore National Employers Federation (“SNEF”), to ensure that their skills and knowledge remain relevant in the rapidly changing business environment. Staff are encouraged and nominated to be cross-trained to enhance and expand their skillsets. We have also sponsored six employees to pursue a work-study diploma in Hospitality and Restaurant Management and Culinary Arts Management.

We continued to work closely and collaborated with governmental training institutions in structured skills-based career pathway programmes. Training grants were also obtained from government agencies to sponsor our employees for training programmes. The following are some government-sponsored training initiatives and programmes for our employees:

Business	Government training programmes
Amara Singapore Amara Sanctuary Resort, Sentosa	<ul style="list-style-type: none"> <li>• SSG Training Programme</li> <li>• Job Redesign Place and Train Programme</li> <li>• Earn and Learn Training Programme</li> <li>• Global Ready Talent Programme</li> </ul>
Amara Bangkok	<ul style="list-style-type: none"> <li>• Alternative Quarantine (AQ) programme (our employees have undergone COVID-19 related training carried out by a hospital)</li> <li>• Sandbox Programme</li> <li>• Test &amp; Go Programme</li> </ul>



# SOCIAL

## OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees are vital to the sustainability and growth of our business operations. We continuously seek ways to improve and evolve towards a safer and better working environment for our employees.

To protect our employees from the COVID-19 pandemic, we have implemented a comprehensive list of health and safety monitoring and safeguard measures as set out by the local authorities in the jurisdictions we operate in, which include but are not limited to:

- Mandated use of protection equipment such as face masks and gloves across all operations;
- Mandatory temperature taking and recording for all employees;
- Daily sanitisation of common areas with high touchpoints, such as meeting room tables, doors, water dispensers, lifts, fridge handles etc.;
- Posters and notices are placed around the offices to remind employees of safe management practices;
- Minimised physical interactions through use of virtual communication channels where possible;
- Implemented work-from-home arrangements for employees and allow employees to access the office network off-site when working from home;
- Employees who were essentially required to work in the hotels and restaurants physically were on roster shift and split teams to minimise contact among employees;
- Employees are required to be fully vaccinated before being allowed to return to work in our Singapore operations;
- Guidelines for employees to abstain from socialising or congregating in groups at the workplace including during meal breaks;
- Formalised reporting procedures for any work incidents, suspected and confirmed COVID-19 cases; and
- Safe Management Officers (“SMOs”) are appointed at the various work sites to ensure compliance with the safe management policies and manage COVID-19 related incidents.

We constantly communicate with our employees on updates and keep them engaged via electronic means.

In the Reporting Period, there were no workplace incidents leading to employee fatalities or permanent disability. We will continue to remain vigilant and target to maintain zero workplace incidents leading to fatalities or permanent disability in the following year.

On the other hand, there were employees infected with COVID-19 amidst the emergence of new and more contagious virus variants during the year. We note that given the Singapore Government’s stance to transit towards living with COVID-19, it is impractical to expect zero cases of employees infection with COVID-19 and we have updated our target accordingly to exclude this.

### Perpetual Target

Amara aims to have no workplace incident leading to fatalities or permanent disability during the year

### Performance in FY2021

No incidents leading to fatalities or permanent disability during the year

# SOCIAL

## CUSTOMER HEALTH AND SAFETY

At Amara, ensuring our customers' health and safety underpins our commitment to deliver a high standard of service to them.

### COVID-19 precautionary measures

We want our customers to feel safe when they engage our services and in this regard, we have taken all necessary precautions in accordance with the COVID-19 regulations set out by the local health authorities in the jurisdictions that we operate in. These include but are not limited to the following:

- SMOs appointed and trained to keep abreast of latest guidelines, implement recommended practices and monitor compliance;
- Masks, gloves and hand sanitisers are available for all guests in our hotels and restaurants;
- Record hotel guests' check-in information and health declaration based on the local government's requirements;
- Contactless check-in and check-out procedures are being implemented to minimise contact, on top of contactless payment options;
- At some of our F&B outlets, we have replaced our physical menus with digital menus. Restaurants with buffet offerings have switched to à la carte menus and made-to-order options;
- Increased disinfection and cleaning for all common areas and high-touch areas such as door handles, lift buttons and public washrooms. Increase the frequency of deep cleaning at shared facilities such as the swimming pool and gym, with heightened sanitisation of surfaces and equipment;
- Scheduled use of shared facilities such as swimming pools and gyms; and
- Complied with special cleaning and sanitisation procedures by Singapore Tourism Board and Thai Disease Control and Public Health Department for guest rooms.

In the Reporting Period, we did not incur any statutory penalties in regard to non-compliances with the local regulations for COVID-19 in the jurisdictions that we operate in.

We rendered assistance to customers where possible during this crisis. We have extended flexibility to our hotel guests with free cancellation up to 24 hours prior to arrival, including non-refundable reservations.

Rental rebates were extended to eligible tenants of office building and shopping malls affected by the COVID-19 pandemic.

### Food Safety

Food safety is of paramount importance and concern in our hotels and restaurants. Amara is committed to taking proactive steps in ensuring that food safety risks are reduced or eliminated where possible.

At Amara, our food safety management and quality control system is fully compliant with all existing food safety laws and regulations in the jurisdictions we operate in. We have established Standard Operating Procedures ("SOP") as guidance to support our food safety management and quality control system.

We have also put in place a First-In-First-Out ("FIFO") system to manage our food inventory efficiently and ensure high quality in the food served at all our hotels and restaurants. Our food items are also subjected to periodic laboratory testing to ensure high food quality.

To cultivate and emphasise the importance of food safety in our employees, they are required to attend food safety trainings and hygiene courses to increase their awareness of regulations and requirements on food safety and hygiene.

# SOCIAL

## Building Safety

Amara is committed to ensuring a safe, accessible, vibrant and quality built environment to enhance the lives of our shoppers, tenants, hotel guests, residences and members of the community. Amara has established health and safety controls, with a strong focus on building fire safety and COVID-19 prevention, that are aligned with relevant health and safety laws and regulations in the jurisdictions that we operate in.

We conduct fire drills and provide regular fire safety training courses to ensure that employees and tenants are familiar with safety and emergency protocols. Regular fire safety inspections and audits are conducted to check for compliance with local fire safety requirements.

Regular risk assessments and safety inspections also allow Amara to quickly identify potential hazards and review existing safety measures. All employees, guests and visitors are promptly notified of all hazards identified in our assessments and inspections to prevent accidents and injuries.

During the Reporting Period, there were no incidents of non-compliance with regulatory standards and voluntary codes related to the health and safety of our customers which resulted in fines, penalties or warnings. We will continue to strive to maintain this compliance status in the forthcoming year.

### Perpetual Target

No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers

### Performance in FY2021

Zero case of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers during the year

## CUSTOMER FEEDBACK

At Amara, we value all feedback and suggestions received from all our customers. We have established channels, such as direct hotline, email, social media platform and booking websites, for customers to voice their concerns.

We take all feedback and complaints received seriously and have a team of dedicated employees responding to these feedback and complaints. We utilise hotel feedback management applications to keep track of customer feedback and satisfaction ratings to ensure that all feedback are adequately addressed.

These feedbacks and satisfaction ratings, including their follow-up actions and resolutions, are compiled quarterly and consolidated into a report and presented to management for review.

# SOCIAL

## COMMUNITY INVOLVEMENT

As a socially responsible business and part of a larger community, we believe that we have a responsibility to do our part for the betterment of the community. Apart from job creation, we seek to empower the less fortunate and better our community through donations and sponsorships.

In the Reporting Period, we continue to support government efforts in curbing the spread of COVID-19 in the community by contracting our hotel properties in Singapore and Thailand to the respective government for use as quarantine facilities. Some other donations and community involvement activities in 2021 were as follows:

<b>Business</b>	<b>Activities</b>
Amara Bangkok	<ul style="list-style-type: none"> <li>Organised donation drive in August 2021 for donation of food and necessities to local community isolation centre and hospital.</li> </ul>
Amara Signature Shanghai	<ul style="list-style-type: none"> <li>Visited and provided snacks to the local community and neighbourhood police as morale booster and motivation during the COVID-19 period.</li> <li>Supported World Wide Fund for Nature's "Earth Hour" Project.</li> </ul>
100 AM Singapore	<ul style="list-style-type: none"> <li>Supported World Wide Fund for Nature's "Earth Hour" Project and "Go Kosong for Net-Zero Emissions by 2050" through publicity on our mall's website, TV and official social media platforms.</li> </ul>

## MOVING FORWARD

We will remain committed in meeting the needs of our customers and employees, as well as serve our local communities. In 2022, we will seek to provide more training opportunities for our employees to boost their competence and to better serve the needs of our customers and community.

# GOVERNANCE

Amara seeks to uphold the highest standards of ethics and business conduct. We are also committed to comply with all laws and regulations in the jurisdictions we operate in.

## ETHICS AND REGULATORY COMPLIANCE

### Ethics and Business Conduct

At Amara, we have zero tolerance towards corruption, fraud, money-laundering and other financial crimes. We inculcate a strong corporate culture amongst our employees to maintain high standards of integrity and professionalism in their performance of job roles and responsibilities.

We have established internal controls and written policies on areas of Employee Code of Conduct, Conflict of Interest, Whistle-blowing, Anti-corruption and Anti-Money Laundering to provide guidance to our employees in their business conduct. These policies are made available to all employees upon their hiring.

We have a whistle-blowing policy and channels to allow employees to report concerns over any unlawful conduct, financial malpractice and/or other wrong-doings. Through our independent whistle-blowing channels, employees are able to report any suspected misconducts. All disclosures will be treated in a confidential manner, thereby protecting the identity of the employee who made those disclosures. This would encourage employees to report any suspicious activities without fear of reprisal.

During the Reporting Period, there were no confirmed cases which are unethical, fraudulent, or corrupt in nature.

#### Perpetual Target

Zero confirmed cases which are unethical, fraudulent, or corrupt in nature

#### Performance in FY2021

Zero confirmed cases which are unethical, fraudulent, or corrupt in nature

### Regulatory Compliance

At Amara, we have established processes in keeping abreast of any changes in laws and regulatory requirements.

Our operations are subjected to the relevant laws and regulations in the jurisdictions we operate in, including and not limited to the following:

- Building Control (Environmental Sustainability) Regulations administered by Building and Construction Authority ("BCA");
- Energy Conservation Act and Environment Protection and Management Act governed by National Environment Agency ("NEA");
- Sale of Food Act administered by Singapore Food Agency ("SFA");
- Employment Act and Employment of Foreign Manpower Act governed by Ministry of Manpower ("MOM");
- The Enhancement and Conservation of National Environmental Quality Act, governed by the Ministry of Science, Technology and Environment, Thailand; and
- The Foreign Investment Law of the People's Republic of China administered by the Ministry of Commerce and State Administration for Market Regulation.

During the Reporting Period, there were no reported cases of non-compliance with relevant laws and regulations that resulted in significant fines or sanctions in the jurisdictions that we operate in.

#### Perpetual Target

Zero reported case of non-compliance with relevant laws and regulations that result in significant fines or sanctions

#### Performance in FY2021

Zero incidents of non-compliance with relevant laws and regulations that result in significant fines or sanctions

# GOVERNANCE

## Personal Data Protection

Amara acknowledges the cybersecurity threats posed by the rapid digitalisation of information assets and we take extra precautions in the security of customer information.

All new employees are briefed during orientation to protect the confidentiality of our customers' information. They are also required to acknowledge the confidentiality clauses in the employment contract as well as the Code of Conduct. Amara has also implemented firewall, anti-virus and anti-spam solutions for our Information Technology systems to safeguard customer information.

We have also streamlined the processes on how we collect, store, access, use and disclose personal data in the course of providing services and products to our customers. Any individuals can write in to our Data Protection Officers via [dataprotection@amarahotels.com](mailto:dataprotection@amarahotels.com) for queries on data protection matters and requests to update, access or withdraw consent on their personal data maintained by Amara.

During the Reporting Period, there were no reported cases of data security breaches.

### Perpetual Target

Zero incidents of customer data breaches

### Performance in FY2021

Zero reported incidents of data security breaches

## MOVING FORWARD

In the next year, we will continue our efforts to maintain a culture of good corporate governance and to remain compliant with all relevant laws and regulations in the jurisdictions that we operate in. We will continue to monitor our data protection measures to ensure no breach of PDPA regulations that could lead to financial penalties and reputational damage.

# ECONOMIC

2021 was a challenging year for Amara as we continued to see lockdowns and restrictions in jurisdictions we operate in due to the COVID-19 pandemic. Although we see progressive recovery in our financial performance for 2021, we continue to remain prudent in our cost and risk management measures as we seek to tide over this trying period.

## ECONOMIC PERFORMANCE AND BUSINESS RECOVERY

Amara has activated its business continuity plan at all its business units, put in place cost containment measures and brought forth revenue enhancement initiatives to recover the business operations and financial performance.

Some of the cost containment measures adopted by Amara include reduction of casual labour, training employees to perform lateral services, leave clearance by employees, deferred discretionary expenses and non-critical capital expenditures, and cancellation of contractual obligations with suppliers due to non-utilisation of services.

Amara has also taken up many initiatives to recapture revenue streams. Some examples are as follows:

- Sourcing for alternative hotel guests from government and business chamber sectors;
- Creating special prices for corporate booking packages;
- Launching new room packages with dinner/lunch set at the restaurants;
- Offering special room promotion on business partners' online booking channels;
- Collaborating with e-commerce platforms for takeaway and delivery options at the restaurants;
- Adjusting restaurants' menus in response to COVID-19 dine-in restrictions;
- Offering promotions and discounts to encourage self pick-ups at restaurants; and
- Driving other source of revenue with the absence of tourists, such as targeting local diners with menu adjustments to attract local consumers.

Amara's supply chain for operational items in restaurants and hotels were manageable during the COVID-19 restriction phases, mainly due to reduced level of demands. Pandemic supplies such as masks, gloves, disinfection chemicals, hand soaps and sanitisers were sourced from multiple new suppliers to ensure sufficient stocks for daily operations.

Amara's liquidity and gearing ratio remained healthy and we are supported by our principal bankers and available banking facilities. We are also tapping into the various support schemes provided by the Singapore Government to tide over the pandemic, such as the Enhanced Jobs Support Scheme, waiver of foreign worker levies and various government subsidies.

## MOVING FORWARD

Despite the challenges from the COVID-19 outbreak, we will closely monitor and adapt to the changing situation through pro-active management and operational agility to recover our business performances.

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
<b>GRI 101: Foundation 2016</b>			
<b>GENERAL DISCLOSURES</b>			
GRI 102: General Disclosures 2016	<b>Organisational Profile</b>		
	102-1	Name of the organization	Amara Holdings Limited
	102-2	Activities, brands, products, and services	Annual Report: Amara Vision and Brand (Pgs 2 - 3)
	102-3	Location of headquarters	Annual Report: Corporate Data (Pg 143)
	102-4	Location of operations	Annual Report: Our Business Portfolio (Pgs 9 - 13)
	102-5	Ownership and legal form	Annual Report: Statistics of Shareholdings (Pgs 144 - 145)
	102-6	Markets served	Annual Report: Our Business Portfolio (Pgs 9 - 13)
	102-7	Scale of the organisation	Sustainability Report Annual Report
	102-8	Information on employees and other workers	Sustainability Report: Talent Retention (Pg 45)
	102-9	Supply chain	Amara does not specifically disclose its supply chain
	102-10	Significant changes to the organisation and its supply chain	No significant changes to the organization and its supply chain
	102-11	Precautionary Principle or approach	Amara does not specifically refer to the precautionary approach when managing risk
	102-12	External initiatives	Not applicable
	102-13	Membership of associations	Amara has memberships and association with relevant organisations
<b>Strategy</b>			
	102-14	Statement from senior decision-maker	Sustainability Report: Board Statement (Pg 35)
<b>Ethics and Integrity</b>			
	102-16	Values, principles, standards, and norms of behaviour	Annual Report: Amara Vision and Brand (Pgs 2 - 3)
<b>Governance</b>			
	102-18	Governance structure	Sustainability Report: Sustainability Governance and Report Development (Pg 36)



# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 102: General Disclosures 2016	<b>Stakeholder Engagement</b>		
	102-40	List of stakeholder groups	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-41	Collective bargaining agreements	Amara's employees are free to join or not join recognised labour unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices
	102-42	Identifying and selecting stakeholders	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-43	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-44	Key topics and concerns raised	Sustainability Report: Stakeholder Engagement (Pg 37)
	<b>Reporting Practice</b>		
	102-45	Entities included in the consolidated financial statements	Annual Report: Financial Statements (Pgs 75 - 142)
	102-46	Defining report content and topic boundaries	Sustainability Report: About The Report (Pg 36)
	102-47	List of material topics	Sustainability Report: Materiality Assessment (Pg 38)
	102-48	Restatements of information	The gross floor area used in the computation of intensity figures has been restated from 139,049 m <sup>2</sup> to 142,040 m <sup>2</sup> . The total gas consumption for FY2020 was also restated from 972,689 litres to 869,834 litres. Both restatements are due to changes in measurement methods.
	102-49	Changes in reporting	There are no significant changes from the previous reporting period in the list of material topics and topic boundaries.
	102-50	Reporting period	1 January 2021 - 31 December 2021
	102-51	Date of most recent report	31 December 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Sustainability Report: About The Report (Pg 36)
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: About The Report (Pg 36)	
102-55	GRI content index	Sustainability Report: GRI Content Index (Pgs 54 - 58)	
102-56	External assurance	Amara has not sought external assurance for this reporting period, and may consider it in the future	

## GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundaries	<p>The material factor boundaries are defined as where Amara has significant impacts and has caused or contributed to the impacts through its business relationships.</p> <p>Material factors with internal boundaries:</p> <ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Talent Retention</li> <li>• Training and Development</li> </ul> <p>Material factors with internal and external boundaries:</p> <ul style="list-style-type: none"> <li>• Energy and Emissions</li> <li>• Water</li> <li>• Effluents and Waste</li> <li>• Occupational Health and Safety</li> <li>• Customer Health and Safety</li> <li>• Regulatory Compliance</li> <li>• Community Involvement</li> </ul>
<b>ECONOMIC PERFORMANCE AND BUSINESS RECOVERY</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Annual Report: Financial Statements (Pgs 75 - 142)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
<b>ETHICS AND REGULATORY COMPLIANCE</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Ethics and Regulatory Compliance (Pgs 51 - 52)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	
GRI 419: Socio-economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
<b>ENERGY AND EMISSIONS</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Energy and Emissions (Pgs 41 - 43)
	103-3	Evaluation of the management approach	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
<b>WATER</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Water (Pg 43)
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents 2018	303-5	Water consumption	
<b>EFFLUENTS AND WASTE</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Effluents and Waste (Pg 44)
	103-3	Evaluation of the management approach	
GRI 306: Waste 2020	306-3	Waste generated	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Occupational Health and Safety (Pg 47)
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
<b>TALENT RETENTION</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Talent Retention (Pgs 45 - 46)
	103-3	Evaluation of the management approach	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	
<b>CUSTOMER HEALTH AND SAFETY</b>			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Customer Health and Safety (Pgs 48 - 49)
	103-3	Evaluation of the management approach	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

CORPORATE  
**GOVERNANCE REPORT**

# CORPORATE GOVERNANCE REPORT

The Board of Directors (“the Board”) is committed to high standards of corporate governance as a fundamental part of discharging its responsibilities to protect and to enhance long-term shareholders’ value whilst taking into account the interests of other stakeholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the “Code”). There are other sections of this Annual Report that contain information required by the Code and these should be read together with this Report.

