



# POISED FOR GROWTH

AMARA HOLDINGS LIMITED  
ANNUAL REPORT 2022

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THE WORLD  
CHANGES AT A  
BLISTERING PACE.  
AT AMARA,  
WE ADAPT AND  
TRANSFORM TO  
KEEP ABREAST  
OF THE  
UNCERTAIN TIMES.

Rising above all challenges, we reach new heights and discover new lifestyle experiences. The robust three core businesses continue to forge forward, ever stronger with endurance and fortitude to go the distance. We are prepared, ready, poised for opportunities ahead.

# 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.



## 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.



## 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 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.



## 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.



## 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.



# CEO'S MESSAGE

THROUGHOUT THE YEAR, WE NAVIGATED THE CHALLENGING BUT YET EXCITING PERIOD THROUGH CREATIVE MARKETING EFFORTS AIMED AT ATTRACTING GUESTS... EXERCISING PRUDENCE BY PUTTING IN PLACE APPROPRIATE COST MANAGEMENT MEASURES, OPTIMISING MANPOWER RESOURCES AND STRENGTHENING OUR OPERATING CAPABILITIES.

**Albert Teo  
Hock Chuan**  
Chief Executive Officer

For the financial year ended 31 December 2022 (“FY 2022”), we continued to face macroeconomic headwinds of a looming recession, geopolitical tension, and rising and persistent inflationary pressures. On a positive note, according to the International Monetary Fund’s latest outlook, barring unexpected major developments, 2023 is expected to be a year of turning points, with the rate of inflation expected to slow down<sup>1</sup>.

Singapore’s economy grew by 3.6% in 2022, slower than the 8.9% growth in 2021, and with 2023 GDP growth forecast at 0.5% to 2.5%, 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 reached 6.3 million, surpassing STB’s forecast of four to six million visitors; and tourism receipts reached an estimated S\$13.8 billion to S\$14.3 billion in 2022, with encouraging signs of recovery in the tourism sector<sup>3</sup>. Short of unforeseen circumstances, tourism activity is expected to double in 2023 and return to pre-pandemic levels by 2024.

For Amara, we saw the reopening of our two markets – Singapore and Thailand – in April and October 2022 respectively, whilst Shanghai experienced lockdowns in April and May 2022 due to spikes in COVID-19 cases. Subsequent to year-end, China too has pivoted away from the zero-COVID strategy and reopened its borders on 8 January 2023<sup>4</sup>. Throughout the year, we navigated the challenging but yet exciting period through creative marketing efforts aimed at attracting guests, and at the same time, exercising prudence by putting in place appropriate cost management measures, optimising manpower resources and strengthening our operating capabilities.

Revenue-wise, we took up several initiatives aimed at recapturing revenue streams from both the domestic and international markets.

Revenue rose 40% to S\$93.7 million in FY 2022 from S\$66.9 million in the previous financial year (“FY 2021”), supported by topline growth for all three business segments – Hotel Investment and Management, Property Investment and Development, and Specialty Restaurants and Food Services, in line with the reopening of Singapore and Thailand, the Group’s marketing drive and adoption of initiatives and promotions.

Notwithstanding the higher revenue, net profit was affected by higher costs of operation, and higher share of results of jointly-controlled entities. Correspondingly, net profit stood at S\$6.5 million for FY 2022, compared to S\$7.6 million for FY 2021.

Net asset value per share stood at 67.95 Singapore cents as at 31 December 2022, as compared to 69.89 Singapore cents as at 31 December 2021. The Group will remain financially prudent, conserving essential resources to prepare for further and faster recovery with the reopening of borders and the lifting of COVID-19 restrictions. Our net gearing ratio remains healthy and we are well supported by our principal bankers and available banking facilities.

<sup>1</sup> International Monetary Fund, January 2023 – World Economic Outlook – Inflation Peaking amid Low Growth.

<sup>2</sup> Ministry of Trade and Industry, Singapore, 13 February 2023 – MTI Maintains 2023 GDP Growth Forecast at “0.5 to 2.5 per cent”.

<sup>3</sup> Singapore Tourism Board – 17 January 2023 – Singapore’s tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023.

<sup>4</sup> Reuters, 27 December 2022 - Chinese make travel plans as Beijing dismantles zero-COVID rules.

## HOTEL INVESTMENT AND MANAGEMENT

Our Hotel Investment and Management segment stayed resilient amidst the COVID-19 pandemic with our active marketing drive for both corporate and leisure segments; and tie-ups with government agencies both in Singapore and Thailand since 2021.

In Singapore, the Group's two hotels, Amara Singapore and Amara Sanctuary Resort, Sentosa continue to see recovery during the year under review, with the return of international travel and easing of COVID-19 measures, supported by 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.

Of note, for Amara Sanctuary Resort, Sentosa, we are pleased to have teamed up with Core Collective to launch Core Collective Sentosa. The wellness space has vast potential and the partnership is opportune in light of Singapore's push towards enhancing its attractiveness as an urban wellness destination. A new F&B tenant at the resort, Imamura Japanese Restaurant by a Michelin-star chef, opened in early 2022. The restaurant offers Japanese fine dining in a luxurious setting.

To attract alternative revenue sources for the Food and Beverage ("F&B") business, we actively tapped on e-commerce platforms to provide takeaway and delivery options at both hotels.

Amara Bangkok enjoyed an improvement in performance, well-supported by a rebound in the vital tourism sector since Thailand's reopening in October 2022. With the removal of restrictions on dining and gatherings, our online promotions targeted at the domestic market as well as corporate and small meeting groups, yielded good results. According to data from the Tourism Authority of Thailand, Thailand received 11.15 million foreign visitors in 2022<sup>5</sup>. In 2023, Thailand's Prime Minister Prayut Chan-o-cha expects 30 million foreign tourists to visit the country<sup>6</sup>. This outlook is a sign of a gradual uplift to international travel over time, and augurs well for Amara Bangkok.

Amara Signature Shanghai faced challenges for most of 2022, with a reduction in the number of tourists given China's restrictions and specifically, Shanghai's lockdowns in April and May 2022. We look forward with optimism in light of the recent reopening of the Chinese market and will press on with room promotions, MICE packages and other marketing initiatives to tap both domestic and international travels.

Meanwhile, we have seen an increase in domestic leisure customers particularly during the long public holiday periods and likewise, for corporate customers, with business trips allowed within the country. Going forward, Amara Signature Shanghai will rollout targeted marketing initiatives with a focus on domestic travels for leisure and business within China.

The China Tourism Academy expects its tourism market to flourish in 2023, with domestic tourism recovering to about 71% of 2019 levels. Meanwhile, inbound and outbound tourist numbers are expected to reach 90 million, doubling year-on-year. These are very encouraging figures and we will focus on capturing the market opportunity this year<sup>7</sup>.

<sup>5</sup> Reuters, 24 January 2023 – Thailand beats 2022 tourism target with 11.15 mln foreign arrivals.

<sup>6</sup> Reuters, 7 February 2023 – Thai PM sees over 30 mln foreign tourists this year.

<sup>7</sup> Reuters, 22 February 2023 – China expects sharp rebound in tourism this year.



## PROPERTY INVESTMENT AND DEVELOPMENT

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

In Singapore, occupancy at our office tower, with its focus on healthcare services, remains steadfast given its strategic location.

As for our commercial property, 100 AM mall in Tanjong Pagar, tenant rejuvenation continues with the addition of a new anchor tenant, MUJI, which will open in early April 2023. Together with our anchor tenants including FairPrice Finest, Itadakimasu by PARCO, Don Don Donki and other well-known brands like Henri Charpentier, So Good Char Chan Teng, we maintain a good tenant mix to cater to a differentiated lifestyle mall experience.

Meanwhile, our office building in Shanghai is fully leased to JA Space, which operates office co-sharing services to other enterprises. As for 100 AM Shanghai mall, we will focus on attracting new tenants as part of an ongoing rejuvenation to cater for a differentiated lifestyle experience.

For Property Development, we successfully launched all our developments. With active marketing efforts, both 10 Evelyn and M5 recorded more units sold during the year.

Our latest luxurious, freehold residential development, Sanctuary@Newton, located at 2 Surrey Road, was launched in October 2022. Developed by ASK Development Pte Ltd (a joint venture between Creative Investments Pte Ltd – a subsidiary of Amara Holdings Limited, Santarli Capital Venture Pte Ltd and Kay Lim Realty Pte Ltd), this residential property is the epitome of understated elegant living with comprehensive facilities including two pools and underground carpark, strategically located in one of the most coveted prime district in Singapore. As part of our long-term strategy to bring choice developments to discerning home buyers, through creating unique experiences for all our properties, this will set us apart from other developments.

Real estate statistics released by the Urban Redevelopment Authority (“URA”) showed that prices of private residential properties increased by 8.6% in 2022, compared to a growth of 10.6% in 2021. Sales declined to 7,099 private residential units in 2022, compared with the 13,027 units in the previous year<sup>8</sup>.

Overall, market activity was less buoyant in 2022 due to macroeconomic headwinds, higher interest rates and the latest round of cooling measures implemented by the government on 30 September 2022. The Group expects private home prices to continue rising in 2023, although at a more moderate rate. We will stay cautious and be selective in replenishing our land bank.

In addition to Sanctuary@Newton – a joint development, we remain focused on the sale and delivery of our freehold sites, 10 Evelyn, M5 and Bedok Avenue, with active marketing efforts. These choice developments in prime locations, which are well-designed and attractively priced, will cater to discerning homeowners and real estate investors.

## SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services arm recovered gradually with the easing of restrictions, following the reopening in April 2022.

With the reopening, corporate and social dining in restaurants picked up pace and our restaurants saw more diners socialising and dining with business associates and guests face-to-face. To complement our revenue streams, we continue to leverage on e-commerce platforms for takeaway and delivery services as our customers enjoy the convenience of having their favourite cuisine at home. This has become an intrinsic part of our customers’ lifestyle.

Moving forward, we aim to constantly refresh our menus and to serve all our guests with unique dining experiences.

<sup>8</sup> Urban Redevelopment Authority, 27 January 2023 – Release of 4th Quarter 2022 real estate statistics.

## OUTLOOK - POISED FOR GROWTH

While global inflation is expected to fall in 2023, according to the International Monetary Fund, global growth is also projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023. As such, the Group is cautiously optimistic of the industries' outlook in the long term. Nonetheless, we acknowledge that international tourism growth is on track to accelerate, which brings great opportunity to the Group.

As the world gradually enters into a post-pandemic phase, we will move in tandem with the pace of change and increased level of activity by being proactive and remaining nimble in our operations and management. These will put us in good stead as we improve our business performances.

Backed by a resilient and balanced asset portfolio and armed with our constant pursuit for value creation, amid the global uncertainties, we are well-positioned to prevail over challenges arising from the aftermath of the pandemic. We will maintain a prudent approach in our financial management and forge a lean and nimble business structure, generating long-term sustainable value for our investors. These will allow our businesses to be future-ready and poised for growth ahead.

## 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\$2.9 million. The proposed dividend translates to a payout ratio of about 44.6% of Amara's FY 2022 net profit.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank our Non-Executive, Independent Directors, Mr Chia Kwok Ping and Mr Tan Tiong Cheng for their past contributions.

We extend a warm welcome to our new Independent Directors – Mr Bill Chua and Mr George Seow, who came on board on 11 May 2022; our Lead Independent Director, Ms Ginney Lim, who joined us as an Independent Director on 11 May 2022 and was appointed Lead Independent Director on 6 June 2022; and Mr Tan Kim Seng, who joined on 31 July 2022. This is in line with Amara's focus on board diversity which is imperative as we strive to deliver on our growth strategy. The Board and Management remain fully committed to a high level of corporate governance, transparency and stakeholder engagement.

I would like to convey my deepest appreciation to our management and staff for all your hard work and commitment which are invaluable during these challenging times. To our business partners and associates, our customers and shareholders, our utmost appreciation for your continued support throughout this period.

Looking ahead, Amara is poised for growth while staying grounded to strengthen our unique offerings in all three interrelated core businesses.

## ALBERT TEO HOCK CHUAN

Chief Executive Officer  
30 March 2023

<sup>9</sup> International Monetary Fund, January 2023 – World Economic Outlook - Inflation Peaking amid Low Growth.

# COMPOSED & ASSURED



*Amara Signature Shanghai*

# 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 Element 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.

### 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 Sanctuary Resort, Sentosa*

## 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 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. A line-up of restaurants and cafes, namely, So Good Char Chan Teng, 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 office.

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 shop. 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. The development obtained TOP in November 2022.



10 Evelyn

## SANCTUARY@NEWTON

A refined abode in a location coveted by many, Sanctuary@Newton is a freehold boutique development by the city, nestled in the quaint neighbourhood of Newton.

An exquisite collection of well-designed apartments, Sanctuary@Newton offers modern luxury, appealing amenities and multi-faceted experiences for the discerning.

Located at 2 Surrey Road, this iconic development is designed by AGA Architects. Featuring 38 units of 2, 3 and 4-bedroom types, it is a short walk to Novena and Newton MRT, Health City Novena and reputable schools.