The Company has complied in all material aspects with the principles and provisions of the Code. Where there are deviations from the Code, appropriate explanations are provided.

## THE BOARD'S CONDUCT OF AFFAIRS

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

### *Provision 1.1*

#### *Directors as Fiduciaries*

The Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and work with the Management to make objective decisions as fiduciaries in the interest of the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. The Board puts in place a code of conduct and ethics to set appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Company.

### *Provision 1.2*

#### *Directors’ Duties and Responsibilities*

#### **Board’s Role**

The principal functions of the Board, apart from its statutory responsibilities, include:

- a) providing entrepreneurial leadership and setting overall strategies to achieve the vision and mission of the Group;
- b) overseeing the overall sustainability direction and strategy to drive, manage and monitor the key sustainability issues;
- c) ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- d) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets;
- e) identifying the key stakeholder groups and ensuring transparency and accountability to key stakeholder groups;
- f) setting the Company’s values and standards, and ensuring that the Company’s policies and practices are consistent therewith;
- g) reviewing Management performance; and
- h) assuming responsibility for corporate governance.

The Company publishes a sustainability report which is included in this Annual Report.

#### **Compliance with Regulatory Requirements**

The Board is committed to ensure compliance with the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Manual to undertake to use their best endeavours to comply with the Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Financial Controller.

The Board ensures timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Rules of the SGX-ST.

# CORPORATE GOVERNANCE REPORT

## THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

### Continuous Training and Development of Directors

The Company has in place an orientation programme for new Directors. Newly appointed Directors are briefed by the Board to familiarise them with the Group's business and strategic directions. The Company will arrange an incoming Director to meet up with the Management and the Company Secretary to familiarise himself with his roles, the organisation structure and business practices of the Group. This will enable him to get acquainted with Management and the Company Secretary thereby facilitating board interaction and independent access to Management and the Company Secretary.

The Nominating Committee ("NC") is charged with reviewing the training and professional development of Directors. All Directors are provided with regular updates on the latest governance and listing policies. The NC will recommend appropriate courses and seminars and arrange for updates by professionals as it deems relevant to improve the performance of the individual Directors and the Board.

Briefings and updates provided for Directors in FY 2021 included the following:

- The External Auditors briefed the Audit Committee ("AC") on developments in accounting and governance standards.
- The Chief Executive Officer ("CEO") updated the Board at each Board meeting on the Group's business and strategic developments.
- Management highlighted the salient operational and risk management issues to the Board.
- The Company Secretary briefed the Board on the amendments to the Companies Act and the Listing Rules.

The Directors had also attended appropriate courses, conferences and seminars. They also have unrestricted access to professionals for consultation on laws, regulations and commercial risks as and when necessary at the expense of the Group.

#### *Provision 1.3*

##### *Internal Guidelines on Matters Requiring Board Approval*

The Company's Board Charter sets out in writing the matters which are specifically reserved to the Board for approval. Such matters include:

- a) annual budgets and financial plans of the Group;
- b) semi-annual financial reports;
- c) material acquisitions, divestments, investments and funding proposals;
- d) issuance of shares, dividend distributions and other returns to shareholders;
- e) interested person transaction (as defined under Chapter 9 of the Listing Manual); and
- f) matters involving a conflict of interest for a substantial shareholder or a Director.

#### *Provision 1.4*

##### *Delegation of Authority to Board Committees*

In carrying out and discharging its duties, the Board is assisted by the AC, the NC and the Remuneration Committee ("RC"). These Committees are made up of wholly or predominantly Non-Executive Directors and chaired by Independent Directors. These Committees function within clearly defined terms of references which set out their authority and duties. The effectiveness of each Committee is also constantly being reviewed by the Board. Other Committees may be formed from time to time to look into specific areas as and when required.

# CORPORATE GOVERNANCE REPORT

## THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

The present Board members and Board Committee members are as follows:

Name of Directors	Board Membership	Board Committees		
		Audit Committee	Remuneration Committee	Nominating Committee
Albert Teo Hock Chuan	Executive Chairman	-	-	Member
Susan Teo Geok Tin	Executive Director	-	-	-
Lawrence Mok Kwok Wah	Non-Executive & Non-Independent Director	Member	Member	-
Foo Ko Hing	Lead Independent Director	Chairman	Member	Member
Chia Kwok Ping	Independent Director	Member	Member	Chairman
Tan Tiong Cheng	Independent Director	Member	Chairman	-

### Provision 1.5

#### Meetings of Board and Board Committees

The number of Board and Committees meetings held and attendance of the Directors at these meetings during the year are as follows:

Number of meetings held	Board	Audit Committee	Remuneration Committee	Nominating Committee
		3	2	1

Name of Directors	Number of meetings attended			
	Board	Audit Committee	Remuneration Committee	Nominating Committee
Albert Teo Hock Chuan	3	2	1	1
Susan Teo Geok Tin	3	2	1	1
Lawrence Mok Kwok Wah	3	2	1	1
Foo Ko Hing	3	2	1	1
Chia Kwok Ping	3	2	1	1
Tan Tiong Cheng	3	2	1	1

Management staff are invited to attend Board and Committees meetings whenever necessary and there is timely communication of information among the Board, the Management and the Committees.

The Board comprises a majority of Non-Executive Directors, with relevant and diverse experiences necessary to contribute effectively and objectively to the Group. The Company's Constitution provides for telephone and other electronic means of meetings of the Board as encouraged by the Code. This facilitates the attendance and participation of Directors at Board meetings, even though they may not be in Singapore.

### Provision 1.6

#### Board's Access to Information

Directors receive periodic financial and operational reports, budgets, forecasts and other documents on the Group's businesses prior to Board meetings. In respect of budgets, any material variance between the projections and actual results are disclosed and explained. Management staff are invited where appropriate to provide further inputs during Board and Committees meetings.



# CORPORATE GOVERNANCE REPORT

## THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

### *Provision 1.7*

#### *Board's Access to Management, Company Secretaries and External Advisers*

The Board has separate and independent access to the Management and the Company Secretaries at all times. The role of the Company Secretaries includes, inter alia, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act 1967 ("Companies Act") and the Listing Rules. At least one of the Company Secretaries is present at all formal Board meetings to respond to the queries of any Director and to assist in ensuring that Board procedures as well as applicable rules and regulations are followed. The appointment and the removal of a Company Secretary are subject to the Board's approval.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice from external advisers.

## BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

### *Provision 2.1*

#### *Independence of Directors*

The Board consists of six Directors, of whom three are Independent and Non-Executive Directors and one is a Non-Independent and Non-Executive Director. The Executive Directors are Mr Albert Teo Hock Chuan and Ms Susan Teo Geok Tin. The Non-Independent and Non-Executive Director is Mr Lawrence Mok Kwok Wah. The Independent Directors are Mr Foo Ko Hing, Mr Chia Kwok Ping and Mr Tan Tiong Cheng.

The criteria for independence are based on the definition given in the Code and the Listing Rules. The Code has defined an "independent director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Company. Under the Listing Rules, a director is not independent if he is or has been employed by the Company or any of its related corporations for the current or any of the past three financial years; or if he has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

The independence of each Independent Director is reviewed annually by the NC. Mr Foo Ko Hing, Mr Chia Kwok Ping and Mr Tan Tiong Cheng have confirmed their independence which is in compliance with Provision 2.1 of the Code and the criteria of independence in the Listing Rules. None of the Independent Directors has attained 9 years of service on the Board as at the date of this Annual Report.

### *Provisions 2.2 and 2.3*

#### *Composition of Independent Directors and Non-Executive Directors on the Board*

Under the Listing Rules, the Independent Directors should make up at least one-third of the Board. Under Provision 2.2 of the Code, the Independent Directors should make up the majority of the Board where the Chairman is not an Independent Director. Under Provision 2.3 of the Code, the Non-Executive Directors should make up a majority of the Board. The composition of the Board complies with the requirements of the Listing Rules and the Code except that the Independent Directors make up only half of the Board.

Given the Board size of six, the three Independent Directors led by the Lead Independent Director provide a good balance of authority and power within the Board. In addition, the NC, AC and RC which assist the Board in its functions is each chaired by an Independent Director. The Board is of the view that there is a strong independence element within the Board to justify the departure of the Board composition from the Code.

# CORPORATE GOVERNANCE REPORT

## BOARD COMPOSITION AND GUIDANCE (CONTINUED)

### *Provision 2.4*

#### *Composition and Size of the Board*

The Board recognises the benefits of having a diverse Board to enhance its decision-making process.

The Board is of the view that the current Board comprises members whose diverse skills, experience and attributes provide effective direction for the Group. The Board also recognises the importance and value of gender diversity and it presently includes a female Director.

The Board constantly examines its size with a view to determine its impact upon its effectiveness taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions caused by changes to the composition of the Board and Board Committees.

Details of the Directors' qualifications, background and working experience are provided under the "Board of Directors" section of this Annual Report.

### *Provision 2.5*

#### *Role of Non-Executive Directors*

Non-Executive Directors contribute, especially in their areas of specialties, to proposals and strategies of the Group. They also review performance of Management in achieving goals and objectives set.

During the year, the Non-Executive Directors (including the Independent Directors) led by the Lead Independent Director communicate among themselves without the presence of Management as and when the need arises. Where necessary or appropriate, the Lead Independent Director provides inputs to the Board. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

### *Provisions 3.1 and 3.2*

- *Separate role of Chairman and CEO*
- *Role of the Chairman*

Mr Albert Teo Hock Chuan is both the Chairman of the Board and the CEO of the Group. While the roles of the Chairman and the CEO are held by Mr Teo, as set out in writing in the Board Charter, the duties of Chairman and CEO are separate and distinct, each having their own areas of responsibilities.

The Board believes that there is no need for the role of Chairman of the Board and the CEO to be separated as there is good balance of power and authority with all critical Board committees chaired by Independent Directors.

Mr Albert Teo Hock Chuan, as the Chairman leading the Board, approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate, and ensures that the Non-Executive and Independent Directors are able to speak freely and contribute effectively. He facilitates the quality and quantity of the information as well as the timeliness of the flow of information between the Board and Management. As the Chairman, he promotes high standards of corporate governance within the Company. Externally, he represents the Board to promote transparency and accountability to shareholders and other stakeholders.

As CEO, Mr Albert Teo Hock Chuan, together with the other Executive Director, have full executive responsibilities over the business directions and operational decisions of the Group. Assisting them are the Director, Property Division, the Group Quality and Systems Manager, the Group Administration Manager and the Financial Controller. The CEO is responsible to the Board for all corporate governance procedures to be implemented by the Group and ensures that Management conforms to such practices. Directors are given board papers in advance of meetings for them to be adequately prepared for the meetings and senior management staff (who are not Executive Directors) are in attendance at Board and Committees meetings whenever necessary.

# CORPORATE GOVERNANCE REPORT

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

### *Provision 3.3*

#### *Lead Independent Director*

Mr Foo Ko Hing is the Lead Independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and CEO or Financial Controller are inappropriate or inadequate. As announced on 28 February 2022, Mr Foo will cease as Independent Director, and also Lead Independent Director effective from 27 April 2022. The Company will make announcements on new Independent Director, and also new Lead Independent Director upon the appointments.

## BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

### *Provisions 4.1 and 4.2*

#### *Nominating Committee*

The NC comprises:

- Chia Kwok Ping (Chairman)
- Foo Ko Hing
- Albert Teo Hock Chuan

The majority of the NC members, including its Chairman, are independent. Mr Foo Ko Hing, as the Lead Independent Director, is a member of the NC.

The NC carried out its duties in accordance with the terms of reference which include the following:

- a) Identifying and selecting members of the Board for the purpose of recommending such nomination to the Board for its approval on board appointments;
- b) Assessing the effectiveness of the Board as a whole and contribution by each Director;
- c) Assessing the independence of each Director annually;
- d) Reviewing succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; and
- e) Reviewing training and professional development of Directors.

### *Provision 4.3*

#### *Process for the Selection and Appointment of New Directors*

For the selection and appointment of a new Director, the NC will determine the desired proficiencies to complement the skills and competencies of the existing Directors. Potential candidates are sourced from a network of contacts and identified based on the established criteria. Recommendations from Directors and Management are the usual source for potential candidates. Where applicable, search through external consultants can be considered.

The NC will interview shortlisted candidates to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment to the Board for approval.

The Company's Constitution provides that one third of the Directors for the time being or if their number is not a multiple of three, then the number nearest to one-third shall retire from office at the Annual General Meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The NC is charged with the responsibility of re-nomination having regard to the Director's contribution and performance, including, if applicable, as an Independent Director.

The Directors due to retire at the forthcoming AGM pursuant to the Constitution are Ms Susan Teo Geok Tin and Mr Tan Tiong Cheng. In accordance with the Listing Rules, their particulars as set out in accordance with Appendix 7.4.1 of the Listing Manual are provided under the "Additional Information on Directors Seeking Re-Election" section of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## BOARD MEMBERSHIP (CONTINUED)

### *Provision 4.4*

#### *Determining Directors' Independence*

The NC is charged with determining annually whether a Director is independent. The NC has reviewed and determined that the Independent Directors are independent. Mr Foo Ko Hing and Mr Chia Kwok Ping have abstained from such NC's review of their own independence.

### *Provision 4.5*

#### *Multiple Board Representations*

The Board has determined the maximum number of board appointments in listed companies that a Director can hold, which shall not be more than six so as to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. All the Directors currently do not hold more than six listed company board representations. The NC is satisfied that each individual Director has allocated sufficient time and resources to the affairs of the Company.

Details of the Directors' principal commitments and outside directorships are set out under the "Board of Directors" section of this Annual Report.

## BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

### *Provisions 5.1 and 5.2*

#### *Conduct of Board Performance*

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole. Performance criteria include, inter alia, core competencies and diversity of the Board, Directors' attendance record at the meetings of the Board and Board Committees and also the contributions of each Director to the effectiveness of the Board. The performance criteria are reviewed annually by the NC to ensure they continue to be relevant. The NC Chairman will act on the results of the performance evaluation and will, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or to seek the resignation of Directors. The NC, along with the participation of the Executive Directors, carried out an evaluation and discussed the results of the evaluation of Board performance. The NC also reviewed and discussed each Director's individual performance and if he sits on a Board committee, his performance thereon, and contribution to the effectiveness of the Board. The NC is satisfied that the Board has been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, but will consider the use of such facilitator as and when appropriate.

## REMUNERATION MATTERS

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

### *Provisions 6.1 and 6.2*

#### *Remuneration Committee*

The RC comprises:

- Tan Tiong Cheng (Chairman)
- Chia Kwok Ping
- Foo Ko Hing
- Lawrence Mok Kwok Wah

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS (CONTINUED)

All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are Independent Directors except for Mr Lawrence Mok Kwok Wah who is a Non-Executive and Non-Independent Director.

The RC carried out its duties in accordance with its terms of reference which include the following:

- a) recommend to the Board, a framework of remuneration for the Board and key management personnel, and to determine specific remuneration packages for each Executive Director; and
- b) review Executive Directors' and key management personnel's remuneration and Non-Executive Directors' fees annually.

### *Provision 6.3*

#### *Review of Remuneration*

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, ex-gratia payments, options and benefits-in-kind, will be reviewed by the RC. No member of the RC or any Director is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him or her.

Each of the Executive Directors and key management personnel has employment contract with the Group which can be terminated by either party giving notice of resignation/termination. The RC has reviewed the Group's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

### *Provision 6.4*

#### *Engagement of Remuneration Consultants*

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The professional advisers, if engaged, shall be free from any relationships with the Company as that will affect their objectivity and independence. The expenses of such professional services shall be borne by the Company.

## LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

### *Provision 7.1*

#### *Remuneration of Executive Directors and Key Management Personnel*

The Company's remuneration structure for its Executive Directors and key management personnel comprises both fixed and variable components. The variable component is performance related and is linked to the Group's and the Company's performance as well as individual's performance. The performance criteria are selected based on key drivers of business performance and are aligned to shareholders' value. Such performance-related remuneration is designed to align with the interests of shareholders and promote long term success of the Group. In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies.

For the year under review, the RC has reviewed the remuneration of Executive Directors and key management personnel in accordance with their performance criteria and recommended them to the Board. The Board has endorsed the RC's recommendations.

The Company has the Amara Performance Share Plan as a long-term incentive scheme to incentivise performance which is elaborated under Provision 8.3.

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel.

# CORPORATE GOVERNANCE REPORT

## LEVEL AND MIX OF REMUNERATION (CONTINUED)

### Provision 7.2

#### Remuneration of Non-Executive Directors

For the current year, the Board has recommended a fee for Non-Executive Directors which is subject to approval at the AGM. Directors' fees are set in accordance with a remuneration framework comprising a basic fee as a Director and an additional fee for serving on Board Committees, taking into consideration contribution of each of the Non-Executive Directors. The RC considers that the current fee structure adequately compensates the Non-Executive Directors, without over-compensating them as to compromise their independence.

### Provision 7.3

#### Remuneration Framework

The remuneration framework for the Directors, CEO and key management personnel is aligned with the sustained performance of the Group and the interest of shareholders and is appropriate to attract, retain and motivate them for the long term success of the Group.

## DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

### Provision 8.1

#### Remuneration Report

#### Directors

For confidentiality reasons and given the sensitivity of remuneration information, the Company believes that the disclosure of exact remuneration of Directors with breakdown is not in the best interests of the Company and therefore it wishes to maintain confidentiality on each individual Director's remuneration. Instead disclosures are made under the broad band of remuneration as follows:

Remuneration Band	No. of Directors	
	2021	2020
S\$500,000 to below S\$750,000	-	1
S\$250,000 to below S\$500,000	1	1
Below S\$250,000	5	4
Total	6	6

#### Key Management Personnel of the Group

The Company has many competitors in the same industry. By disclosing the top five key management personnel individually in bands of S\$250,000, the Company is susceptible to poaching of its key management personnel in a highly competitive market place vying for talent. Loss of its key management personnel involves considerable loss of operational know-how and cost in recruitment of similar talent and gestation period for new key management personnel to be fully inducted into the Company's work practices. All these would impact its business competitive edge vis-à-vis its competitors. Disclosure of the names of the key management personnel will not be in the best interests of the Company from a business perspective.

### Provision 8.2

#### Remuneration of Employees who are Substantial Shareholders, or are Immediate Family Members of a Director, CEO or Substantial Shareholder of the Company

There are three employees who are immediate family members of Mr Albert Teo Hock Chuan, Director and CEO. They are his brother, sister and daughter and their remuneration individually exceeded S\$100,000 during the year.

The RC has oversight on the remuneration of the above-mentioned family members to ensure independence in remuneration of such immediate family members of the Directors and CEO. To indicate remuneration bands (including the upper limits) for each of them would give rise to visibility of their remunerations vis-à-vis their fellow colleagues who are not employees related to the Directors and CEO, and they would be unfairly disadvantaged while confidentiality of other employees' remuneration is maintained.

The Company believes that it is not in the best interests of the Group to disclose the details as required under Provision 8.2 of the Code because of the highly competitive industry conditions and also because it wishes to maintain confidentiality for more harmonious and effective human resource management within the Group.

# CORPORATE GOVERNANCE REPORT

## DISCLOSURE ON REMUNERATION (CONTINUED)

*Provision 8.3*

*Employee Share Scheme*

### **Amara Performance Share Plan ("Plan")**

The Plan was approved by the shareholders on 29 April 2014. The Plan is administered by the RC comprising Mr Tan Tiong Cheng, Mr Chia Kwok Ping, Mr Foo Ko Hing and Mr Lawrence Mok Kwok Wah.

The Plan is a share incentive scheme under which performance-based or time-based awards may be granted. The Plan is in place on the basis that it is important to retain employees whose contributions are important to the well-being and prosperity of the Group and to recognise outstanding employees of the Group who have contributed to the growth of the Group. The Plan gives participants an opportunity to have a personal equity interest in the Company and by granting such an opportunity, the Plan aims to foster a strong and lasting ownership culture within the Group which aligns the interests of its employees with the interests of shareholders.

Full-time employees (including Executive Directors) who are confirmed in their employment with the Company and/or any subsidiary shall be eligible to participate in the Plan. Controlling shareholders and their associates within the aforesaid category are eligible to participate in the Plan.

The aggregate number of shares which may be available pursuant to awards granted under the Plan on any date, when added to the number of new shares issued and issuable in respect of (a) all awards granted under the Plan and (b) options or awards granted under any other option scheme or share plan which the Company may implement from time to time, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares) on the day preceding the relevant award date.

The aggregate number of shares available to eligible controlling shareholders and their associates under the Plan shall not exceed twenty-five percent (25%) of the shares available under the Plan. In addition, the number of shares available to each controlling shareholder or his associate shall not exceed ten percent (10%) of the shares available under the Plan.

There were no shares awarded under the Plan since its inception to the end of the financial year.

## RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

*Provision 9.1*

*Risk Management*

The Board is responsible for the governance of risk management and internal controls, and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the Enterprise Risk Management Working Committee.

To enhance the Group's continuous effort in Enterprise Risk Management ("ERM"), the Group had consulted with a reputable risk consulting firm to assist with formalising an ERM Programme and documenting an ERM Framework Manual to ensure consistency in application across the Group and sustainability of the programme.

Key risks identified are closely assessed, monitored and action plans are put in place to improve areas where the internal controls could be further strengthened. These are communicated to the AC with updates by the Management on the status of these action plans.

The Group strives to attain a proper balance of risk and return in regard to its business operations and overall strategies.

The AC ensures that a review of the adequacy and effectiveness of the Group's significant internal controls, including financial, operational, compliance and information technology risks, and risk management is conducted at least annually.

The AC has reviewed the Group's significant internal controls, including financial, operational, compliance and information technology risk, and risk management and is satisfied that there are adequate and effective risk management and internal controls in place. The AC reports and discusses with the Board its findings.

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

### *Provision 9.2*

#### *Assurances to the Board*

The Board has received the following assurances for FY 2021:

- (a) from the CEO and Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) from the CEO and Chief Risk Officer that the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

### **Board's Comment on Adequacy and Effectiveness of Internal Controls**

Based on the internal controls established and maintained by the Group, reviewed by the AC and the letters of assurance from the CEO, the Financial Controller and the Chief Risk Officer, the Board is of the opinion that the risk management and internal controls systems of the Group are adequate and effective in addressing the financial, operational, compliance and information technology risks. The AC concurs with the Board.

## AUDIT COMMITTEE

### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

#### *Provisions 10.1 and 10.2*

#### *Audit Committee Membership and Duties*

The AC comprises four Non-Executive Directors, three of whom, including its Chairman, are independent. They are Mr Foo Ko Hing (Chairman of the AC), Mr Chia Kwok Ping, Mr Tan Tiong Cheng and Mr Lawrence Mok Kwok Wah. The AC had two meetings during the financial year.

The AC members bring with them invaluable professional expertise in the accounting and financial management domains. The key information including the experience and qualifications of the AC members are set out in the "Board of Directors" section of this Annual Report.

The AC members have kept abreast of changes in accounting standards and issues which impact the financial statements from briefings by auditors during the AC meetings.

### **Roles, Responsibilities and Authorities of Audit Committee**

The AC has expressed power to investigate any matter brought to its attention, within its terms of reference, with the power to seek professional advice at the Company's expense.

The AC carries out its functions in accordance with its terms of reference, Section 201B(5) of the Companies Act and the Code, including the following:

- reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- reviews the independence of the External and Internal Auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- makes recommendations to the Board on the appointment of External Auditors, the audit fee and any matters of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the Internal Auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of Management integrity;



# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE (CONTINUED)

- reviews the assurances from the CEO and the Financial Controller on the financial records and financial statements;
- reviews half-yearly reporting to SGX-ST and year-end financial statements of the Group before submission to the Board, focusing on
  - going concern assumption;
  - compliance with financial reporting standards and regulatory requirements;
  - any changes in accounting policies and practices;
  - significant issues arising from the audit;
  - major judgmental areas; and
  - any other functions which may be agreed by the AC and the Board; and
- reviews arrangements by which the staff of the Company and the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting and any other matters to be independently investigated and appropriately followed up on.

The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. No member of the AC or any Director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The AC has free and independent access to the External Auditors and the Internal Auditors, and Management for information that it may require. It has full discretion to invite any Director and executive officer to attend its meetings. The AC is satisfied with the assistance given by the Group's officers to the audit functions.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the Listing Manual.

## Whistleblowing Policy

The Company has in place a whistleblowing policy and the AC has the authority to conduct independent investigations into any complaints.

Staff of the Group has access to senior management employees whom they are free to bring their concerns or complaints to. All such concerns or complaints received shall be investigated thoroughly by the AC or the Whistleblowing Committee, as the case may be, and all investigations shall be conducted without bias. The Group will treat all information received confidentially and protect the identities and the interests of all whistle-blowers, so as to enable staff to voice their concerns or complaints without any fear of reprisal, retaliation, discrimination or harassment of any kind.

### *Provision 10.3*

#### *Restriction on Acting as Audit Committee Member*

There is no member within the Company's AC who is a former partner or director of the Company's existing auditing firm.

### *Provision 10.4*

#### *Internal Audit Function*

The Internal Auditor ("IA") supports the AC in reviewing the adequacy and effectiveness of the Company's internal control systems. IA reports directly to the Chairman of the AC on all internal audit matters and administratively to the CEO.

IA is an independent function within the Company, and it has unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC. IA carries out its functions according to the International Standards for the Professional Practice of Internal Auditing which is laid down in International Professional Practices Framework issued by The Institute of Internal Auditors, and plans its internal audit schedule in consultation with, but independent of Management. IA submits the Internal Audit Plan to the AC for approval. Internal audit fieldworks are carried out according to the Internal Audit Plan. Internal Audit reports completed with Management responses are submitted to the AC for deliberation.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE (CONTINUED)

The AC reviews the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the Internal Auditors to perform their function. The AC also reviews the internal audit reports and remedial actions implemented by Management to address any internal control inadequacies identified. The AC is satisfied that the internal audit function is independent, effective and adequately resourced to carry out its function.

### *Provision 10.5*

#### *Meeting with External Auditors and Internal Auditors*

The AC has met with the External and Internal Auditors without the presence of the Company's Management annually and reviewed the non-audit services provided by the External Auditors and is satisfied that the nature and extent of the services would not affect their independence and objectivity.

## SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

### *Provision 11.1*

#### *Providing Opportunity for Shareholders to Participate and Vote at General Meetings*

Shareholders are encouraged to attend the AGM and Extraordinary General Meeting ("EGM") (if any) to ensure high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meetings will be announced on SGXNet and published on the Company's corporate website at [www.amaraholdings.com](http://www.amaraholdings.com).

At the AGM and EGM (if any), shareholders are given the opportunity to express their views and ask the Board and the Management questions about the Group.

All resolutions at general meetings are required to be voted by poll under the Listing Rules. Poll voting procedures are clearly explained to the shareholders. The poll voting results will be announced after the general meetings via SGXNet.

In view of the COVID-19 situation, the Company's forthcoming AGM in respect of FY2021 ("2022 AGM") will be held through electronic means. Although shareholders will not be able to ask questions during the meeting's live webcast, they are able to register and submit their questions in advance of the 2022 AGM. The Company will provide answers to the shareholders' substantial and relevant questions received by the Company.

While shareholders will not be able to attend the 2022 AGM in person, alternative arrangements have been put in place to allow shareholders to participate in the 2022 AGM by:

- (a) watching or listening to the live meeting webcast proceedings;
- (b) submitting questions in advance of the meeting; and/or
- (c) appointing the Chairman of the 2022 AGM as proxy to attend and vote on their behalf at the 2022 AGM.

### *Provision 11.2*

#### *Separate Resolutions at General Meetings*

The Company will have separate resolutions at general meetings on each distinct issue. For resolutions that are special business, explanations are given in the accompanying notes to the notices of the general meetings. In particular, for resolutions on the election or re-election of Directors, information on the Directors as set out in accordance with Appendix 7.4.1 of the Listing Manual are provided in this Annual Report.

### *Provision 11.3*

#### *Attendance of Directors and Auditors at General Meetings*

The Board, together with the Management and the External Auditors, are normally present at the AGM to address shareholders' queries, if any. In 2021, the Company held its annual general meeting by way of electronic means which was attended by all the Directors and auditors physically or remotely.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONTINUED)

### *Provision 11.4*

#### *Absentia Voting*

The Company's Constitution allows for appointment of proxies to vote on behalf of a shareholder who is absent from a general meeting. The Company's Constitution permits a shareholder (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint up to two proxies to attend general meetings and vote in his stead. The Companies Act allows relevant intermediaries to appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in the general meetings.

In 2021, under the alternative arrangements for general meetings of companies pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, shareholders appointed the Chairman of the AGM as proxy to vote on their behalf.

### *Provision 11.5*

#### *Minutes of General Meetings*

Minutes of general meetings, including comments and queries from shareholders and responses from the Board and Management, will be announced on SGXNet and published on the Company's corporate website at [www.amaraholdings.com](http://www.amaraholdings.com).

### *Provision 11.6*

#### *Dividend Policy*

The Company currently does not have a fixed dividend policy. The dividend paid each year, if any, will depend on factors that include the Group's profit level, cash position and future cash needs.

The details of dividend payment, if any, would be disclosed via the release of announcements through SGXNet.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

### *Provision 12.1*

#### *Avenues for Communication between the Board and Shareholders*

The Company strives for transparency in its disclosures to the shareholders and the public. This is done through the timely release of information through SGXNet. However, the Company does not practise selective disclosure as all price-sensitive and/or trade-sensitive information is released through SGXNet. The Company also maintains a website at [www.amaraholdings.com](http://www.amaraholdings.com), at which shareholders can access information on the Group such as corporate information, annual report and core businesses of the Group. The Company also responds to enquiries from investors, analysts, fund managers and the press.

The Company has adopted semi-annual reporting and financial results of the Group are released within 45 days from the half year end and within 60 days from the financial year end. In addition, Annual Reports are issued to shareholders at least 14 days before each AGM.

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders are informed on a timely basis of all major developments that impact the Group. The Company's AGM is the principal forum for dialogues with shareholders.

### *Provisions 12.2 and 12.3*

#### *Investor Relations*

The Company has retained the services of a public relations firm to assist in its communication with the shareholders.

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST through SGXNet. As mentioned above, the Company does not practise selective disclosure.

# CORPORATE GOVERNANCE REPORT

## ENGAGEMENT WITH SHAREHOLDERS (CONTINUED)

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at [www.amaraholdings.com](http://www.amaraholdings.com) where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with investor relations contacts under the "Corporate Data" section of this Annual Report where they can send their queries.

## ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

*Provisions 13.1 and 13.2*

*Engagement with Material Stakeholder Groups*

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out under the "Sustainability Report" section in this Annual Report. Please refer to the "Sustainability Report" for details.

*Provision 13.3*

*Corporate Website for Communication and Engagement with Stakeholders*

As mentioned above, the Company maintains a corporate website at [www.amaraholdings.com](http://www.amaraholdings.com) which shareholders and other stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Shareholders and other stakeholders are provided with investor relations contacts at the "Corporate Data" section of this Annual Report to contact the Company.

## OTHER CORPORATE GOVERNANCE MATTERS

### INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length and reviewed by the AC.

There were no interested person transactions conducted during the financial year pursuant to the Listing Manual.

The Board is satisfied with the Group's commitment to compliance with the Code.

### DEALINGS IN SECURITIES

In line with Listing Rule 1207(19) on Dealings in Securities, the Company has adopted the SGX-ST best practices on dealings in securities in its Internal Code of Dealings in Securities ("Internal Code") to prescribe the internal regulations pertaining to the securities of the Company.

Under the Internal Code and the adoption of semi-annual reporting of the financial statements, all Directors and employees of the Group are prohibited from dealing in the Company's securities one month before and up to the release of the half year and full year financial statements, as the case may be.

The Directors and these employees are also prohibited from dealing in the securities of the Company on short-term considerations or at any time when in possession of price-sensitive and/or trade-sensitive information (including during non-prohibited periods).

The Company confirms that it has complied with the best practices pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods.

### MATERIAL CONTRACTS

There were no material contracts of the Company involving the interests of the CEO, each Director or controlling shareholder entered into since the end of the previous financial year.

# FINANCIAL STATEMENTS

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Proxy Form

# DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 31 December 2021.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 84 to 142 are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 31 December 2021, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

## 1. DIRECTORS

The directors of the company in office at the date of this statement are:

Albert Teo Hock Chuan  
 Susan Teo Geok Tin  
 Lawrence Mok Kwok Wah  
 Foo Ko Hing  
 Chia Kwok Ping  
 Tan Tiong Cheng

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
	At beginning of year	At end of year	At 21 January 2022	At beginning of year	At end of year	At 21 January 2022
<u>Amara Holdings Limited</u> (Ordinary shares)						
Albert Teo Hock Chuan	35,291,404	35,291,404	35,291,404	153,968,290	153,968,290	153,968,290
Susan Teo Geok Tin	35,162,232	35,162,232	35,162,232	152,987,990	152,987,990	152,987,990
Lawrence Mok Kwok Wah	710,030	710,030	710,030	35,441,205*	35,441,205*	35,441,205*
Tan Tiong Cheng	-	92,900	92,900	-	-	-

\* Lawrence Mok Kwok Wah is deemed to have an interest in 35,441,205 Amara Holdings Limited's shares held personally by his spouse.