Sanctuary@Newton's comprehensive facilities include basement carpark, Level 1 Gym, Function Room, Playground, BBQ Area, Pool, Bicycle Parking Lots, Sky Terrace on Level 6, Sky Pool and Sky Pool Pavilion on Level 15.

Sanctuary@Newton is jointly developed by Creative Investments Pte. Ltd. (a subsidiary of Amara Holdings Limited), Santarli Capital Venture Pte. Ltd. and Kay Lim Realty Pte. Ltd.



Sanctuary@Newton

## 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.



*Bedok Avenue*

## BEDOK AVENUE

Located in the East Coast of Singapore, the exclusive 2 pairs of semi-detached houses at 13 and 15 Bedok Avenue are ideally situated on a private and tranquil residential street, within minutes of the airport and major expressways. The houses are ideally suited for multi-generational families, with spacious common areas and accessibility features like lifts and elderly-friendly finishes.

The luxury of space is exemplified by over 5,200 square feet of build up area in each house, featuring a double height ceiling and a generous 10 metres width for each house. Each 3-storey semi-detached bungalow is well-designed with 5 bedrooms. It also features a roof terrace garden, 2 carpark lots and a lift.

Bedok Avenue is developed by Residential Development Pte. Ltd., a subsidiary of Amara Holdings Limited.



M5





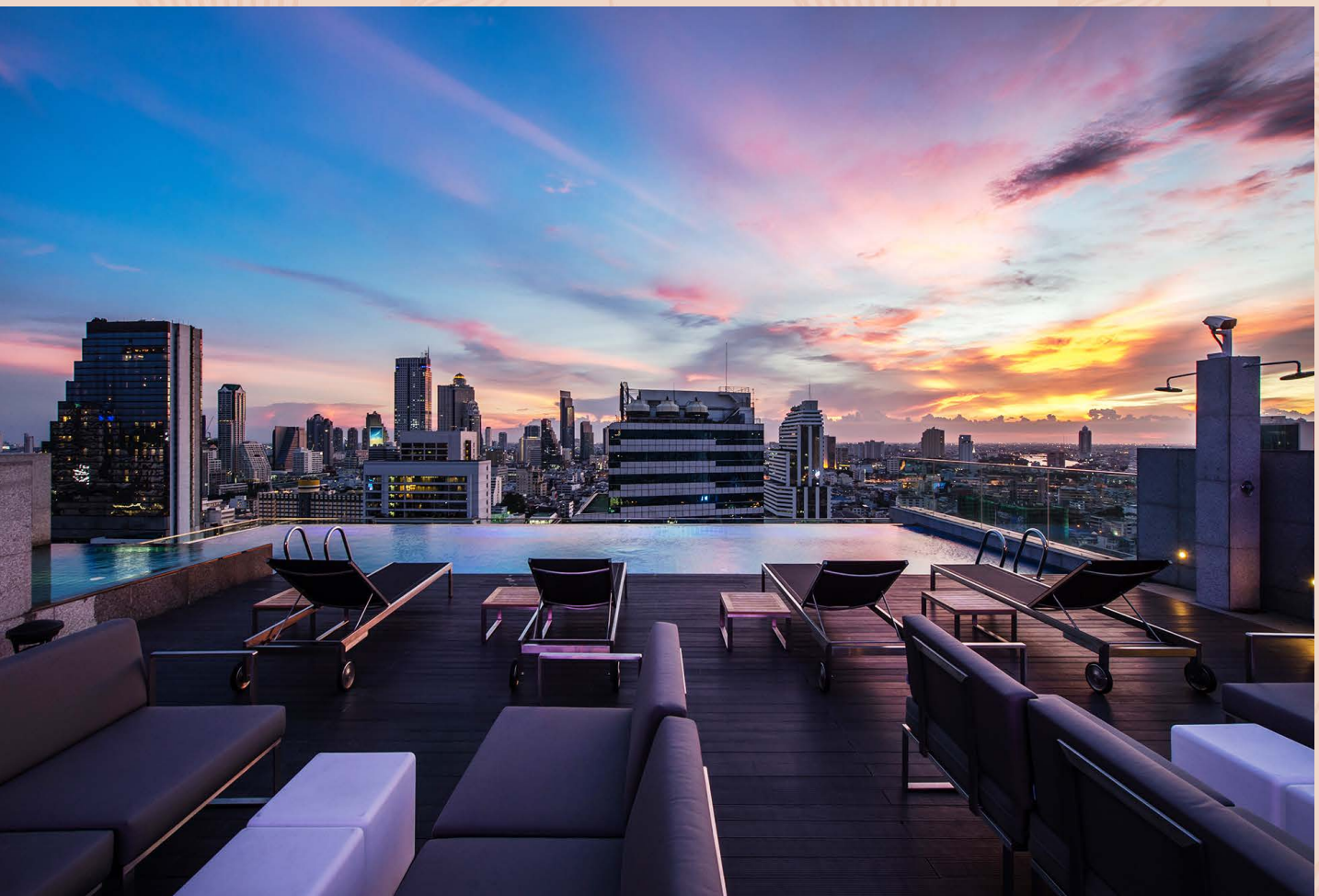
*Thanying Restaurant*

## **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.

# PASSION & FORTITUDE



Amara Bangkok

# BOARD OF DIRECTORS



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

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

Mr Albert 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.

Mr Teo was a board member of Singapore Hotel Association (SHA) from September 2005 to November 2022 and served as its President 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  
26 April 2022

Ms Susan Teo has held the position of Company Secretary since 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 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 working experience spanning across Public Accounting, Information Technology and Engineering industries. His experience include financial and management accounting, treasury management, corporate planning, change management, quality and workplace safety and health process management, IT customer service operations management, logistic operations and general business management.

Currently, Mr Mok is a consultant in business operations and risk management. He holds a Bachelor of Accountancy (Hons) degree from the University of Singapore (now known as the National University of Singapore) and is a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia. Mr Mok holds various certifications related to construction productivity, BizSafe and general management.



**GINNEY LIM MAY LING**  
**Non-Executive, Lead Independent Director**

First appointed  
 11 May 2022

Ms Ginney Lim joined the Board of Amara Holdings Limited in May 2022 and was appointed Lead Independent Director in June 2022. She serves as the Chairman of the Remuneration Committee and is a member of the Nominating Committee.

Ms Lim is General Counsel, Executive Vice-President, Group Communications and Group Company Secretary of Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Private Limited) ("CPIPL"). She heads the Secretariat/Legal Division and oversees the Group Communications Division of CPIPL. She was also the General Manager of Singapore Press Holdings Foundation Limited, an Institution of Public Character established in 2003 by Singapore Press Holdings ("SPH") until December 2021.

When she joined SPH, Ms Lim was tasked to set up the Secretariat/Legal Division. She is responsible for the corporate secretarial, legal, compliance and corporate communications functions in the SPH Group and sits on several steering and senior management committees. She also had oversight of the risk management department when it was set up as an independent unit in SPH and used to manage the insurances for the SPH group.

Ms Lim is a director of PARAGON REIT Management Pte Ltd (formerly known as SPH REIT Management Pte. Ltd.) which is the manager of PARAGON REIT (formerly known as SPH REIT), a real estate investment trust listed on the mainboard of the Singapore Stock Exchange. She is also a director of several subsidiaries of CPIPL. She is a member of the NUS Law Advisory Council and the Singapore Institute of Directors Company Secretaries Network. She is also a specialist mediator of the Singapore International Mediation Centre.

Ms Lim has a LLB Honours Degree from the National University of Singapore and was admitted as an Advocate & Solicitor, Singapore Bar. She has vast experience and expertise in mergers and acquisition in Singapore, Indonesia, Thailand, the United Kingdom, Germany, Australia and Japan. She was also involved in several major initial public offerings, major corporate restructuring projects, capital reduction exercises, fund raising through issuance of medium term notes and perpetual bonds, divestments of major assets and businesses, schemes of arrangement and takeover matters.



**BILL CHUA TECK HUAT**  
Non-Executive, Independent Director

First appointed  
11 May 2022

Mr Bill Chua was appointed as an Independent Director of the Board of Amara Holdings Limited in May 2022. He chairs the Nominating Committee and is a member of the Audit Committee and the Remuneration Committee.

Mr Chua is a seasoned banker with 34 years at Citibank, United Overseas Bank and Overseas Union Bank. He has extensive experience in business management, deal structuring, capital markets, investments, distribution, risk management, operations, people development, project and change management at these banks. After a successful and distinguished career covering institutional, commercial, and retail banking, he retired from United Overseas Bank in November 2014 as the Managing Director and Head of Global Financial Institutions Group.

Mr Chua has also been on various local and foreign boards for more than 20 years. He has been involved with companies in engineering, design and built, technology, finance, investments, education, research, and project implementation. Given his extensive banking experience and engineering background, he often focuses on business strategy, and provides oversight on the governance, risk and compliance functions on the boards.

Mr Chua is a Colombo Plan Scholar. He holds a Bachelor of Arts (Economics) Degree and a Bachelor of Engineering Honours Class 1 (Industrial) Degree from the University of Newcastle, Australia. He is a Fellow of the Singapore Institute of Directors, and a Fellow of the Institution of Engineers, Singapore. He is active in the financial, education and social communities, and was awarded the Public Service Medal (PBM) in 2004, and the Public Service Star (BBM) in 2012 by the Government of Singapore.



**GEORGE SEOW EWE KEONG**  
Non-Executive, Independent Director

First appointed  
11 May 2022

Mr George Seow joined the Board of Amara Holdings Limited in May 2022. He chairs the Audit Committee and is a member of the Nominating Committee as well as the Remuneration Committee.

Mr Seow has over 25 years of experience in heading the finance organisations of multinationals in Malaysia. After completing his Bachelor of Commerce from The University of Western Australia, he joined a Chartered Accountants firm in Perth where he did his articleship and obtained his Associate membership from The Institute of Chartered Accountants in Australia. He then joined Kassim Chan & Co, Malaysia (now known as Deloitte Malaysia) as audit supervisor.

Mr Seow moved on to head the finance organisations at various US multinationals. He joined Motorola Penang as Financial Controller. Thereafter he started the finance team as a pioneer at Control Data/Imprimis, later called Seagate Malaysia. At Seagate he oversaw its growth to become one of the largest employers in the electronics industry in Malaysia. He held the position of Vice President Finance in charge of finance for its three plants in Malaysia. After his retirement from Seagate he was recruited to head the finance organisation in Komag Malaysia on a contract basis for four years with the objective, among others, to stabilise the turnover rate of its vital finance organisation and to provide finance leadership of its SAP ERP (Enterprise Resource Planning) implementation.

While Mr Seow has retired from active work, he still holds membership in the Malaysian Institute of Accountants with the designation of Chartered Accountant, Malaysia.



**TAN KIM SENG**  
**Non-Executive, Independent Director**

First appointed  
 31 July 2022

Mr Tan Kim Seng was appointed as Independent Director of the Board of Amara Holdings Limited in July 2022. He is a member of the Audit Committee and the Remuneration Committee.

Mr Tan embarked on his career in the hospitality and real estate industry, after being awarded the inaugural Shangri-La Scholarship in 1981 to pursue a Bachelor of Science degree at the renowned Cornell University's School of Hotel Management in the United States, graduating at the top of his class as Class Valedictorian in 1985.

After a decade with Shangri-La Asia in various operational and corporate roles in Singapore, Hong Kong, China and Malaysia, he moved over to Allgreen Properties Limited to oversee the development and operations of serviced apartments and other hospitality investments for another decade.

As Senior Vice-President for Millennium & Copthorne Hotels & Resorts from 2007-2008, Mr Tan oversaw the group's 18 hotels in the Asia Pacific, prior to joining SGX-listed OUE Limited in 2008. He was Chief Operating Officer of Meritus Hotels & Resorts as part of the OUE Group, and served as Advisor (Hospitality) of OUE Limited until the end of 2022.

Apart from participating as featured speaker and panellist in numerous international tourism and travel conferences, Mr Tan also serves on a number of corporate boards and committees – as a Director on the Board of the Singapore Hotel Association; as President of the Singapore Serviced Apartments Association; as Advisor on the Cornell-Nanyang Institute's Advisory Panel; as Advisor for the SAFRA Strategic Review Steering Committee; as Vice-President of the Cornell Hotel Society; as Executive Committee member of the Orchard Road Business Association; as Advisor on the SDH Institute Industry Advisory Board; and as Honorary Advisor for Horwath International's Hotel Annual Studies Advisory Board.

He was also Managing Director of the Asia Pacific Region for IFH Worldwide, a global training and quality performance benchmarking service provider for the international hospitality industry from 2013 to 2015.

From 2006 to 2011, Mr Tan also served as a Non-Executive, Independent Director of SGX-listed Maveric Ltd.



**DAWN TEO SHAO-LYNN**  
**Alternate Director to Albert Teo Hock Chuan**  
**Director, Strategic Planning and Corporate Development**  
**Senior Vice President, Amara Hotels and Resorts**

First appointed  
9 March 2023

Ms Dawn Teo was appointed as Alternate Director to Mr Albert Teo Hock Chuan on 9 March 2023.