## DIRECTORS' STATEMENT

### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

Name of directors and companies in which interests are held	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
	At beginning of year	At end of year	At 21 January 2022	At beginning of year	At end of year	At 21 January 2022
<b>Immediate and ultimate holding company</b>						
<u>First Security Pte Ltd</u>						
<u>(Ordinary shares)</u>						
Albert Teo Hock Chuan	5,000,025	5,000,025	5,000,025	-	-	-
Susan Teo Geok Tin	2,499,975	2,499,975	2,499,975	-	-	-
<b>Related company</b>						
<u>Amara Ventures Pte Ltd</u>						
<u>(Ordinary shares)</u>						
Albert Teo Hock Chuan	882	882	882	6,114	6,114	6,114
Susan Teo Geok Tin	797	797	797	6,114	6,114	6,114
Lawrence Mok Kwok Wah	-	-	-	797	797	797

Albert Teo Hock Chuan and Susan Teo Geok Tin, by virtue of them being entitled to control the exercise of not less than 20% of the votes attached to voting shares in the company as recorded in the register of directors' shareholdings, are each deemed to have an interest in the whole of the share capital of the company's wholly owned subsidiary corporations. Lawrence Mok Kwok Wah is deemed to have an interest in the whole of the share capital of the company's wholly owned subsidiary corporations by virtue of the interest of his spouse and her associates being entitled to exercise not less than 20% of the votes attached to voting shares in the company.

### 4. SHARE OPTIONS

#### (a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company or any corporation in the group was granted.

#### (b) Options exercised

During the financial year, there were no shares of the company or any corporation in the group issued by virtue of the exercise of an option to take up unissued shares.

#### (c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company or any corporation in the group under options.

## DIRECTORS' STATEMENT

### 5. AUDIT COMMITTEE

The members of the Audit Committee at the date of this statement are:

Foo Ko Hing (Chairman)  
Lawrence Mok Kwok Wah  
Chia Kwok Ping  
Tan Tiong Cheng

This subcommittee of the Board had two meetings during the financial year. The meetings had been attended by the Chief Executive Officer, Executive Director for Finance and Administration and Financial Controller. When necessary, the presence of the external auditors had been requested during these meetings.

All members of this Committee are non-executive directors. Except for Lawrence Mok Kwok Wah, all members are independent.

The Committee is authorised by the Board to investigate any activity within its terms of reference. It has an unrestricted access to any information pertaining to the group, to both the internal and the external auditors, and to all employees of the group. It is also authorised by the Board to obtain external legal or other independent professional advice as necessary and at the expense of the company.

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, and the Code of Corporate Governance 2018, including the following:

- i) reviews at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- ii) reviews the independence of the external and internal auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- iii) makes recommendations to the Board on the appointment of external auditors, the audit fee and any matters of their resignation or dismissal;
- iv) reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- v) monitors interested person transactions and conflict of interest situation that may arise within the group including any transaction, procedure or course of action that raises questions of Management integrity;
- vi) reviews the assurances from the Chief Executive Officer and the Financial Controller on the financial records and financial statements;
- vii) reviews half-yearly reporting to Singapore Exchange Securities Trading Limited ("SGX-ST") and year-end financial statements of the group before submission to the Board, focusing on
  - a. going concern assumption;
  - b. compliance with financial reporting standards and regulatory requirements;
  - c. any changes in accounting policies and practices;
  - d. significant issues arising from the audit;
  - e. major judgmental areas; and
  - f. any other functions which may be agreed by the Audit Committee and the Board; and
- viii) reviews arrangements by which the staff of the company and the group may, in confidence, raise concerns about possible improprieties in matters of financial reporting and any other matters to be independently investigated and appropriately followed up on.



## DIRECTORS' STATEMENT

### 5. AUDIT COMMITTEE (CONTINUED)

The Audit Committee reviewed the following, where relevant, with the Management, the internal auditors and/or the external auditors:

- i) the co-operation given by the company's officers and whether the external auditors in the course of carrying out their duties, were obstructed or impeded by Management;
- ii) the adequacy of the group's internal accounting control system and its internal control procedures relating to interested person transactions;
- iii) compliance with legal and other regulatory requirements; and
- iv) any other matter which in the Audit Committee's opinion, should be brought to the attention of the Board.

The Audit Committee has recommended to the directors on the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the group at the forthcoming Annual General Meeting of the company.

### 6. AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Albert Teo Hock Chuan  
Director

Foo Ko Hing  
Director

28 March 2022

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARA HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Amara Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 142.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation for investment properties

Investment properties of the group comprise commercial properties located in Singapore and The People's Republic of China which amounted to \$407.3 million and accounted for 49.7% of the group's total assets as at 31 December 2021. These investment properties are stated at fair values based on valuations carried out by independent valuers. The valuation involves the application of judgement in selecting an appropriate valuation methodology and estimates which are used in underlying assumptions. These estimates include rate of capitalisation, discount rates and adjustments made for differences between the subject properties and comparables taking into consideration differences such as location, size and tenure.

#### Our audit performed and responses thereon

Our audit procedures included understanding Management's process in selecting external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the fair values for accounting purpose. We evaluated the qualifications and competence of the external valuers.

With the involvement of our internal specialist, we considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into consideration the profile and type of the investment properties. We also discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks where available and considered whether their assumptions are consistent with current market environment.

We also considered the adequacy of the disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates. We noted that the group has a process to select valuers with appropriate knowledge and to review and accept the valuations. We are satisfied with the competency and objectivity of the valuers selected. We noted the valuation methodologies used are in line with general market practices and the key assumptions used in the valuations are also within a reasonable range, taking into consideration historical rates and available industry data for comparable markets and properties. We have also assessed the disclosures in the financial statements to be appropriate.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARA HOLDINGS LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### Key Audit Matters (continued)

Disclosures on key assumptions and valuation techniques of investment properties are found in Notes 3 and 16 to the financial statements.

#### Valuation of development properties under construction and completed properties held for sale

The group has development properties under construction and completed residential properties held for sale in Singapore. These are stated at the lower of cost and their net realisable value, amounting to \$110.1 million as at 31 December 2021. Management estimates the net realisable value based on valuations carried out by independent valuers, recent transacted sales of the existing units as well as similar properties in the surrounding location.

#### Our audit performed and responses thereon

We noted that the group estimates the expected net realisable value by taking into consideration valuations carried out by independent valuers, historical price trends, forecast selling prices, macroeconomic developments and industry knowledge. We challenged the group's forecast selling prices by comparing the forecast selling price to, where available, recently transacted prices and prices of similar properties in the surrounding location. We found that the estimates are within a reasonable range of our expectation in the determination of net realisable values.

Our audit procedures also included understanding Management's process in selecting the external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the market value for the purpose of determining the net realisable value. We evaluated the qualifications and competence of the external valuers.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective development properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks where available and considered whether their assumptions are consistent with current market environment.

#### Revenue recognition for sales of development properties under construction

The group recognises contract revenue for development properties under construction using the percentage of completion ("POC") method. The POC is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion of costs incurred for the work performed to date, relative to the projected total costs to completion.

Significant judgements are required to determine the estimated total construction costs to completion, which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the POC, and consequentially the revenue recognised.

The accounting policy for revenue recognition for sales of development properties under construction is disclosed in Note 2 and the amount of revenue recognised based on POC is disclosed in Note 26.

#### Our audit performed and responses thereon

Our audit procedures included understanding Management's process in estimating the projected total costs to completion. We also considered the relevant accounting controls for revenue recognition from sales of development properties under construction. We have reviewed Management's estimated total construction costs for major development projects and assessed that the assumptions and estimates applied by Management such as construction costs and variation works, to be reasonable.

We have also performed arithmetic computation of the group's revenue recognition based on POC for sold units of properties under construction and found the revenue recognised to be reasonable.

Further disclosures are made in Note 3 and Note 26 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARA HOLDINGS LIMITED

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit 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 group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARA HOLDINGS LIMITED

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

28 March 2022

# STATEMENTS OF FINANCIAL POSITION

31 December 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	16,069	11,646	28	31
Trade and other receivables	8	12,751	10,730	63,995	61,083
Inventories	9	429	448	-	-
Development properties	10	110,091	107,186	-	-
Contract assets	11	5,373	2,432	-	-
Total current assets		144,713	132,442	64,023	61,114
<b>Non-current assets</b>					
Trade and other receivables	8	-	243	-	-
Financial assets at fair value through profit or loss ("FVTPL")	12	928	867	161	167
Intangible assets	13	1,178	1,178	-	-
Investment in jointly-controlled entities	14	7,600	540	-	-
Investment in subsidiaries	15	-	-	40,087	40,087
Investment properties	16	407,277	404,679	-	-
Property, plant and equipment	17	251,983	261,339	-	-
Other asset	18	5,714	5,822	-	-
Deferred tax assets	19	564	606	-	-
Total non-current assets		675,244	675,274	40,248	40,254
<b>Total assets</b>		<b>819,957</b>	<b>807,716</b>	<b>104,271</b>	<b>101,368</b>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Trade and other payables	20	15,712	18,568	299	348
Contract liabilities	11	1,210	-	-	-
Income tax payable		2,574	2,761	-	-
Bank loans	21	89,464	2,346	-	-
Lease liabilities	22	3,270	3,184	-	-
Total current liabilities		112,230	26,859	299	348
<b>Non-current liabilities</b>					
Trade and other payables	20	5,796	5,150	-	-
Bank loans	21	249,170	334,939	-	-
Lease liabilities	22	36,575	39,152	-	-
Deferred tax liabilities	19	14,329	13,780	-	-
Total non-current liabilities		305,870	393,021	-	-
<b>Capital and reserves</b>					
Share capital	23	125,646	125,646	125,646	125,646
Treasury shares	24	(996)	(996)	(996)	(996)
Reserves	25	277,207	263,186	(20,678)	(23,630)
Total equity		401,857	387,836	103,972	101,020
<b>Total liabilities and equity</b>		<b>819,957</b>	<b>807,716</b>	<b>104,271</b>	<b>101,368</b>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Notes	Group	
		2021 \$'000	2020 \$'000
<b>Revenue</b>	26	66,873	61,053
Fair value losses (net) of investment properties	16	(994)	(16,492)
Other income	27	2,999	3,556
Changes in inventories of finished goods		(19)	(96)
Cost of properties sold/consumables used		(6,899)	(3,773)
Staff costs	28	(13,895)	(14,313)
Depreciation		(10,038)	(10,391)
Finance costs	29	(8,313)	(10,740)
Other expenses	31	(19,596)	(19,970)
Share of results of jointly-controlled entities, net of tax	14	(167)	66
<b>Profit/(Loss) before tax</b>		9,951	(11,100)
Income tax expense	30	(2,401)	(345)
<b>Profit/(Loss) for the year</b>	31	7,550	(11,445)
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations, representing total other comprehensive income for the year		6,471	6,884
<b>Total comprehensive income/(loss) for the year</b>		14,021	(4,561)
<b>Profit/(Loss) attributable to:</b>			
Owners of the company		7,550	(11,445)
		7,550	(11,445)
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the company		14,021	(4,561)
		14,021	(4,561)
<b>Earnings/(Loss) per share:</b>			
Basic and diluted (cents)	33	1.31	(1.99)

See accompanying notes to financial statements.

## STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Retained earnings and other reserves* \$'000	Total reserves \$'000	Equity attributable to owners of the company \$'000
<b>Group</b>							
Balance at 1 January 2020		125,646	(996)	(10,226)	289,472	279,246	403,896
Total comprehensive (loss)/income for the year:							
Loss for the year		-	-	-	(11,445)	(11,445)	(11,445)
Other comprehensive income		-	-	6,884	-	6,884	6,884
Total		-	-	6,884	(11,445)	(4,561)	(4,561)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2019, representing total transactions with owners, recognised directly in equity	32	-	-	-	(11,499)	(11,499)	(11,499)
<b>Balance at 31 December 2020</b>		125,646	(996)	(3,342)	266,528	263,186	387,836
Total comprehensive income for the year:							
Profit for the year		-	-	-	7,550	7,550	7,550
Other comprehensive income		-	-	6,471	-	6,471	6,471
Total		-	-	6,471	7,550	14,021	14,021
<b>Balance at 31 December 2021</b>		125,646	(996)	3,129	274,078	277,207	401,857

\* Includes other reserves of \$112,000 as at 31 December 2021 (2020 : \$112,000).

See accompanying notes to financial statements.



## STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2021

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Other reserves \$'000	Total reserves \$'000	Total \$'000
<b>Company</b>							
Balance at 1 January 2020		125,646	(996)	(11,739)	926	(10,813)	113,837
Loss for the year, representing total comprehensive loss for the year		-	-	(1,318)	-	(1,318)	(1,318)
Dividends paid relating to 2019, representing total transactions with owners recognised directly in equity	32	-	-	(11,499)	-	(11,499)	(11,499)
<b>Balance at 31 December 2020</b>		125,646	(996)	(24,556)	926	(23,630)	101,020
Profit for the year, representing total comprehensive income for the year		-	-	2,952	-	2,952	2,952
<b>Balance at 31 December 2021</b>		125,646	(996)	(21,604)	926	(20,678)	103,972

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Notes	Group	
		2021 \$'000	2020 \$'000
<b>Operating activities</b>			
Profit/(Loss) before tax		9,951	(11,100)
Adjustments for:			
Fair value losses (net) of investment properties	16	994	16,492
Amortisation of other asset	18	108	310
Depreciation of property, plant and equipment	17	10,038	10,391
Property, plant and equipment written off	31	18	75
Gain on disposal of property, plant and equipment	27	(190)	(2,785)
Dividend income from financial assets at FVTPL	27	(36)	(29)
Gain on disposal of financial assets at FVTPL	27	(73)	.*
(Gain)/Loss on fair value adjustment of financial assets at FVTPL	27	(78)	7
Interest income - fixed deposits	27	(24)	(14)
Interest expense	29	8,313	10,740
Impairment of property, plant and equipment	17	257	-
Loss allowance	8	313	338
Share of results of jointly-controlled entities, net of tax	14	167	(66)
Exchange differences		(70)	(518)
Operating cash flows before movements in working capital		29,688	23,841
Inventories		19	90
Trade and other receivables		(2,393)	1,204
Trade and other payables		(2,541)	(903)
Contract assets/liabilities		(1,731)	(78)
Development properties		(2,905)	(2,936)
Cash generated from operations		20,137	21,218
Income tax paid		(2,358)	(2,981)
Net cash from operating activities		17,779	18,237
<b>Investing activities</b>			
Proceeds on disposal of financial assets at FVTPL		90	92
Proceeds on disposal of property, plant and equipment		577	3,050
Payments for property, plant and equipment (Note A)	17	(762)	(465)
Advances to a jointly-controlled entity	14	(7,227)	-
Dividend received from financial assets at FVTPL	27	36	29
Interest received	27	24	14
Investment in a jointly-controlled entity	14	.*	-
Net cash (used in)/from investing activities		(7,262)	2,720

\* Amount less than \$1,000

See accompanying notes to financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2021

	Notes	Group	
		2021 \$'000	2020 \$'000
<b>Financing activities</b>			
Interest paid		(7,768)	(9,036)
Payment of dividends on ordinary shares	32	-	(11,499)
Repayment of lease liabilities	21	(1,763)	(939)
Repayment of bank borrowings		(7,844)	(51,306)
Proceeds from bank borrowings		11,008	53,138
Net cash used in financing activities		(6,367)	(19,642)
Net increase in cash and cash equivalents		4,150	1,315
Cash and cash equivalents at beginning of year		11,646	10,211
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		273	120
<b>Cash and cash equivalents at end of year</b>	7	<b>16,069</b>	<b>11,646</b>

**Note A:**

In 2020, the group acquired property, plant and equipment with an aggregate cost of \$5,462,000 of which \$4,997,000 was financed by means of leases. Cash payment of \$465,000 was made to purchase property, plant and equipment.

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 1. GENERAL

The company (Registration Number 197000732N) is incorporated in Singapore with its principal place of business and registered office at 100 Tras Street #06-01, 100 AM, Singapore 079027. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars ("SGD" or "\$").

The principal activity of the company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

### COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally had impacted the group's business due to travel restrictions and social distancing measures implemented. In view of current situation arising from the pandemic, market sentiments may continue to change post the valuation of assets (including valuation of investment properties) performed as at 31 December 2021 (see Note 3).

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 28 March 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a) Level 1 : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 : inputs are unobservable inputs for the asset or liability.

### **Adoption of new and revised standards**

On 1 January 2021, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Impact of the initial application of Interest Rate Benchmark Reform

In the current year, the group and the company adopted the Phase 2 amendments *Interest Rate Benchmark Reform: Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*. Adopting these amendments enables the group to reflect the effects of transitioning from interbank offered rates ('IBOR') to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

As a practical expedient, the amendments require an entity to apply SFRS(I) 9:B5.4.5, such that the change in the basis for determining the contractual cash flows is applied prospectively by revising the effective interest rate. This practical expedient only applies when the change in the basis for determining the contractual cash flows is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change). All other modifications are accounted for using current SFRS(I) requirements.

Details of the non-derivative financial instruments affected by the interest rate benchmark reform together with a summary of the actions taken by the group to manage the risks relating to the reform and the accounting impact are included in Note 4(c)(ii).

As a result of the Phase 2 amendments, when the contractual terms of the group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes.

Note 4(c)(ii) provides the required disclosures related to these amendments.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses 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 listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Basis of consolidation (continued)

- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### Changes in the group's ownership interests in existing subsidiaries

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the company's separate financial statements, investments in subsidiaries and a jointly-controlled entity are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from the acquisition date.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income" line item (Note 27).

#### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other income" line item (Note 27). Fair value is determined in the manner described in Note 4(c)(v).

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either the "other income" (Note 27) or "other expenses" (Note 31) line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either the "other income" (Note 27) or "other expenses" (Note 31) line item.

#### Impairment of financial assets

The group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations, namely the residential properties development, investment properties, hotel and restaurant operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### Significant increase in credit risk (continued)

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when it has an external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collaterals held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

#### Write-off policy

The group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date except for assets for which the simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial liabilities and equity instruments (continued)

#### Financial liabilities subsequently measured at amortised cost (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" line item in profit or loss (Note 27) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

#### Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### Leases

#### The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (continued)

#### The group as lessee (continued)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within property, plant and equipment.

The group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases (continued)

#### The group as lessor

The group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in, first out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling and distribution.

### Development properties

Properties under development are stated at the lower of cost plus, where appropriate, a portion of the attributable profit or loss, and estimated net realisable value, net of progress billings. The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure and other related expenditure. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

When losses are expected, full allowance is made in the financial statements after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Property, plant and equipment

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land, operating supplies and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

	%
Freehold property	-
	2
Leasehold land and buildings	-
	1.1 to 5
Plant and machinery, furniture, fixtures and equipment	-
	5 to 33 <sup>1</sup> / <sub>3</sub>
Motor vehicles	-
	20
Renovations	-
	10
Land use rights	-
	2.2 to 2.5

Land use rights represent costs paid to use land in the People's Republic of China (the "PRC") with periods ranging from 40 to 45 years. Land use rights granted with consideration are recognised initially at acquisition cost and subsequently, are classified and accounted for in accordance with the intended use of the properties erected on the related land.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Operating supplies comprising uniform, kitchen utensils, linen, crockery, cutlery, glassware, loose tools and catering utensils are dealt with on a replacement basis and subsequent purchases are charged directly to profit or loss.

### Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Intangible assets

#### Club memberships

Club memberships are held on a long-term basis and are stated at cost less accumulated impairment losses, if any.

#### Goodwill

Goodwill is initially recognised and measured as set out in the business combinations accounting policy.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or group's of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described in the associates and joint venture accounting policy.

### Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### Revenue recognition

The group recognises revenue from the following major sources:

- Hotel operations, restaurant operations and other related services rendered
- Rental from leases of investment properties
- Sales of development properties
- Dividend income
- Interest income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

#### Hotel operations, restaurant operations and other related services rendered

Revenue for hotel operations, restaurant operations and other related services rendered is recognised as performance obligation is satisfied at point in time when control of the goods and services are transferred to the customer.

#### Rental from leases of investment properties

The group's policy for recognition of revenue from operating leases is described in lease accounting policy.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (continued)

#### Sales of development properties

The group constructs and sells development properties under long-term contracts with customers. Such contracts are entered into before and during construction of the residential properties. Under the terms of the contracts for sales of residential properties in Singapore, the group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for performance completed to date. Revenue from sales of development properties is therefore recognised over time based on percentage of completion, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total construction costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

The group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will have previously recognised a contract asset for any performance completed to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the percentage of completion method, then the group recognises a contract liability for the difference. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion method and the milestone payment is always less than one year.

#### Dividend income

Dividend income is recognised when the right to receive payment is established.

#### Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **Retirement benefit costs**

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### **Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interest in a jointly-controlled entity, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the group's investment property portfolios and concluded that none of the group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to SFRS(I) 1-12 is not rebutted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a jointly-controlled entity that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

### Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (i) Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates which are dealt with below.

### (ii) Key sources of estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Valuation for investment properties

The group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The group engaged independent valuation specialists to determine the investment properties' fair values annually. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield. In relying on the valuation reports, Management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuation technique and inputs used to determine the fair value of the investment properties are further explained in Note 16.

The carrying amounts of the group's investment properties at the end of the reporting period are disclosed in Note 16 to the financial statements.

#### Valuation of development properties under construction and completed properties for sale

Development properties are stated at cost less allowance for impairment in value or at the lower of cost and net realisable values.

When it is probable that the total project costs will exceed the total projected revenue net of selling expenses, i.e. net realisable value, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value for each property is subject to Management's judgement and the effect of assumptions in respect of development plans, timing of sale, the prevailing market conditions and based on recent transacted sales of the existing units as well as similar properties in the surrounding location. Management performs cost studies for each project, taking into account the costs incurred to date, the development status and costs to complete each development project. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

The carrying amount of the group's development properties at the end of the reporting period is disclosed in Note 10 to the financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### (ii) Key sources of estimation uncertainties (continued)

#### Revenue recognition for sales of development properties under construction

Revenue and costs arising from contracts are recognised using the percentage of completion method determined by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total construction costs at the end of each reporting period. Management exercises considerable judgement in estimating the projected total costs to completion, including the likely amounts at which additional claims from the contractors would eventually be settled. Total revenue recognised based on percentage of completion amounted to \$5,744,000 (2020 : \$1,821,000).

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial assets</b>				
At amortised cost	31,420	16,711	64,005	61,105
At FVTPL	928	867	161	167
	<b>32,348</b>	<b>17,578</b>	<b>64,166</b>	<b>61,272</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	356,380	355,372	299	348
Lease liabilities	39,845	42,336	-	-
	<b>396,225</b>	<b>397,708</b>	<b>299</b>	<b>348</b>

At the reporting date, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the group's maximum exposure to credit risk for such assets.

### (b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The group and company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar agreements.

### (c) Financial risk management policies and objectives

The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. The Board of Directors reviews the overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk and investing excess cash.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (i) Foreign exchange risk management

The group transacts business in foreign currency mainly denominated in United States Dollar and therefore is exposed to foreign exchange risk.

As at each reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group Assets		Group Liabilities	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
United States Dollar	64,231	61,634	65,568	63,174
Singapore Dollar	58	70	-	-

Sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss and equity are considered not significant if USD changes against the SGD by 3% (2020 : 3%) with all other variables including tax rate being held constant.

The company transacts mainly in Singapore Dollar and therefore is not exposed to foreign exchange risk.

#### (ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the group's financial instruments will fluctuate because of changes in market interest rates. The company obtains financing through bank loans and finance lease facilities. The company's policy is to obtain the most favourable interest rates available without increasing its interest rate risk exposure.

To manage interest rate risk, the group, where appropriate, uses interest rate swaps.

As at 31 December 2021, the group entered into interest rate caps at nominal amounts of \$26,590,000 (2020 : interest rate swaps and interest rate caps at nominal amounts of \$73,040,000).

The fair value of the interest rate swaps and interest rate caps are not considered significant.

The interest rates and terms of repayment for bank loans and leases of the group are disclosed in Notes 21 and 22 to the financial statements.

The interest rates and repricing period for fixed deposits are disclosed in Note 7 to the financial statements.

The group is exposed to Singapore Swap Offer Rate ("SOR"). The exposures arise on bank borrowings referenced to SOR.

The group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates in Singapore and Thailand. Particularly in Singapore, this includes announcements made by the *Association of Banks in Singapore (ABS)*, the *Singapore Foreign Exchange Market Committee (SFEMC)*, and the *Steering Committee for SOR Transition to SORA (SC-STs)* ("IBOR Committees"). The IBOR Committees have confirmed that the SOR will be discontinued by 30 June 2023 and replaced by the Singapore Overnight Rate Average ("SORA"). The Group expects that there are no significant effects to those contracts that referenced to SOR.



# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (ii) Interest rate risk management (continued)

##### Risks arising from the interest rate benchmark reform

The following are the key risks for the group arising from the transition.

- Interest rate basis risk: There are two elements to this risk as outlined below.
  - If the bilateral negotiations with the group's counterparties are not successfully concluded before the cessation of existing interest rate benchmarks, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into and is not captured by the group's interest rate risk management strategy; and
  - Interest rate basis risk may arise if a non-derivative instrument and the derivative instrument held to manage the interest risk on the non-derivative instrument transition to alternative benchmark rates at different times. This risk may also arise where back-to back derivative transition at different times. The group will monitor this risk against its risk management policy which has been updated to allow for temporary mismatches of up to 12 months and transact additional basis interest rate swaps if required.
- Litigation risk: If no agreement is reached to implement the interest rate benchmark reform on existing contracts, (e.g. arising from differing interpretation of existing fallback terms), there is a risk of prolonged disputes with counterparties which could give rise to additional legal and other costs. The group is working closely with all counterparties to avoid this from occurring.

##### Progress towards implementation of alternative benchmark interest rates

The group has a risk management policy of maintaining an appropriate mix between fixed and floating rate borrowings. The group is planning to transition the majority of its SOR-linked contracts to risk-free rate through introductions of, or amendments to, fallback clauses into the contracts which will change the basis for determining the interest cash flows from SOR to Singapore Overnight Rate Average ("SORA") at an agreed point in time. As of 31 December 2021, in relation to the aforementioned, the group is mainly exposed to non-derivative financial liabilities in the form of bank borrowings that are indexed to SOR.

##### Interest rate benchmark transition for non-derivative financial instruments

The group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 is secured bank borrowings referenced to SOR.

The group is still in the process of communication with the counterparties for all SOR indexed exposures and specific changes have yet to be agreed.

##### Interest rate sensitivity analysis

At the end of the reporting period, if SGD interest rates had been 25 (2020 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been \$712,000 (2020 : \$697,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans.

The financial assets and financial liabilities of the company are non-interest bearing.

#### (iii) Equity price risk management

The group is exposed to equity risks arising from equity investments measured at FVTPL. Equity investments measured are held for strategic rather than trading purposes. The group does not actively trade in such investments.

Further details of these equity investments can be found in Note 12 to the financial statements.

Sensitivity analysis for market price risk is not disclosed as the effect on the group's profit is considered not significant if equity prices had been 5% (2020 : 5%) higher or lower with all other variables including tax rate being held constant.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (iv) Credit risk management

##### Overview of the group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group develops and maintains its credit risk gradings to categorise exposure according to their degree of risk of default. The group uses its own trading records to rate its major customers and other debtors.

The group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (iv) Credit risk management (continued)

##### Overview of the group's exposure to credit risk (continued)

The tables below detail the credit quality of the group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>						
<b>31 December 2021</b>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	8,292	(689)	7,603
Other receivables	8	Performing	12-month ECL	521	-	521
Other receivables	8	In default	Lifetime ECL	5,366	(5,366)	-
Advances to a jointly-controlled entity (non-current)	14	(i)	12-month ECL	7,227	-	7,227
Contract assets	11	(i)	Lifetime ECL (simplified approach)	5,373	-	5,373
					<u>(6,055)</u>	
<b>31 December 2020</b>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	4,761	(376)	4,385
Other receivables	8	Performing	12-month ECL	680	-	680
Other receivables	8	In default	Lifetime ECL	5,366	(5,366)	-
Contract assets	11	(i)	Lifetime ECL (simplified approach)	2,432	-	2,432
					<u>(5,742)</u>	
<b>Company</b>						
<b>31 December 2021</b>						
Other receivables	8	Performing	12-month ECL	63,977	-	63,977
<b>31 December 2020</b>						
Other receivables	8	Performing	12-month ECL	61,074	-	61,074

- (i) For trade receivables and contract assets, the group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items based on historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Notes 8 and 11 includes further details on the loss allowance for these assets respectively.

The carrying amount of the group's financial assets at FVTPL as disclosed in Note 4(c)(v) best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (iv) Credit risk management (continued)

##### Overview of the group's exposure to credit risk (continued)

In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The group uses publicly available financial information and its own trading records to rate its major customers to assess the credit ratings of its counterparties. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, Management considers that the group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

At 31 December 2021 and 2020, there was no significant concentration of credit risk for the group, while approximately all of the company's receivables were balances with its subsidiaries (Note 8).

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the group's maximum exposure to credit risk.

Further details of credit risks on trade receivables are disclosed in Note 8 to the financial statements.

For other financial assets (including investment securities and cash and cash equivalents), the group and the company minimise credit risk by dealing with reputable counterparties.

##### Collateral held as security and other credit enhancements

The group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade receivables is mitigated because they are secured over the security deposits placed by tenants.

#### (v) Liquidity risk management

The group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the group maintains flexibility in funding by keeping committed credit lines available.

##### Non-derivative financial liabilities

The following tables detail the group's and the company's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and the company can be required to pay. The table includes both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the group may be required to pay.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (v) Liquidity risk management (continued)

##### Non-derivative financial liabilities (continued)

	Weighted average effective interest rate % p.a.	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000	Adjustments \$'000	Total \$'000
<b>Group</b>						
<b>31 December 2021</b>						
Non-interest bearing Lease liabilities	-	14,240	3,506	-	-	17,746
(fixed rate)	5.35	3,446	6,324	128,310	(98,235)	39,845
Variable interest rate instruments	1.69	95,339	256,240	-	(12,945)	338,634
		<u>113,025</u>	<u>266,070</u>	<u>128,310</u>	<u>(111,180)</u>	<u>396,225</u>
<b>31 December 2020</b>						
Non-interest bearing Lease liabilities	-	14,275	3,812	-	-	18,087
(fixed rate)	7.35	3,502	8,119	135,350	(104,635)	42,336
Variable interest rate instruments	2.10	2,395	345,930	10,768	(21,808)	337,285
		<u>20,172</u>	<u>357,861</u>	<u>146,118</u>	<u>(126,443)</u>	<u>397,708</u>

The company's financial liabilities as at 31 December 2020 and 2021 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

##### Non-derivative financial assets

The following table details the group's and the company's expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the group's liquidity risk is managed on a net asset and liability basis. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (v) Liquidity risk management (continued)

##### Non-derivative financial assets (continued)

	Weighted average effective interest rate % p.a.	On demand or within 1 year \$'000	Adjustments \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2021</b>				
Non-interest bearing	-	31,419	-	31,419
Fixed interest rate instrument	0.10	1	-*	1
		<u>31,420</u>	<u>-</u>	<u>31,420</u>
<b>31 December 2020</b>				
Non-interest bearing	-	16,710	-	16,710
Fixed interest rate instrument	0.25	1	-*	1
		<u>16,711</u>	<u>-</u>	<u>16,711</u>

\* Amount less than \$1,000

The company's financial assets as at 31 December 2020 and 2021 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

##### Fair value of group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value as at (\$'000)		Fair value hierarchy	Valuation technique(s) and key input(s)
	2021 Assets	2020 Assets		
<b>Group</b>				
Financial assets at FVTPL (Note 12)	928	867	Level 1	Quoted prices in an active market
<b>Company</b>				
Financial assets at FVTPL (Note 12)	161	167	Level 1	Quoted prices in an active market

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### (c) Financial risk management policies and objectives (continued)

#### (v) Liquidity risk management (continued)

Fair value of the group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of bank loans and lease liabilities are reasonable approximation of fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

### (d) Capital management policies and objectives

The primary objective of the group's capital management is to maintain an adequate and efficient capital structure so as to support its business and growth and enhance shareholders' value.

The group regularly reviews and manages its capital structure, comprising shareholders' equity and borrowings, to ensure optimal capital structure and shareholders' returns, taking into consideration operating cash flows, capital expenditures, investment opportunities, gearing ratio and prevailing market interest rates. No changes were made to the objectives, policies or processes of capital management during the financial years ended 31 December 2021 and 2020.

In order to maintain or achieve an optimal capital structure, the group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

## 5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

At the end of the reporting period, the company's immediate and ultimate holding company is First Security Pte Ltd, a company incorporated in Singapore. Related companies in the financial statements refer to members of the holding company's group of companies.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	Group	
	2021	2020
	\$'000	\$'000
Dividend paid to holding company	-	3,060

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 6. OTHER RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the group and related parties during the year on terms agreed by the parties concerned:

### Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2021 \$'000	2020 \$'000
Short-term benefits	1,267	1,662
Post-employment benefits	39	54
	1,306	1,716

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

Included in the above is remuneration to directors of the company amounting to \$593,000 (2020 : \$815,000), excluding directors' fee which is disclosed in Note 31 to the financial statements.

## 7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	16,068	11,645	28	31
Fixed deposits	1	1	-	-
	16,069	11,646	28	31

Included in the above is an amount of \$232,000 (2020 : \$1,479,000) held under the Housing Developers (Project Account) Rules (1997 Ed) where withdrawals from which are for project expenditure incurred.

The group's fixed deposits with a bank mature within 1 month (2020 : within 1 month) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2021 is 0.10% (2020 : 0.25%) per annum.



## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables <sup>(a)</sup>	9,977	7,612	7	3
Non-trade receivables due from third parties	5,614	5,796	-	-
Non-trade receivables due from subsidiaries	-	-	63,977	61,074
Other receivables	40	35	-	-
Grant receivable <sup>(b)</sup>	1,873	1,371	-	-
Deposit	233	215	-	-
Prepayments	1,069	1,686	11	6
	18,806	16,715	63,995	61,083
Less: Loss allowance	(6,055)	(5,742)	-	-
	12,751	10,973	63,995	61,083
Less: Amount receivable after 12 months	-	(243)	-	-
Amount receivable within 12 months	12,751	10,730	63,995	61,083

<sup>(a)</sup> As at 1 January 2020, trade receivables from contract with customers amounted to \$8,915,000 (net of loss allowance of \$38,000).

<sup>(b)</sup> Grant receivable relates mainly to Jobs Support Scheme announced by the government (Note 28).

The average credit period on sales of goods is 0 to 60 days (2020 : 0 to 60 days). Trade and other receivables are unsecured and interest-free.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base.