At Amara, Ms Teo is responsible for branding and sales & marketing of the Hotel Investment and Management division. She also spearheads the Group's investment and acquisition strategies in the region.

Ms Teo is also the Co-Founder and Director of Objectifs, a visual arts space in Singapore that focuses on film and photography and their value to society.

Prior to joining Amara, Ms Teo held senior positions in several multinational banks, and has spent over a decade with UBS AG and Credit Suisse AG. She is a graduate of The Wharton School at the University of Pennsylvania with a Bachelor of Science in Economics.

Ms Teo has been serving on the Boards of the Singapore Hotel Association and SHATEC, since November 2022 and June 2017 respectively.



*Element, Amara Singapore*



# ARDOUR & FERVOUR

# OPERATIONS AND FINANCIAL REVIEW



*Amara Signature Shanghai*

The Group posted a revenue of S\$93.7 million for the financial year ended 31 December 2022 (“FY 2022”), an increase of 40% from S\$66.9 million in the previous corresponding year (“FY 2021”). This was mainly due to higher revenue from all three business segments – Hotel Investment and Management, Property Investment and Development as well as Specialty Restaurants and Food Services. Net profit attributable to owners of the Company was S\$6.5 million, a slight decline from the net profit attributable to owners of the Company of S\$7.6 million in FY 2021.

The Hotel Investment and Management segment, which contributed to 52.4% of the Group’s revenue in FY 2022, grew 18.5% in revenue from S\$41.4 million in FY 2021 to S\$49.1 million in FY 2022. The Property Investment and Development segment, which represents 45.9% of the Group’s revenue, increased 74.4% from S\$24.6 million in FY 2021 to S\$43.0 million in the year under review. The Specialty Restaurants and Food Services segment, which made up the remaining 1.7% of the Group’s revenue, nearly doubled year-on-year, from S\$0.8 million in FY 2021 to S\$1.6 million in FY 2022.

Amara’s liquidity and gearing ratio remained healthy, with a cash and bank balance of S\$20.9 million as at 31 December 2022, while our net gearing stood at 45.9% in FY 2022 as compared to 47.4% in FY 2021. We remain well supported by our principal bankers and available banking facilities.

Net asset value per share declined slightly to 67.95 Singapore cents as at 31 December 2022, from 69.89 Singapore cents a year ago. Earnings per share stood at 1.12 Singapore cents in FY 2022, compared to 1.31 Singapore cents in FY 2021.

## HOTEL INVESTMENT AND MANAGEMENT

Amara's largest contributor to the topline, the Hotel Investment and Management segment, reported S\$49.1 million in revenue, an increase of 18.5% from FY 2021 revenue of S\$41.4 million. This segment makes up 52.4% of Amara's business.

Almost three years after the COVID-19 pandemic first upended international travel, passenger numbers are gradually on the rise, with more countries easing border restrictions. Singapore's MICE (meetings, incentives, conventions and exhibitions) industry is also coming back stronger, as the return of physical events saw more corporate meeting groups and weddings held at Amara Singapore and Amara Sanctuary Resort, Sentosa.

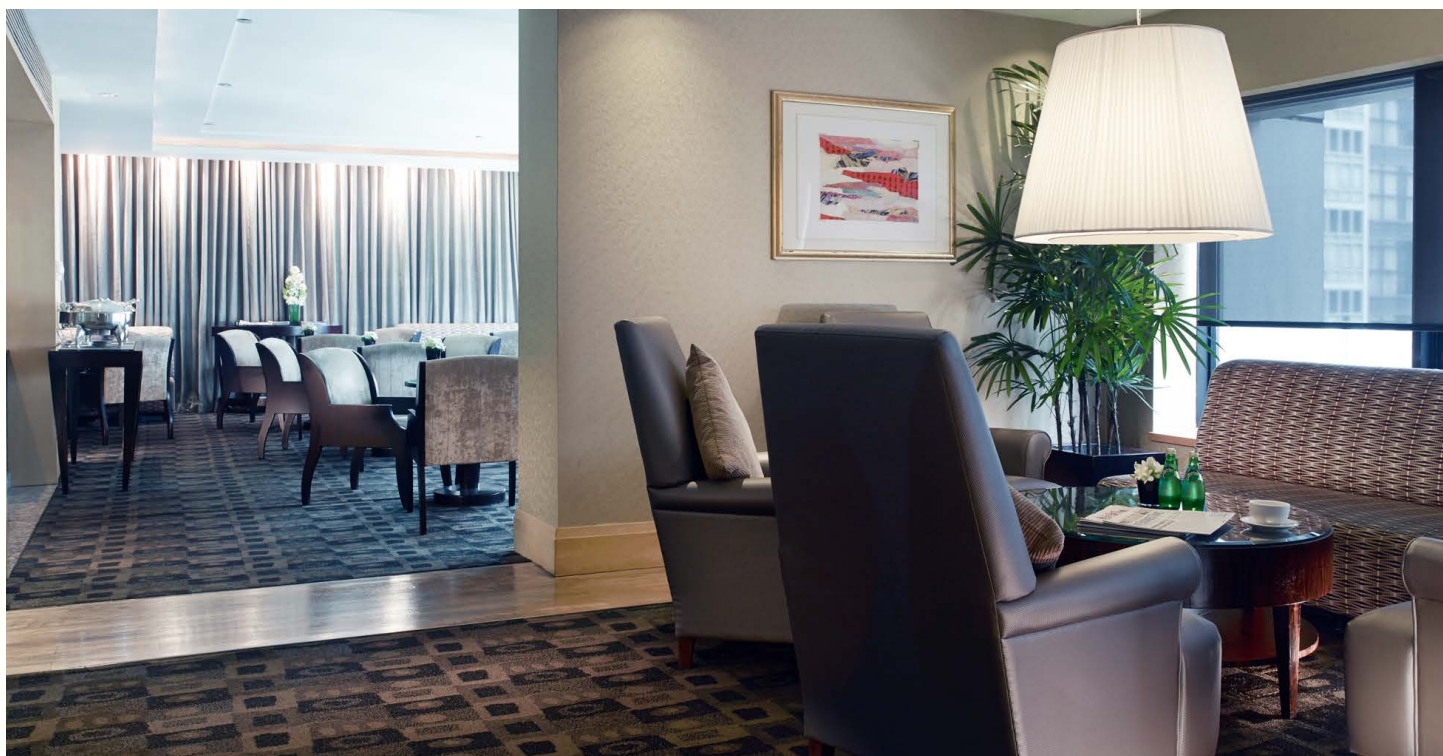
The Group is cautiously optimistic on the global tourism industry and anticipates tourism activity to double in 2023 compared to 2022. However, the recovery of the industry is also dependent on ongoing economic headwinds, such as higher inflation, rising interest rates and the spillover effects from the ongoing Russia-Ukraine war.

### SINGAPORE

Singapore's tourism performance had improved greatly in 2022 compared to 2021. International visitor arrivals reached 6.3 million in 2022, while tourism receipts reached an estimated S\$13.8 billion to S\$14.3 billion last year show encouraging signs of recovery in the tourism industry.

In an effort to boost international arrivals to Singapore, the Singapore Tourism Board ("STB"), unveiled the SingapoReimagine Marketing Programme in 2022 focused at tourism recovery. Through increased marketing support for local businesses in the tourism and lifestyle sectors, STB wants to raise the profile of tourism stakeholders and enhance tourist-related offerings.

As Singapore's tourism industry accelerates, the industry is well prepared to welcome more international visitors as local COVID-19 case numbers are no longer reported and almost all COVID-19 measures removed in February 2023. Businesses in the tourism industry have also learned how to better manage their manpower



Amara Singapore

<sup>1</sup> Singapore Tourism Board, 17 January 2023 – Singapore's tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023.

needs and invest in new offerings to woo customers. In addition, the recent announcement of the Singapore government lifting all pandemic border measures will drive the recovery of the accommodation, food and beverage and MICE services.

In 2022, both our hotels in Singapore – our flagship hotel, Amara Singapore, and Amara Sanctuary Resort, Sentosa saw an increase in corporate meeting groups and weddings, following the return of international travel and the easing of COVID-19 restrictions. This was also made possible as the Group created special prices for corporate booking packages and placed a stronger emphasis on utilising social media and e-commerce platforms to promote our hotel products and offerings.

Constantly staying ahead of its competition, by being adaptive and innovative, Amara creates new products and unique experiences that will be memorable for our guests. Targetting domestic tourists, Amara Sanctuary Resort, Sentosa actively promoted work-cation and staycation packages in 2022, including staycation with pets. These novel ideas drew strong interest locally, especially since international travel was still slowly picking up pace. Our offerings, which included new room packages inclusive of a dinner or lunch set at our restaurants, allowed guests to take a break away from home especially those who were still working from home entirely.

In 2022, Amara Sanctuary Resort, Sentosa also teamed up with Core Collective to launch Core Collective Sentosa, a fitness and wellness retreat complete with an outdoor bootcamp and functional training area, a fully equipped indoor personal training gym, and a variety of spa, treatment, and consultation rooms. The destination drew interest from families, couples and friends alike. A new F&B tenant at the resort, Imamura Japanese Restaurant by a Michelin-starred chef, opened in early 2022. The restaurant offers Japanese fine dining in a luxurious setting.

Even as the COVID-19 situation becomes stable, as added assurances for our guests, we continued

to implement hygiene practices such as frequently sanitising our rooms and public areas. We also implemented a takeaway option at our food and beverage (“F&B”) outlets at Amara Sanctuary Resort, Sentosa for guests to minimise contact with staff.

Against the backdrop of higher inflation and rising staff costs, the Group undertook digital transformation and the optimisation of manpower resources across job functions. To reduce energy costs for a sustainable growth, the Group introduced energy saving and sustainability measures across various properties.

Amara weathered the challenges of 2022 and transformed them into opportunities to grow and improve continuously. Through seeding new ideas that will take us to the next level, Amara is poised for growth as the world heads into a new era post-COVID-19.

## SHANGHAI

In December 2022, China unveiled the end of its strict zero-COVID policy. Lockdowns were lifted and authorities announced that the country will do away with quarantine requirements for overseas arrivals the following month.

For 2022, China’s domestic tourism remains relatively strong. According to statistics from The State Council, 2022 registered 2.53 billion domestic tourists, down by 22.1% over that of the previous year<sup>2</sup>. However, the country expects its tourism market to flourish in 2023. According to data from the China Tourism Academy, domestic tourism revenue in 2023 could recover to about 71% of 2019 levels. Meanwhile, inbound and outbound tourist numbers are expected to reach 90 million, doubling year on year<sup>3</sup>. Both inbound overseas tourism and domestic tourism play integral roles in China’s tourism landscape.

In 2022, Amara Signature Shanghai created and marketed multiple promotions, such as room packages including F&B offers as well as MICE packages for corporate bookings.

<sup>2</sup> National Bureau of Statistics of China, 28 February 2023 – Statistical Communiqué of the People’s Republic of China on the 2022 National Economic and Social Development.

<sup>3</sup> Reuters, 22 February 2023 – China expects sharp rebound in tourism this year.

## Amara Bangkok



During the year, due to travel restrictions imposed on cities with COVID cases, the hotel saw cancellations of reservations by domestic travellers. It was also particularly affected in April and May 2022 as Shanghai went into a lockdown due to a spike in infections.

However, this was alleviated by the support from the government medical teams from other provinces who stayed at the hotel during the lockdown period. Nonetheless, for the whole of 2022, the hotel saw the number of domestic leisure guests increased during the long public holiday periods. As business trips gradually resumed within China, the hotel was also a popular destination for work-related meetings.

As a dynamic metropolis in China, Shanghai is a leading travel destination among foreign and domestic tourists alike. With China's reopening, Amara Signature Shanghai will focus on capturing the strong demand for leisure and business travel into and within China. The Group's unique Amara integrated lifestyle experience is honed and refined continuously, through the hotel's proximity to 100 AM Shanghai, which houses both a Grade A office tower and mall.

Meanwhile, for a long-term sustainable growth, we strive to manage costs as well as support local trade through procurement of F&B products from local sources instead of importing. Our manpower resources are also optimised across job functions through the implementation of cross-functional roles.

To sustain growth in the long term, Amara Signature Shanghai will work on improving our operational processes on an ongoing basis while closely monitoring spending.

## BANGKOK

In mid-2022, Thailand authorities ended almost all travel restrictions. Masks were no longer required and the country's colour-coded system aimed to differentiate dining activities and gatherings across provinces also ceased to exist. Authorities also scraped a testing mandate to attract more tourists. These measures proved to be highly effective. According to data from the Tourism Authority of Thailand, Thailand received 11.15 million foreign visitors in 2022, a 26-fold surge from 428,000 in the previous year<sup>4</sup>.

To increase revenue from domestic travellers, Amara Bangkok actively promoted online promotions for hotel stay packages. We also advertised our premises for corporate and small meeting groups which resulted in an increase in bookings from companies.