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	<b>Group</b>				
	Trade receivables – days past due				
	Not past due \$'000	<30 days \$'000	31 – 90 days \$'000	>90 days \$'000	Total \$'000
<b>31 December 2021</b>					
Estimated total gross carrying amount at default	7,059	1,021	91	1,806	9,977
Lifetime ECL	-	-	-	(689)	(689)
					<u>9,288</u>
<b>31 December 2020</b>					
Estimated total gross carrying amount at default	5,897	272	362	1,081	7,612
Lifetime ECL	-	-	-	(376)	(376)
					<u>7,236</u>

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL credit-impaired \$'000
<b>Group</b>	
Balance as at 1 January 2020	38
Change in loss allowance	338
Balance as at 31 December 2020	376
Change in loss allowance	313
<b>Balance as at 31 December 2021</b>	<u>689</u>

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, Management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Accordingly, loss allowance for other receivables amounted to \$5,366,000 (2020 : \$5,366,000).

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 9. INVENTORIES

	Group	
	2021	2020
	\$'000	\$'000
Food and beverage	196	192
Other hotel and catering supplies	233	256
	429	448

## 10. DEVELOPMENT PROPERTIES

	Group	
	2021	2020
	\$'000	\$'000
Properties under development	82,788	79,628
Completed properties held for sale	27,303	27,558
	110,091	107,186

The group's development properties as at 31 December 2020 and 2021 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description
(i)	9 Devonshire Road, Singapore	Freehold	Completed	234	Residential apartment
(ii)	5 Jalan Mutiara, Singapore	Freehold	Completed	2,345	Residential development of 1 block of 12 storey apartments
(iii)	10 Evelyn Road, Singapore	Freehold	Under development/ 2022	3,941	Proposed residential development
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2022	1,076	Proposed residential development

Certain development properties of the group with carrying amount of \$67,158,000 (2020 : \$64,939,000) (Note 21) are pledged as security for banking facilities at the end of the financial year.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 \$'000	2020 \$'000
Contract assets	5,373	2,432
Contract liabilities	(1,210)	-

Contract assets relating to construction contracts are balances due from customers under construction contracts that arise when the group's right to consideration for work completed but not billed at the reporting date. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract liabilities relating to construction contracts are balances due from customers under construction contracts. These arise when a particular milestone payment exceeds the revenue recognised to date. The changes in contract assets/(liabilities) are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from customers at the end of the reporting period is past due.

As there was no historical credit loss experience by the group, the ECL is assessed by Management to be insignificant.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Quoted equity shares at fair value through profit or loss	928	867	161	167

The investments above pertain to investments in quoted equity securities that offer the group and the company the opportunity for return through dividend income and fair value gain. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. Changes in fair value are recognised in profit or loss "other income" line item (Note 27).

## 13. INTANGIBLE ASSETS

	Group	
	2021 \$'000	2020 \$'000
Club memberships	564	564
Less: Impairment loss	(175)	(175)
	389	389
Goodwill	789	789
	1,178	1,178

The group tests for impairment annually or more frequently if there are indicators that the intangible asset might be impaired. The recoverable amount of intangible asset is determined from market value of comparable club memberships.

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of the goodwill (net of impairment) relates to the hotel investment and management segment in the People's Republic of China.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2021 \$'000	2020 \$'000
Unquoted equity shares, at cost	400	400
Share of accumulated (losses)/profits, net of tax	(27)	140
Advances to a jointly-controlled entity (non-current)	7,227	-
	7,600	540

Movement in unquoted equity shares, at cost:

	Group	
	2021 \$'000	2020 \$'000
At beginning of year	400	400
Addition	-*	-
At end of year	400	400

\* Amount less than \$1,000

The investment in unquoted equity shares represents 40% equity interest in jointly-controlled entities that are engaged in real estate development. There is no active market for the unquoted equity investment.

The advances to a jointly-controlled entity of \$7,227,000 (2020 : \$NIL) is unsecured, interest-free, non-trade in nature, repayable on demand and has been classified as non-current assets as the group does not expect to demand repayment within 12 months from the end of the reporting period.

For the purpose of impairment assessment, the non-current advances to a jointly-controlled entity is considered to have low credit risk as there has been no significant increase in the risk of default since initial recognition. In determining the ECL, management has taken into account the financial position of the jointly-controlled entity, adjusted for factors that are specific to the jointly-controlled entity and general economic conditions of the industry in which the jointly-controlled entity operates, in estimating the probability of default of the advances as well as the loss upon default and determines that advances to the jointly-controlled entity is subject to immaterial credit loss.

Details of the group's jointly-controlled entities at 31 December are as follows:

Name of jointly-controlled entity	Principal activities/ Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group	
		2021 %	2020 %
<u>Held by Creative Investments Pte Ltd</u>			
Tampines EC Pte. Ltd. <sup>(a)</sup>	Property development and ownership/ Singapore	40	40
ASK Development Pte. Ltd. <sup>(b)</sup>	Property development and ownership/ Singapore	40	-

<sup>(a)</sup> Audited by Moore Stephens LLP, Singapore.<sup>(b)</sup> Incorporated during the year ended 31 December 2021 and is audited by Deloitte & Touche LLP, Singapore.

The above jointly-controlled entities are accounted for using the equity method in these consolidated financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES (CONTINUED)

Summarised financial information of the group's jointly-controlled entities are set out below.

	Group	
	2021 \$'000	2020 \$'000
Current assets	59,249	6,239
Current liabilities	(4,390)	(4,757)
Non-current liabilities	(53,917)	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	5,335	6,239
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	-	-
(Loss)/Profit for the year	(417)	165
Total comprehensive (loss)/income for the year	(417)	165
The above (loss)/profit for the year includes the following:		
Interest expense	(256)	-
Income tax credit	8	-

## 15. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Unquoted equity investment, at cost	50,816	50,816
Less: Impairment loss	(10,729)	(10,729)
	40,087	40,087

Allowance for impairment loss balance is as follows:

	Company	
	2021 \$'000	2020 \$'000
At beginning of year	10,729	9,829
Charge to profit or loss	-	900
At end of year	10,729	10,729

During the year ended 31 December 2021, the company recorded an impairment loss of \$NIL (2020 : \$900,000) in investment of one of its subsidiaries.

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the group's subsidiaries at 31 December are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest		Cost of investment	
			2021 %	2020 %	2021 \$'000	2020 \$'000
<u>Held by the company</u>						
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	Singapore	100	100	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100	6,704	6,704
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100	_(a)	_(a)
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	Singapore	100	100	50	50
AOI Saigon Pte Ltd	Dormant	Singapore	100	100	4,773	4,773
Amara Hospitality Capital Pte. Ltd.	Investment holding	Singapore	100	100	7,616	7,616
Amara Sentosa Investments Pte. Ltd.	Hotelier, restaurateur and investment holding	Singapore	100	100	8,000	8,000
Residential Development Pte. Ltd.	Property development	Singapore	100	100	1,000	1,000
					50,816	50,816

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			2021 %	2020 %
<u>Held by PCS Restaurants Pte Ltd</u>				
Julius Estates Pte. Ltd.	Property investment and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte. Ltd.	Restaurateur	Singapore	100	100
<u>Held by Amara Hospitality Capital Pte. Ltd.</u>				
Amara Hospitality (Thailand) Co., Ltd. <sup>(b)</sup>	Hotel development and ownership	Thailand	100	100
Amara Investments (Europe) Pte. Ltd. <sup>(c)</sup>	Dormant	Singapore	100	100
<u>Held by Amara China Investments Pte Ltd</u>				
Amara Shanghai Pte. Ltd.	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. <sup>(b)</sup>	Hotel development and ownership	The People's Republic of China	5	5
<u>Held by Amara Shanghai Pte. Ltd.</u>				
Shanghai Amara Hotel Co., Ltd. <sup>(b)</sup>	Hotel development and ownership	The People's Republic of China	95	95

<sup>(a)</sup> Cost of investment less than \$1,000.

<sup>(b)</sup> Audited by member firms of Deloitte Touche Tohmatsu Limited.

<sup>(c)</sup> No audit required as dormant.

Subsidiaries incorporated and operating their business in Singapore are audited by Deloitte & Touche LLP, Singapore.



## NOTES TO FINANCIAL STATEMENTS

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### 16. INVESTMENT PROPERTIES

	Group	
	2021 \$'000	2020 \$'000
At beginning of year	404,679	417,477
Loss from fair value adjustments included in profit or loss	(994)	(16,492)
Currency realignment	3,592	3,694
At end of year	407,277	404,679

The group's investment properties as at 31 December 2020 and 2021 are set out below:

Address	Held by	Title	Description
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years from 1979	100 AM, shopping centre with 3 levels of basement carpark
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years from 1979	100 AM, 12-storey office building
118 Killiney Road, #01-01, Singapore	Julius Estates Pte. Ltd.	Freehold	1st floor commercial space within a 6-storey apartment
582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	100 AM, shopping centre with 3 levels of basement carpark
582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	100 AM, 5-storey office building

In the consolidated statement of profit or loss and other comprehensive income, rental income of \$18,904,000 (2020 : \$18,456,000) was generated from investment properties, and direct operating expenses include \$4,513,000 (2020 : \$4,510,000) relating to investment properties that generated rental income during the year.

At the end of the reporting period, certain investment properties with aggregate carrying amount of \$391,977,000 (2020 : \$389,679,000) were mortgaged as security to banks for bank loans and bank facilities for the group (Note 21).

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 16. INVESTMENT PROPERTIES (CONTINUED)

Investment properties are stated at fair value based on independent professional valuation. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield. In relying on the valuation reports, Management has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the capitalisation approach and direct comparison approach in arriving at the open market value at the end of the reporting period (2020 : capitalisation approach and direct comparison approach). The direct comparison approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using the revenue multipliers or single-year capitalisation rates. The highest and best use of the properties is their current use.

Details of the group's investment properties and information about the fair value hierarchy as at 31 December are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value \$'000
<b>As at 31 December 2021</b>	-	-	407,277	407,277
As at 31 December 2020	-	-	404,679	404,679

For investment properties categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Type	Valuation techniques	Key unobservable inputs	Sensitivity
Singapore	Capitalisation approach	Capitalisation rate: 3.35% to 4.50% (2020 : 3.50% to 4.50%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$2,468 to \$12,369 per sq ft (2020 : \$1,545 to \$5,641 per sq ft)	The estimated fair value increases with higher comparable price.
The People's Republic of China	Capitalisation approach	Capitalisation rate: 4.53% to 5.93% (2020 : 4%)	The estimated fair value decreases with higher capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$560 to \$1,075 per sq ft (2020 : \$409 to \$2,215 per sq ft)	The estimated fair value decreases with changes in comparable prices.

A combination of capitalisation approach and direct comparison approach was used by the valuer for investment property in The People's Republic of China in the financial year ended 31 December 2021 and 2020 to reflect market sentiment in view of the current situation arising from the pandemic.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 17. PROPERTY, PLANT AND EQUIPMENT

	Freehold property \$'000	Leasehold land and buildings \$'000	Plant and machinery, fixtures and equipment \$'000	Motor vehicles \$'000	Renovations \$'000	Land use rights \$'000	Operating supplies \$'000	Capital project in progress \$'000	Total \$'000
<b>Group</b>									
<b>Cost</b>									
At 1 January 2020	491	297,661	39,343	1,967	11,860	10,825	3,176	351	365,674
Currency realignment	-	3,517	320	3	5	504	24	-	4,373
Additions	-	5,139	235	31	57	-	-	-	5,462
Transfer upon completion	-	139	-	-	60	-	-	(199)	-
Disposals/Write off	(491)	-	(372)	-	(126)	-	(77)	-	(1,066)
<b>At 31 December 2020</b>	-	306,456	39,526	2,001	11,856	11,329	3,123	152	374,443
Currency realignment	-	40	101	(6)	(5)	532	(24)	(1)	637
Additions	-	14	516	1	74	-	-	157	762
Transfer upon completion	-	146	-	-	-	-	-	(146)	-
Disposals/Write off	-	(286)	(450)	(305)	(180)	-	(5)	-	(1,226)
<b>At 31 December 2021</b>	-	306,370	39,693	1,691	11,745	11,861	3,094	162	374,616
<b>Accumulated depreciation</b>									
At 1 January 2020	228	65,737	24,851	1,273	6,210	4,624	-	-	102,923
Currency realignment	-	229	67	-	-	220	-	-	516
Depreciation	9	6,422	2,421	252	1,002	285	-	-	10,391
Disposals/Write off	(237)	-	(363)	-	(126)	-	-	-	(726)
<b>At 31 December 2020</b>	-	72,388	26,976	1,525	7,086	5,129	-	-	113,104
Currency realignment	-	(63)	(107)	(8)	(13)	246	-	-	55
Depreciation	-	6,712	1,947	187	895	297	-	-	10,038
Disposals/Write off	-	(47)	(434)	(305)	(35)	-	-	-	(821)
<b>At 31 December 2021</b>	-	78,990	28,382	1,399	7,933	5,672	-	-	122,376
<b>Impairment loss</b>									
At 1 January 2020 and 31 December 2020	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	257	-	-	-	257
<b>At 31 December 2021</b>	-	-	-	-	257	-	-	-	257
<b>Carrying amount</b>									
<b>At 31 December 2021</b>	-	227,380	11,311	292	3,555	6,189	3,094	162	251,983
At 31 December 2020	-	234,068	12,550	476	4,770	6,200	3,123	152	261,339

The carrying amount of the group's property, plant and equipment includes the following right-of-use (ROU) assets:

	Group	
	2021 \$'000	2020 \$'000
Leasehold land and building	68,076	73,153
Plant and machinery, furniture, fixtures and equipment	3,240	3,566
Motor vehicles	30	92
Land use rights	6,189	6,200
	<b>77,535</b>	<b>83,011</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge of the group's property, plant and equipment includes the following ROU assets:

	Group	
	2021	2020
	\$'000	\$'000
Leasehold land and building	1,335	852
Plant and machinery, furniture, fixtures and equipment	483	689
Motor vehicles	62	129
Land use rights	297	285
	<b>2,177</b>	<b>1,955</b>

Additions to ROU assets amounted to \$NIL (2020 : \$4,997,000) for the year ended 31 December 2021.

At the end of the reporting period, the net carrying amount of certain leasehold land and buildings and renovations of the group amounted to \$180,950,000 (2020 : \$180,369,000) and were mortgaged as security to banks for borrowings (Note 21).

The group's properties as at 31 December 2021 are set out below:

	Address	Held by	Title	Description
(i)	165 Tanjong Pagar Road, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years from 1979	Amara Singapore, a 388-guestroom hotel
(ii)	582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	Amara Signature Shanghai, a 343-guestroom hotel
(iii)	1 Larkhill Road, Sentosa, Singapore	Amara Sentosa Investments Pte. Ltd.	Leasehold 70 years from 2005	Amara Sanctuary Resort, Sentosa, a resort hotel comprising 140 guestrooms, suites and villas
(iv)	180/1, Surawong Road, Siphraya, Bangrak, Bangkok, Thailand	Amara Hospitality (Thailand) Co., Ltd.	Leasehold 63 years from 2010	Amara Bangkok, a 250-guestroom hotel

### 18. OTHER ASSET

Other asset comprises fees paid in respect of the service fee arising from a lease arrangement entered into by the group.

	Group	
	2021	2020
	\$'000	\$'000
At beginning of year	5,822	6,132
Amortisation	(108)	(310)
At end of year	<b>5,714</b>	<b>5,822</b>

Amortisation is recognised in profit or loss and is included in the "other expenses" line item.

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 19. DEFERRED TAXES

The movements in the group's deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

#### Deferred tax assets

	<b>Group</b>
	\$'000
<b>Tax losses:</b>	
At 1 January 2020	(648)
Charge to profit or loss	42
At 31 December 2020	(606)
Charge to profit or loss	42
<b>At 31 December 2021</b>	<b>(564)</b>

#### Deferred tax liabilities

	Accelerated tax depreciation \$'000	Unremitted foreign sourced income \$'000	Revaluation of investment properties \$'000	Total \$'000
<b>Group</b>				
At 1 January 2020	4,394	1,198	8,994	14,586
Charge/(Credit) to profit or loss	35	253	(1,489)	(1,201)
Currency realignment	-	-	395	395
At 31 December 2020	4,429	1,451	7,900	13,780
Charge/(Credit) to profit or loss	11	326	(149)	188
Currency realignment	-	-	361	361
<b>At 31 December 2021</b>	<b>4,440</b>	<b>1,777</b>	<b>8,112</b>	<b>14,329</b>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<b>Group</b>	
	<b>2021</b>	2020
	\$'000	\$'000
Deferred tax assets	(564)	(606)
Deferred tax liabilities	14,329	13,780
	<b>13,765</b>	<b>13,174</b>

The group has unrecognised tax losses of \$26,127,000 (2020 : \$22,412,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. Deferred tax asset of \$6,110,000 (2020 : \$5,233,000) is not recognised on these tax losses because it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 20. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	3,890	3,797	-	-
Other payables	853	920	37	64
Deferred grant income <sup>(a)</sup>	2,820	3,674	-	-
Deferred revenue	126	106	-	-
Due to related party	17	20	-	-
Accrued operating expenses	5,739	5,313	262	284
Accrued construction costs	2,413	3,870	-	-
Deposits received <sup>(b)</sup>	5,650	6,018	-	-
Total	21,508	23,718	299	348
Less: Amount due for settlement after 12 months	(5,796)	(5,150)	-	-
Amount due for settlement within 12 months	15,712	18,568	299	348

The average credit period on purchase of goods is 30 days (2020 : 30 days).

The amounts due to related party are unsecured, interest-free and repayable on demand. Related party refers to a company which is controlled by the holding company (Note 5).

<sup>(a)</sup> Included in the deferred grant income are deferred grant income arising from the Jobs Support Scheme announced by the government (Note 28).

<sup>(b)</sup> Included in the deposits received are deposits received in advance for banquets sales. As of 31 December 2021, the group has the right to invoice the customers based on services rendered.