The Group is confident that Thailand's tourism industry is on the right track to recovery. Bangkok is a vibrant city that continues to attract tourists. With Amara Bangkok's strategic location near the city centre and excellent service, we are well-positioned to capitalise on the fast pace of tourism recovery in Thailand.

<sup>4</sup> Reuters, 24 January 2023 – Thailand beats 2022 tourism target with 11.15 mln foreign arrivals.

## PROPERTY INVESTMENT AND DEVELOPMENT

The Property Investment and Development segment contributed 45.9% to the Group's topline or S\$43.0 million, a growth of 74.4% from S\$24.6 million recorded in the previous corresponding year.

### COMMERCIAL

For 2022, prices of office space decreased by 0.1%, compared with a decrease of 5.8% in 2021. Rentals of office space increased by 11.7%, compared with the increase of 1.9% in 2021<sup>5</sup>.

On the other hand, prices of retail space decreased by 7.8%, compared with the decrease of 4.2% in 2021, while rentals of retail space decreased by 2.4%, compared with the decrease of 6.8% in 2021<sup>5</sup>.

Our mixed-use development in Singapore, 100 AM, maintained the same occupancy as 2021 for the office tower. For the retail mall, occupancy was lower in 2022 mainly due to the non-renewal of an anchor tenant. However, the vacant area has since been leased to MUJI, a new tenant, and the store and cafe will open in early April 2023.

The office tower at 100 AM Shanghai remains fully leased to JA Space, which operates office co-sharing services to other enterprises. The retail mall generated lower revenue in the year as it was in part affected by Shanghai's lockdown in April and May as well as COVID-19 restrictions throughout the year.



100 AM Mall

<sup>5</sup> Urban Redevelopment Authority, 27 January 2023 – Release of 4th Quarter 2022 real estate statistics.

## RESIDENTIAL

According to the Urban Redevelopment Authority, prices of private residential properties increased by 8.6% in 2022, compared to a growth of 10.6% in 2021. Sales declined to 7,099 private residential units in 2022, compared with the 13,027 units in the previous year<sup>6</sup>. The decline can be attributed to several factors, such as rising interest rates, growing inflationary pressures and the lack of new launches.

Amara's residential projects, catering to discerning homebuyers, are located in prime districts, tastefully designed and well-positioned for the right market.

10 Evelyn and M5 both sold more units in 2022 as compared to 2021. The Temporary Occupation Permit for 10 Evelyn was obtained in November 2022. Meanwhile, construction for the Bedok Avenue project continue to be impacted by labour shortages. This is due to a backlog of projects in the construction industry arising from the pandemic.

We recognise that overall market activity was less buoyant in 2022 due to macroeconomic headwinds, higher interest rates and the latest round of cooling measures implemented by the government on 30 September 2022. While we expect private home prices to continue rising in 2023, the pace of growth is likely to moderate.



Sanctuary@Newton

<sup>6</sup> Urban Redevelopment Authority, 27 January 2023 – Release of 4th Quarter 2022 real estate statistics.

## SPECIALTY RESTAURANTS AND FOOD SERVICES

In April 2022, the Singapore government announced a major easing of COVID-19 rules. From 26 April 2022, group size limits and safe distancing requirements were removed. As a result, our Specialty Restaurants and Food Services segment managed to recover gradually. The Specialty Restaurants and Food Services segment nearly doubled year-on-year, posting a revenue of S\$1.6 million in FY 2022.



*Thanying Restaurant*

With the reopening and easing of restrictions, more patrons are dining at our restaurants especially for corporate and social dining as diners are eager to meet and socialise with friends and business associates once again. To complement the revenue streams, the restaurants continue to leverage on e-commerce platforms for takeaway and delivery services as diners enjoy the ease and convenience of savouring their favourite signature dishes in the comfort of their home.

Our restaurants remain versatile and adaptable at all times to meet the ever-changing needs of local consumers. As we adjust and fine-tune our operational efficiencies and develop new exciting menu and signature dishes, we believe that our restaurants will stay on the recovery path and bounce back even stronger.



# POISED FOR GROWTH

As the world gradually enters into a post-pandemic phase, international tourism growth is on track to accelerate. The Group is cautiously optimistic of the industries' outlook in the long term and will continue to monitor global developments such as inflation, interest rates and the Russia-Ukraine war. At the same time, the Group will remain prudent in cost and capital management for its three business segments.

In FY 2022, the Group implemented its business continuity plan across all operations, launching various initiatives to increase revenue. These include partnerships with tour agencies, event organisers and third-party booking agents, to striving for government events as well as room bookings. We remain committed to improving the resilience of our business and will continue to upgrade internal processes and put in place cost containment measures.

Our liquidity and gearing ratios also remain healthy. Leveraging on our strong brand portfolio, Amara aims to seed new ideas that will elevate the Group's growth to the next level while nurturing our current offerings across all three interrelated business segments. We are prepared and ready for a post-pandemic future, confident as we poise for growth ahead.