## 21. BANK LOANS

	Group	
	2021 \$'000	2020 \$'000
Bank loans, secured	338,634	337,285
Less: Amount due for settlement within 12 months (shown under current liabilities)	(89,464)	(2,346)
Amount due for settlement after 12 months	249,170	334,939

The bank loans are secured by corporate guarantees from the company, mortgages on certain development properties, investment properties and hotel properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of development properties, investment properties and hotel properties which have been pledged as securities are as follows:

	Group	
	2021 \$'000	2020 \$'000
Development properties	67,158	64,939
Investment properties	391,977	389,679
Hotel properties	180,950	180,369
	640,085	634,987

Subsequent to year end, the group has obtained approval from the bank on renewal of borrowings amounting to \$37.2 million which is classified as current liabilities as at 31 December 2021.

The weighted average effective interest rates for the bank loans is 1.69% (2020 : 2.10%) for the group per annum. These loans have maturity dates ranging from March 2022 to July 2026 (2020 : March 2021 to July 2026) and are based on floating rates.

## NOTES TO FINANCIAL STATEMENTS

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### 21. BANK LOANS (CONTINUED)

The table below details changes in the group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows from financing activities.

	1 January 2021 \$'000	Financing cash flows <sup>0</sup> \$'000	Non-cash changes		31 December 2021 \$'000
			Adjustments \$'000	Foreign exchange movement \$'000	
Bank loans (Note 21)	337,285	3,164	(302)	(1,513)	338,634
Lease liabilities (Note 22)	42,336	(1,763)	209	(937)	39,845
	379,621	1,401	(93)	(2,450)	378,479

	1 January 2020 \$'000	Financing cash flows <sup>0</sup> \$'000	Non-cash changes		31 December 2020 \$'000
			New leases \$'000	Foreign exchange movement \$'000	
Bank loans (Note 21)	335,608	1,832	-	(155)	337,285
Lease liabilities (Note 22)	38,744	(939)	4,997	(466)	42,336
	374,352	893	4,997	(621)	379,621

<sup>0</sup> The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

### 22. LEASE LIABILITIES ( THE GROUP AS LESSEE)

	Group	
	2021 \$'000	2020 \$'000
Maturity analysis:		
Year 1	3,446	3,502
Year 2	1,549	3,239
Year 3	1,593	1,592
Year 4	1,605	1,637
Year 5	1,638	1,651
Year 6 onwards	128,249	135,350
	138,080	146,971
Less: Unearned interest	(98,235)	(104,635)
	39,845	42,336
Analysed as:		
Current	3,270	3,184
Non-current	36,575	39,152
	39,845	42,336

The group does not face a significant liquidity risk with regard to its lease liabilities.

As at 31 December 2021, the group leased certain of its leasehold land and building, motor vehicles, plant and machinery and office equipment. The net carrying value of right-of-use assets are disclosed in Note 17.

The weighted average effective interest rates for the lease liabilities as at 31 December 2021 is disclosed in Note 4(c)(v).

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 23. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	No. of	No. of		
	shares issued	shares issued		
	'000	'000	\$'000	\$'000
At beginning and end of year	576,936	576,936	125,646	125,646

All issued ordinary shares are fully paid with no par value.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

## 24. TREASURY SHARES

	Group and Company			
	2021	2020	2021	2020
	No. of shares	No. of shares		
	'000	'000	\$'000	\$'000
At beginning and end of year	1,968	1,968	996	996

Treasury shares relate to ordinary shares of the company that are held by the company.

## 25. RESERVES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve	3,129	(3,342)	-	-
Retained earnings/(Accumulated losses)	273,966	266,416	(21,604)	(24,556)
Other reserves	112	112	926	926
	277,207	263,186	(20,678)	(23,630)



## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 26. REVENUE

The group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

A disaggregation of the group's revenue for the year, is as follows:

		Group	
Timing of revenue recognition		2021	2020
		\$'000	\$'000
Hotel investment and management	At a point in time	41,409	39,966
<u>Property investment and development</u>			
Sale of development properties under construction	Over time	5,744	1,821
Rental income of investment properties	Over time	18,904	18,456
		24,648	20,277
<u>Specialty restaurants and food services</u>			
Food and beverage revenue	At a point in time	809	806
Others	At a point in time	7	4
		66,873	61,053

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sale of development properties as at the end of the reporting period is \$2,386,000 (2020 : \$2,970,000). Management expects that 100% (2020 : 100%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue during the next reporting period.

### 27. OTHER INCOME

		Group	
		2021	2020
		\$'000	\$'000
Gain on disposal of financial assets at FVTPL		73	-*
Gain on disposal of property, plant and equipment		190	2,785
Dividend income from financial assets at FVTPL		36	29
Interest income - fixed deposits		24	14
Foreign exchange gain, net		142	421
Grant income		1,957	-
Others		499	314
Gain/(Loss) on fair value adjustment of financial assets at FVTPL		78	(7)
		2,999	3,556

\* Amount less than \$1,000

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 28. STAFF COSTS

	Group	
	2021	2020
	\$'000	\$'000
Wages and salaries	10,961	11,563
Defined contribution plans	1,742	1,528
Other benefits	1,192	1,222
	13,895	14,313

The group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 25 months (2020: 17 months) commencing from April 2020. Government grant income of \$3,168,000 (2020: \$4,705,000) was offset against staff costs during the year.

### 29. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest expense:		
- Lease liabilities	2,131	3,663
- Bank loans and overdraft	6,182	7,077
	8,313	10,740

### 30. INCOME TAX EXPENSE

	Group	
	2021	2020
	\$'000	\$'000
Tax expense attributable to the results is made up of:		
Current income tax	2,248	1,668
Deferred income tax	230	(1,159)
	2,478	509
Over provision in preceding financial years:		
- Current income tax	(77)	(164)
	2,401	345

## NOTES TO FINANCIAL STATEMENTS

31 December 2021

### 30. INCOME TAX EXPENSE (CONTINUED)

The tax expense on profit/(loss) differs from the amount that would arise using the Singapore statutory rate of income tax due to the following:

	Group	
	2021 \$'000	2020 \$'000
Profit/(Loss) before income tax	9,951	(11,100)
Share of results of jointly-controlled entities, net of tax	167	(66)
Profit/(Loss) before tax and share of results of jointly-controlled entities	10,118	(11,166)
Tax calculated at a tax rate of 17% (2020: 17%)	1,720	(1,898)
Singapore statutory stepped income exemption	(53)	(42)
Effect of different tax rates in other countries	(222)	(697)
Expenses not deductible for tax purposes	1,223	3,351
Income not taxable	(1,067)	(975)
Deferred tax assets not recognised	877	770
Over provision of prior years' current income tax	(77)	(164)
	2,401	345

### 31. PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) for the year has been arrived at after charging:

	Group	
	2021 \$'000	2020 \$'000
Audit fees:		
- paid to auditors of the company	153	141
- paid to other auditors	91	76
	244	217
Non-audit fees:		
- paid to auditors of the company	15	15
- paid to other auditors	17	27
	32	42
Directors' fees	167	147
Other expenses include:		
Advertising and marketing expenses	805	957
Cleaning expenses	1,372	2,037
Commission charges	1,597	1,783
Property, plant and equipment written off	18	75
Operating supplies	701	674
Property tax	3,231	1,685
Expense relating to short-term leases and leases of low value assets	253	239
Expense relating to variable lease payments not included in the measurement of the lease liabilities	-	97
Repair and maintenance	2,957	2,903
Utilities expenses	4,094	3,610

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 32. DIVIDENDS

	Group and Company	
	2021	2020
	\$'000	\$'000
<b>Ordinary dividends</b>		
Final tax exempt dividend of \$NIL per share (2020 : 1 cent per share) in respect of previous financial year	-	5,750
Special tax exempt dividend of \$NIL per share (2020 : 1 cent per share) in respect of previous financial year	-	5,749
	-	11,499

Subsequent to 31 December 2021, the directors of the company recommended that a final tax exempt dividend to be paid at 0.5 cent per ordinary share amounting to \$2.9 million for the financial year ended 31 December 2021. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements.

## 33. EARNINGS/(LOSS) PER SHARE

	Group	
	2021	2020
Profit/(Loss) after tax attributable to the equity holders of Amara Holdings Limited (\$'000)	7,550	(11,445)
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	574,968	574,968
Basic and diluted earnings/(loss) per ordinary share (cents)	1.31	(1.99)

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to members of Amara Holdings Limited by the weighted average number of ordinary shares in issue, excluding treasury shares held, during the financial year.

## 34. SEGMENT INFORMATION

For management purposes, the group is organised into business segments based on their products and services and the group has three reportable operating segments as follows:

- Hotel investment and management
- Property investment and development
- Specialty restaurants and food services

Another area of the group's business comprises investment holding which does not constitute a separate reportable segment.

Management monitors the operating results of its business segments separately for the purpose of making decisions about allocation of resources and assessment of performance of each segment.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 34. SEGMENT INFORMATION (CONTINUED)

The segment information provided to Management for the reportable segments are as follows:

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Eliminations \$'000	Group \$'000
<b>31 December 2021</b>						
Segment revenue						
Sales to external customers	41,409	24,648	809	7	-	66,873
Intersegment sales/income	1,218	156	-	-	(1,374)	-
Total revenue	42,627	24,804	809	7	(1,374)	66,873
Depreciation and amortisation	(10,095)	-	(51)	-	-	(10,146)
Fair value loss of investment properties	-	(994)	-	-	-	(994)
Share of results of jointly-controlled entities	-	(167)	-	-	-	(167)
Other significant non-cash expenses	-	(313)	(257)	-	-	(570)
Segment profit/(loss)	7,542	11,195	(348)	193	-	18,582
Interest income						24
Interest expense on borrowings						(8,313)
Unallocated corporate expenses						(342)
Profit before tax						9,951
Taxation						(2,401)
Profit for the year						7,550
Segment assets	274,863	543,066	490	974	-	819,393
Deferred tax assets						564
Total assets						819,957
Segment assets include:						
Investment in jointly-controlled entities	-	7,600	-	-	-	7,600
Additions to - Property, plant and equipment	756	-	6	-	-	762
Segment liabilities	(10,021)	(12,180)	(216)	(301)	-	(22,718)
Income tax payable						(2,574)
Deferred tax liabilities						(14,329)
Corporate borrowings						(378,479)
Total liabilities						(418,100)

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 34. SEGMENT INFORMATION (CONTINUED)

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Eliminations \$'000	Group \$'000
<b>31 December 2020</b>						
Segment revenue						
Sales to external customers	39,966	20,277	806	4	-	61,053
Intersegment sales/income	1,338	148	-	-	(1,486)	-
Total revenue	41,304	20,425	806	4	(1,486)	61,053
Depreciation and amortisation	(10,636)	-	(65)	-	-	(10,701)
Fair value loss of investment properties	-	(16,492)	-	-	-	(16,492)
Share of results of a jointly-controlled entity	-	66	-	-	-	66
Other significant non-cash expenses	(231)	(187)	-	-	-	(418)
Segment profit/(loss)	6,171	(6,050)	(115)	22	-	28
Interest income						14
Interest expense on borrowings						(10,740)
Unallocated corporate expenses						(402)
Loss before tax						(11,100)
Taxation						(345)
Loss for the year						(11,445)
Segment assets	281,025	524,332	843	910	-	807,110
Deferred tax assets						606
Total assets						807,716
Segment assets include:						
Investment in a jointly-controlled entity	-	540	-	-	-	540
Additions to						
- Property, plant and equipment	5,431	-	31	-	-	5,462
Segment liabilities	(11,506)	(11,586)	(275)	(351)	-	(23,718)
Income tax payable						(2,761)
Deferred tax liabilities						(13,780)
Corporate borrowings						(379,621)
Total liabilities						(419,880)

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 34. SEGMENT INFORMATION (CONTINUED)

### Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit before tax in the consolidated financial statements. Interest income and finance expenses are not allocated to segments as financing is managed on a group basis.

### Segment assets

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than investments, deferred income tax assets and interest bearing receivables which are classified as unallocated assets.

### Segment liabilities

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than taxation, deferred income tax liabilities and corporate borrowings. These liabilities are classified as unallocated liabilities.

### Geographical segments

The group operates in three main geographical areas, namely Singapore, the People's Republic of China ("PRC") and Thailand. The main areas of operations undertaken by the group in each country are as follows:

- Singapore - hotel investment and management, property investment and development, specialty restaurants and food services
- PRC - hotel investment and management and property investment
- Thailand - hotel investment and management

	Revenue		Non-current assets	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore	47,190	44,180	445,247	439,765
PRC	18,131	13,936	180,830	180,650
Thailand	1,552	2,937	47,675	53,386
	66,873	61,053	673,752	673,801

Revenue and non-current assets are shown by the geographical areas in which the assets are located.

Non-current assets presented above are non-current assets as presented on the statements of financial position excluding financial instruments and deferred income tax assets.

### Information about major customer

Included in revenues arising from hotel investment and management customers are revenues of approximately \$9.2 million (2020 : \$5.4 million) which arose from sale to the group's largest customer. No other single customers contributed 10% or more to the group's revenue either in 2021 or 2020.

# NOTES TO FINANCIAL STATEMENTS

31 December 2021

## 35. OPERATING LEASE ARRANGEMENTS

### The group as lessee

At 31 December 2021, the group is committed to \$73,000 (2020 : \$40,000) for short-term leases.

### The group as lessor

The group leases units in the shopping centre and office premises to external parties under non-cancellable operating leases.

Operating leases, in which the group is the lessor, relate to investment properties owned by the group with lease terms of between 2 to 12 years.

The unguaranteed residual values do not represent a significant risk for the group.

Maturity analysis of operating lease receivables:

	Group	
	2021 \$'000	2020 \$'000
Year 1	16,010	15,693
Year 2	10,749	11,253
Year 3	6,054	6,884
Year 4	3,378	3,791
Year 5	3,241	2,362
Year 6 onwards	5,802	6,208
Total	45,234	46,191

## 36. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the group and company were issued but not effective:

- Amendments to SFRS(I) 3 *Reference to the Conceptual Framework* <sup>(1)</sup>
- Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract* <sup>(1)</sup>
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use* <sup>(1)</sup>
- Annual improvements to SFRS(I) 2018-2020 <sup>(1)</sup>
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* <sup>(2)</sup>
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates* <sup>(2)</sup>
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* <sup>(2)</sup>

<sup>(1)</sup> Applies to annual periods beginning on or after 1 January 2022.

<sup>(2)</sup> Applies to annual periods beginning on or after 1 January 2023.

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods is not expected to have a material impact on the Financial Statements of the group in the period of their initial adoption.



## CORPORATE DATA

### BOARD OF DIRECTORS

Albert Teo Hock Chuan  
*Chief Executive Officer*

Susan Teo Geok Tin  
Lawrence Mok Kwok Wah  
Foo Ko Hing  
*Lead Independent Director*  
Chia Kwok Ping  
Tan Tiong Cheng

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### COMPANY SECRETARIES

Susan Teo Geok Tin  
Foo Soon Soo

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### AUDIT COMMITTEE

Foo Ko Hing  
*Chairman*

Lawrence Mok Kwok Wah  
Chia Kwok Ping  
Tan Tiong Cheng

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### NOMINATING COMMITTEE

Chia Kwok Ping  
*Chairman*

Albert Teo Hock Chuan  
Foo Ko Hing

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### REMUNERATION COMMITTEE

Tan Tiong Cheng  
*Chairman*

Chia Kwok Ping  
Lawrence Mok Kwok Wah  
Foo Ko Hing

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### PRINCIPAL BANKERS

United Overseas Bank Limited  
DBS Bank Ltd.

### SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-03/07 Keppel Bay Tower  
Singapore 098632

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### REGISTERED OFFICE

100 Tras Street #06-01 100 AM  
Singapore 079027

t : (65) 6879 2515

f : (65) 6224 2660

e : corporate@amaraholdings.com

w : www.amaraholdings.com

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### INVESTOR RELATIONS CONTACTS

Internal : corporate@amaraholdings.com

External : Citigate Dewe Rogerson Singapore Pte Ltd

Dolores Phua  
*Executive Director*  
158 Cecil Street  
#05-01  
Singapore 069545

t : (65) 6534 5122

e : dolores.phua@citigatedewerogerson.com

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### AUDITOR

Deloitte & Touche LLP  
6 Shenton Way  
#33-00 OUE Downtown 2  
Singapore 068809

Lee Boon Teck  
*Partner-in-charge*

(Appointed in the financial year ended 31 December 2017)

## STATISTICS OF SHAREHOLDINGS

As at 15 March 2022

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	4,914
No. of Issued Shares	:	576,936,000
No. of Issued Shares (excluding Treasury Shares)	:	574,968,200
No. of Treasury Shares	:	1,967,800
Percentage of Treasury Shares against the total no. of Issued Shares (excluding Treasury Shares)	:	0.34%

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares (excluding Treasury Shares)	% <sup>(1)</sup>
1 - 99	1	0.02	66	0.00
100 - 1,000	494	10.05	470,867	0.08
1,001 - 10,000	3,055	62.17	16,133,767	2.81
10,001 - 1,000,000	1,335	27.17	68,457,230	11.91
1,000,001 AND ABOVE	29	0.59	489,906,270	85.20
<b>TOTAL</b>	<b>4,914</b>	<b>100.00</b>	<b>574,968,200</b>	<b>100.00</b>

Based on information available to the Company on 15 March 2022, approximately 27% of the Company's issued ordinary shares were held by the public and accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

### TWENTY LARGEST SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Name	No. of Shares	% <sup>(1)</sup>
1	FIRST SECURITY PTE LTD	152,987,990	26.61
2	TEO CHEW CHUAN	42,578,500	7.41
3	TEO SIEW BEE	35,441,205	6.16
4	TEO GEOK TIN	35,132,232	6.11
5	TEO KWEE CHUAN	35,099,234	6.10
6	TEO HIN CHUAN	32,580,997	5.67
7	TEO HOCK CHUAN	30,071,404	5.23
8	CITIBANK NOMINEES SINGAPORE PTE LTD	17,429,800	3.03
9	MORPH INVESTMENTS LTD	14,800,000	2.57
10	ONG KIAN KOK	13,400,000	2.33
11	IFAST FINANCIAL PTE. LTD.	12,743,600	2.22
12	TEO HWEE YEE	12,282,405	2.14
13	TEO ENG KEONG (ZHANG YONGQIANG)	12,282,400	2.14
14	DBS NOMINEES (PRIVATE) LIMITED	10,055,510	1.75
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,869,800	1.02
16	TEO GUAN HOON	3,238,000	0.56
17	POH LAY ENG	3,153,493	0.55
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,117,400	0.54
19	RONNIE POH TIAN PENG	2,900,000	0.50
20	CHIAM HOCK POH	2,024,900	0.35
	<b>TOTAL</b>	<b>477,188,870</b>	<b>82.99</b>

Note:

<sup>(1)</sup> The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding treasury shares.

## STATISTICS OF SHAREHOLDINGS

As at 15 March 2022

### SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	% <sup>(4)</sup>
Albert Teo Hock Chuan	35,291,404	153,958,290 <sup>(1),(2)</sup>	189,249,694	32.92
Susan Teo Geok Tin	35,162,232	152,987,990 <sup>(1)</sup>	188,150,222	32.72
Teo Kwee Chuan	35,099,234	152,987,990 <sup>(1)</sup>	188,087,224	32.71
Corinne Teo Siew Bee	35,441,205	-	35,441,205	6.16
First Security Pte Ltd	152,987,990	-	152,987,990	26.61
Teo Chew Chuan	42,578,500	3,153,493 <sup>(3)</sup>	45,731,993	7.95
Teo Hin Chuan	32,580,997	-	32,580,997	5.67

#### Notes:

- <sup>(1)</sup> Albert Teo Hock Chuan, Susan Teo Geok Tin and Teo Kwee Chuan are each deemed to have an interest in the 152,987,990 shares in which First Security Pte Ltd is interested in as they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of First Security Pte Ltd.
- <sup>(2)</sup> In addition to (1), Albert Teo Hock Chuan is deemed to have an interest in the 970,300 shares in which Albertsons Capital Pte. Ltd. is interested in as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Albertsons Capital Pte. Ltd.
- <sup>(3)</sup> Teo Chew Chuan is deemed interested in 3,153,493 shares held by his spouse.
- <sup>(4)</sup> The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding treasury shares.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be convened and held by way of electronic means on Tuesday, 26 April 2022 at 10.30 a.m. to transact the business as set out below.

This Notice has been made available on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. No printed copy of this Notice will be despatched to the members.

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2021 together with the Directors' Statement and Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare a first and final tax exempt dividend of 0.5 cent per ordinary share for the year ended 31 December 2021. **(Resolution 2)**
3. To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company<sup>(1)</sup>. **(Resolution 3)**
4. To re-elect Mr Tan Tiong Cheng as a Director retiring under Regulation 87 of the Constitution of the Company<sup>(1)</sup>. **(Resolution 4)**

Mr Tan Tiong Cheng will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). He will also remain as the Chairman of the Remuneration Committee.

5. To approve payment of Directors' Fees of \$167,134 for the year ended 31 December 2021 (2020: \$147,078). **(Resolution 5)**
6. To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 6)**

## AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without amendments):

7. Authority to allot and issue shares
  - (a) That, pursuant to Section 161 of the Singapore Companies Act 1967 ("Act"), and the listing rules of the SGX-ST, authority be and is hereby given to the Directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:
    - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
    - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
    - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
  - (b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force,

<sup>(1)</sup> Detailed information of the Directors seeking re-election can be found under the sections "Board of Directors", "Additional Information on Directors Seeking Re-Election" and "Financial Statements" (under the subsection "Directors' Statement") in the Annual Report 2021 of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings shall be the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:
  - (aa) new shares arising from the conversion or exercise of convertible securities;
  - (bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares;
 and adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;
- (ii) in this resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual; and
- (iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

**(Resolution 7)**

(See Explanatory Note 1)

### 8. Authority to allot and issue shares under the Amara Performance Share Plan

That pursuant to Section 161 of the Act, and the listing rules of the SGX-ST, the Directors of the Company be authorised to offer and grant awards ("Awards") in accordance with the provisions of the Amara Performance Share Plan (the "Plan") and to allot and issue from time to time such number of shares as may be required to be allotted and issued pursuant to the vesting of the Awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided that the aggregate number of shares to be allotted and issued pursuant to the Plan, when added to the number of shares issued and issuable in respect of all Awards, and all shares issued and issuable in respect of all options or awards granted under any other option scheme or share plan which the Company may implement from time to time, shall not exceed 15% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings from time to time and that such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier.

**(Resolution 8)**

(See Explanatory Note 2)

### 9. Renewal of Share Purchase Mandate

That:

- (a) For the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
  - (i) off-market purchases (each an "Off-Market Share Purchase") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act; and/or
  - (ii) on-market purchases (each an "On-Market Share Purchase") on the SGX-ST, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable,

be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate").

## NOTICE OF ANNUAL GENERAL MEETING

(b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law or the Constitution of the Company to be held; or
- (ii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

(c) In this Ordinary Resolution:

“Prescribed Limit” means 10% of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares); and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last 5 Market Days (“Market Day” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the date of making the On-Market Share Purchase, or as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Share Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

(d) The Directors and/or each and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

**(Resolution 9)**

(See Explanatory Note 3)

### AS OTHER BUSINESS

10. To transact any other business that may be transacted at an Annual General Meeting.

**NOTICE IS ALSO HEREBY GIVEN** that subject to the approval of the shareholders at the Annual General Meeting, a first and final tax exempt dividend of 0.5 cent per ordinary share, in respect of the year ended 31 December 2021 will be paid on 23 June 2022 to shareholders whose names appear in the Register of Members on 9 June 2022.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 9 June 2022 after 5.00 p.m. to 10 June 2022, for the purpose of determining shareholders’ entitlements to the proposed first and final dividend.

Registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-03/07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m., on 9 June 2022 will be registered before entitlements to the first and final dividend are determined.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo  
Company Secretaries

Singapore  
8 April 2022

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTE 1:

The Ordinary Resolution in item 7, if passed, will enable the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares in the Company and to make or grant Instruments convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the number of shares issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, for such purposes as they consider to be in the interests of the Company.

## EXPLANATORY NOTE 2:

The Ordinary Resolution in item 8, if passed, is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to offer and grant awards in accordance with the provisions of the Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of the Awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided that the aggregate number of shares to be allotted and issued pursuant to the Plan, when added to the number of shares issued and issuable in respect of all Awards, and all shares issued and issuable in respect of all options or awards granted under any other option scheme or share plan which the Company may implement from time to time, shall not exceed 15% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings from time to time.

## EXPLANATORY NOTE 3:

In respect of the Ordinary Resolution in item 9, the Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance purchases or acquisitions of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, among other things, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustration purposes, the financial effects of Share Purchases on the audited financial statements of Amara Group and the Company for the financial year ended 31 December 2021, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 8 April 2022 in relation to the proposed renewal of the Share Purchase Mandate ("Appendix to this Notice").

## NOTES:

1. The above Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **No printed copies of this Notice, the Appendix to this Notice, Proxy Form and the Annual Report 2021 will be sent to the members. Instead they will be made available to members by electronic means via publication on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.**
2. Alternative arrangements have been made for participation by members at the above Meeting by:
  - (a) observing and/or listening to the above Meeting proceedings via live audio-visual webcast or live audio-only stream;
  - (b) submitting questions in advance in relation to any resolution set out in this Notice, if any; and/or
  - (c) appointing the Chairman of the above Meeting as proxy to vote on their behalf at the above Meeting.

Details of the steps and deadlines for pre-registration, submission of questions in advance and voting at the above Meeting by members, including CPF and SRS investors, are set out below.

# NOTICE OF ANNUAL GENERAL MEETING

## ATTENDANCE OF THE ABOVE MEETING VIA ELECTRONIC MEANS

- (1) Members who wish to participate in the above Meeting may observe and/or listen to the above Meeting proceedings through a live audio-visual webcast via their mobile phones, tablets or computers or through a live audio-only stream via telephone. To do this, members must pre-register at the pre-registration website at <https://online.meetings.vision/amaragm-registration> by **10.30 a.m. on 23 April 2022** in order for the Company to verify their status as members.
- (2) After verification, authenticated members will receive an email by 10.30 a.m. on 25 April 2022 containing access information on how to access the webcast and audio feed of the proceedings of the above Meeting. Members who have not received an email by 10.30 a.m. on 25 April 2022 may contact the Company at [corporate@amaraholdings.com](mailto:corporate@amaraholdings.com).
- (3) Members must not disclose the aforesaid access information to persons who are not entitled to attend the above Meeting.
- (4) Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Act), including CPF and SRS investors, and who wish to participate in the above Meeting by watching the live audio-visual webcast or listening to the live audio-only stream should contact their relevant intermediaries (including, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) as soon as possible in order for the necessary arrangements to be made for their participation in the above Meeting.

## QUESTIONS

- (1) Members who wish to ask questions, if any, relating to the resolutions to be tabled for approval at the above Meeting may submit their questions in advance of the above Meeting via the pre-registration website at <https://online.meetings.vision/amaragm-registration> by **15 April 2022**.
- (2) The Company will endeavour to address substantial and relevant questions by 10.30 a.m. on 21 April 2022. A summary of the questions and responses will be posted on the Company's website and on SGXNet.

## VOTING BY PROXY

- (1) Members who wish to exercise their voting rights at the above Meeting must appoint the Chairman of the above Meeting as their proxy to do so on their behalf. Members will not be able to vote during the live proceedings of the above Meeting.
- (2) The proxy form must be duly completed, signed and submitted in the following manner:
  - (i) If submitted by post, be sent to Amara Holdings Limited c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-01, Fragrance Empire Building, Singapore 119962; or
  - (ii) If submitted electronically, be submitted by email to [proxyform@trustedservices.com.sg](mailto:proxyform@trustedservices.com.sg).

in either case, by **10.30 a.m. on 23 April 2022**, being 72 hours before the time of the above Meeting.
- (3) CPF or SRS investors who wish to appoint the Chairman of the above Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2022.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the above Meeting as proxy to attend, speak and vote at the above Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the above Meeting (including any adjournment thereof) the processing of the pre-registration for purposes of granting access to members to the live audio-visual webcast or live audio-only streaming of the above Meeting proceedings and providing them with any technical assistance where necessary, and the preparation and compilation of the attendance lists, minutes and other documents relating to the above Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information relates to Ms Susan Teo Geok Tin and Mr Tan Tiong Cheng, both of whom are seeking re-election as Directors in the forthcoming Annual General Meeting on 26 April 2022:

	<b>Ms Susan Teo Geok Tin</b>	<b>Mr Tan Tiong Cheng</b>
First appointed	26 May 1995	21 June 2018
Last re-elected	29 April 2019	29 April 2019
Age	60+	70+
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election	The Board accepts the recommendation of the Nominating Committee to re-elect Ms Teo as Executive Director of the Company. Ms Teo has in-depth knowledge of the corporate affairs of the Group and with her experience, she will continue to provide insightful guidance for the Group in this area. Being a female director, Ms Teo also adds to the gender diversity of the Board.	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Tan as Independent Director of the Company. Mr Tan brings with him a wealth of knowledge and experience in the real estate industry that provide enhancement to the Board.
Whether re-election is executive, and if so, the area of responsibility	Ms Teo has direct oversight of the function of corporate affairs of the Group which includes treasury, finance, legal, company secretarial, human resource and administration.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Executive Director/Company Secretary	RC Chairman and AC Member
Professional qualifications	Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology (now known as Curtin University)  Graduate Diploma in Computer Science from La Trobe University  Member of the Chartered Accountants Australia and New Zealand  Member of the Institute of Singapore Chartered Accountants	Diploma in Urban Valuation from the University of Auckland  Fellow Member of the Singapore Institute of Surveyors and Valuers  Fellow Member of the Association of Property and Facility Managers  Associate Member of the New Zealand Institute of Valuers  Senior Member of the Property Institute of New Zealand
Working experience and occupation(s) during the past 10 years	Company Secretary of Amara Group since September 1984  Executive Director of Amara Group since May 1995	Executive Chairman of Knight Frank Pte Ltd's Group of Companies from April 2009 to March 2017  President of Knight Frank Asia Pacific Pte Ltd from April 2017 to March 2019  Senior Advisor of Knight Frank Pte Ltd from April 2019 to March 2020

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Ms Susan Teo Geok Tin</b>	<b>Mr Tan Tiong Cheng</b>
Shareholding interest in the listed issuer and its subsidiaries	<b>Amara Holdings Limited</b> Direct Interest - 35,162,232 shares Deemed Interest - 152,987,990 shares  <b>Subsidiaries of Amara Holdings Limited</b> Deemed Interest in the whole of the share capital	<b>Amara Holdings Limited</b> Direct Interest - 92,900 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	Sister of Mr Albert Teo Hock Chuan, CEO, Executive Director and substantial shareholder  Sister of Mr Teo Kwee Chuan and Ms Corinne Teo Siew Bee, executive officers and substantial shareholders  Sister-in-law of Mr Lawrence Mok Kwok Wah, Non-Executive Director  Sister of Mr Teo Chew Chuan and Mr Teo Hin Chuan, substantial shareholders  Sister of Mr Teo Peng Chuan, director of a principal subsidiary	No
Conflict of interest (including any competing business)	No	Mr Tan is an Independent and Non-Executive Director of The Straits Trading Company Limited, UOL Group Limited and Heeton Holdings Limited, which engage in hospitality business and property investment and development
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships		
- Past (for the last 5 years)	None	Executive Chairman of Knight Frank Pte Ltd's Group of Companies from April 2009 to March 2017  President of Knight Frank Asia Pacific Pte Ltd from April 2017 to March 2019  Senior Advisor of Knight Frank Pte Ltd from April 2019 to March 2020
- Present	Director of First Security Pte Ltd  Alternate Director to Mr Albert Teo Hock Chuan in Tampines EC Pte Ltd	Independent Director of The Straits Trading Company Limited  Independent Director of UOL Group Limited  Independent Director of Heeton Holdings Limited

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Ms Susan Teo Geok Tin	Mr Tan Tiong Cheng
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
Whether there is any unsatisfied judgment against him/her?	No	No
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she was aware) for such breach?	No	No
Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Ms Susan Teo Geok Tin	Mr Tan Tiong Cheng
Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
Whether he/she has ever, to his/her knowledge, been connected with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?		
Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Executive Director of Amara Holdings Limited since the Company was listed	Independent Director of The Straits Trading Company Limited from July 2013 to present  Independent Director of UOL Group Limited from May 2013 to present  Independent Director of Heeton Holdings Limited from April 2009 to present

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**AMARA HOLDINGS LIMITED**  
Registration No. 197000732N  
(Incorporated in the Republic of Singapore)

# PROXY FORM

## ANNUAL GENERAL MEETING

This Proxy Form has been made available on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. A printed copy of this Proxy Form will not be despatched to members.

**IMPORTANT:**

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 situation in Singapore, members will not be able to attend the Annual General Meeting in person. Members (whether individuals or corporates) must appoint the Chairman of the Annual General Meeting as their proxy to attend, speak and vote on their behalf at the Annual General Meeting if such members wish to exercise their voting rights at the Annual General Meeting.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 13 April 2022.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co.Registration Number)  
of \_\_\_\_\_ (Address)

being a member/members of AMARA HOLDINGS LIMITED hereby appoint the Chairman of the Annual General Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held by electronic means on Tuesday, 26 April 2022 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the Annual General Meeting as my/our proxy for that resolution will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Annual General Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please tick (✓) within the relevant box provided below. Alternatively, if you wish the Chairman of the Annual General Meeting as your proxy to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided below.)

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2021 together with the Directors' Statement and Independent Auditor's Report thereon.			
2.	To declare a first and final tax exempt dividend of 0.5 cent per ordinary share for the year ended 31 December 2021.			
3.	To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company.			
4.	To re-elect Mr Tan Tiong Cheng as a Director retiring under Regulation 87 of the Constitution of the Company.			
5.	To approve payment of Directors' Fees of \$167,134 for the year ended 31 December 2021.			
6.	To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.			
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
8.	To authorise Directors to issue shares under the Amara Performance Share Plan.			
9.	To approve the renewal of the Share Purchase Mandate.			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Total number of Shares held

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES FOR PROXY FORM**

## Notes for Proxy Form

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. The Chairman of the above Meeting, as proxy, need not be a member of the Company.
3. The instrument appointing the Chairman of the above Meeting as the proxy must be in writing and (in the case of an individual appointor) duly signed by the appointor or his attorney or, (if the appointor is a corporation) must be executed under its seal or signed by its attorney or duly authorised officer.
4. The instrument appointing the Chairman of the above Meeting as the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be (i) if submitted by post, sent to Amara Holdings Limited c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-01, Fragrance Empire Building, Singapore 119962 or (ii) if submitted electronically, submitted via email to proxyform@trustedservices.com.sg, not less than 72 hours before the time appointed for the above Meeting, and in default the instrument of proxy shall be treated as invalid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the above Meeting, as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy

By submitting an instrument appointing the Chairman of the above Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2022.



**AMARA HOLDINGS LIMITED**

(Registration Number 197000732N)

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