# AWARDS AND ACCOLADES

## HOTEL INVESTMENT AND MANAGEMENT

### AMARA BANGKOK

#### Green Hotel Award 2022

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

#### Travellers' Choice Award 2019, 2022

Awarded by TripAdvisor

#### 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

#### 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

#### Gold Circle Award 2022

Awarded by Agoda

#### Outstanding Business Hotel Award 2022

Awarded by China Hospitality Brand Value Summit Committee

#### Best Business Hotel Award 2022

Awarded by Xinmin Newspaper China

#### Best WeChat Marketing Hotel 2020-2022

Awarded by Honeybird

#### 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

#### 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****Green Mark Platinum Award 2022-2025**

Awarded by Building and Construction Authority

**Energy Efficient Building (Retrofitted Building)****Asean Energy Award 2022**

Awarded by ASEAN Centre for Energy

**National Kindness Award 2022****Service Gold****Alvin Ker Jia Jun**

Awarded by 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

**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 &amp; Dine

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

Awarded by Wine &amp; Dine

**AMARA SINGAPORE****Travellers' Choice 2020, 2022 – Best of the Best**

Awarded by TripAdvisor

**SG Clean Award 2020, 2022**

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  
1992-2022**

Awarded by Singapore Tatler

**Certificate of Excellence 2016-2018**

Awarded by TripAdvisor

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

Awarded by Wine & 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

**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**

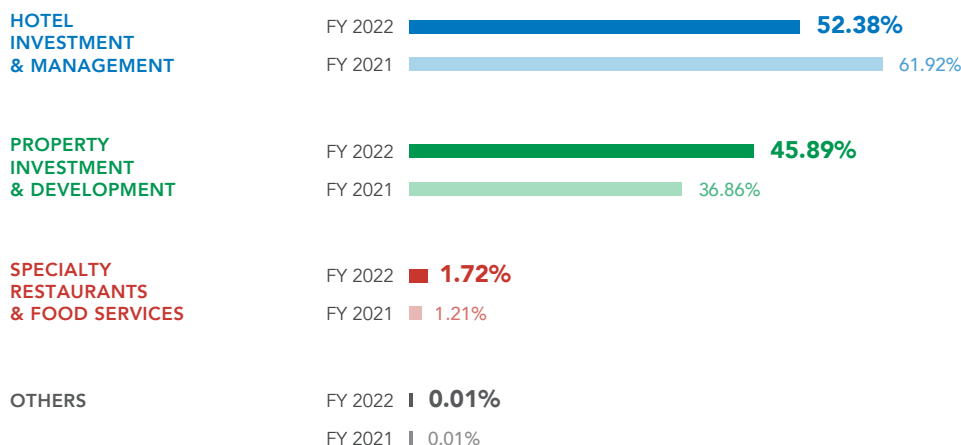
Awarded by Singapore Tourism Board

# FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December 2022

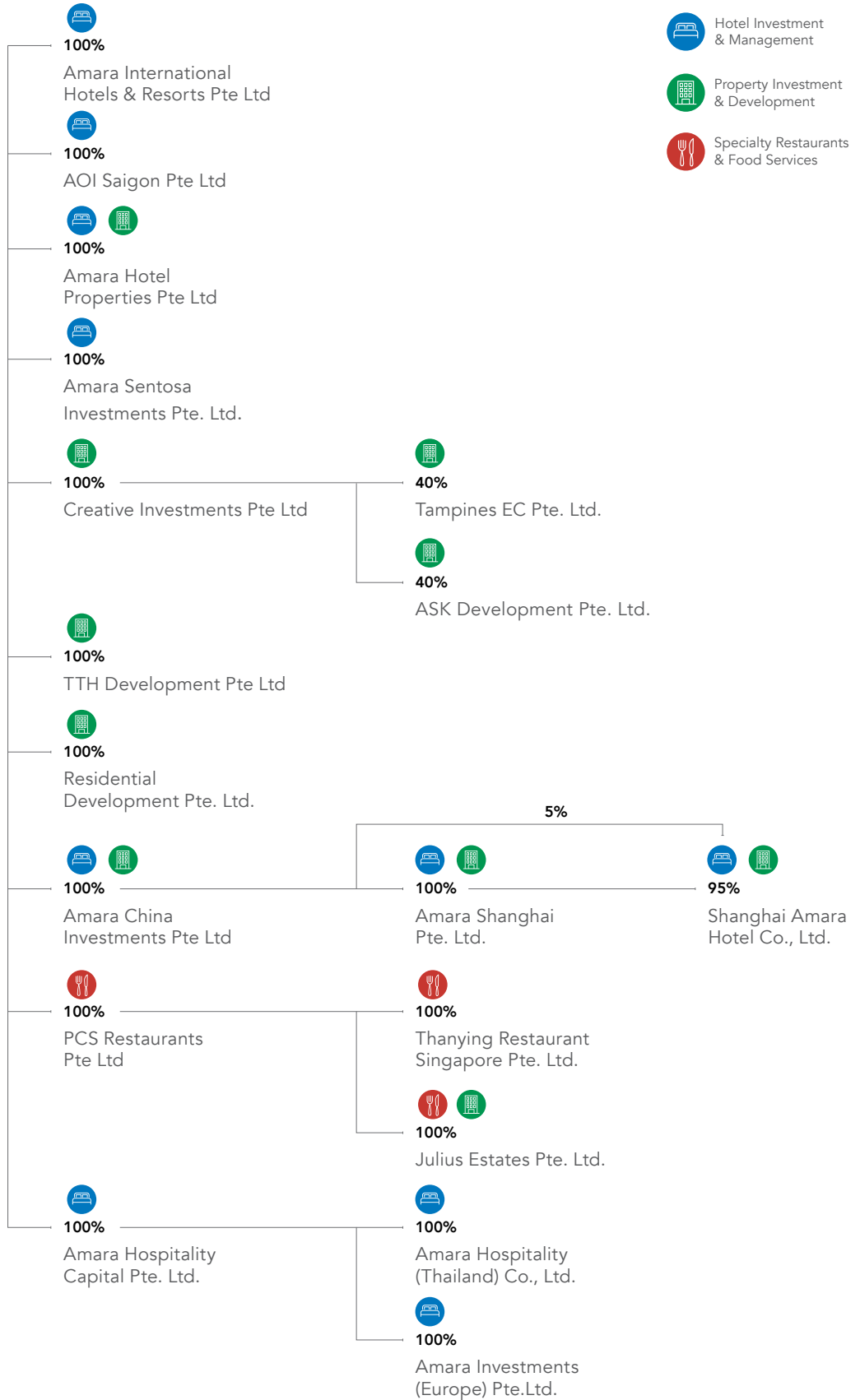
	FY 2022 S\$'000	FY 2021 S\$'000
<b>Income Statement</b>		
Revenue	93,685	66,873
Profit before tax	9,320	9,951
Income tax expense	(2,868)	(2,401)
Profit attributable to shareholders	6,452	7,550
<b>Financial Ratios</b>		
	%	%
Profit attributable to shareholders as percentage of revenue	6.89	11.29
Gearing ratio	45.90	47.40
<b>Per Share Unit</b>		
	Cents	Cents
Earnings per share	1.12	1.31
Net tangible assets per share	67.74	69.69
Net assets value per share	67.95	69.89
<b>Revenue By Country (%)</b>		
	%	%
Singapore	82.18	70.57
Thailand	4.26	2.32
China	13.56	27.11
<b>Revenue By Activity (%)</b>		
	%	%
Hotel Investment & Management	52.38	61.92
Property Investment & Development	45.89	36.86
Specialty Restaurants & Food Services	1.72	1.21
Others	0.01	0.01
	100.00	100.00

## REVENUE BY ACTIVITY (%)



# CORPORATE STRUCTURE

## AMARA HOLDINGS LIMITED



# SUSTAINABILITY REPORT FY 2022

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# BOARD STATEMENT

The Board of Directors ("Board") of Amara Holdings Limited ("Amara") is pleased to present the company's annual Sustainability Report for the financial year ended 31 December 2022.

At Amara, we are dedicated to incorporate environmental, social, and governance ("ESG") considerations into all aspects of our operations and ensuring transparency in our decision-making processes to create sustainable value for all of our stakeholders.

The Board has the overall responsibility for Amara's sustainability strategies and reporting. The Board reviews Amara's sustainability mission, strategies, material factors, control measures and performance annually. Guiding our sustainability agenda are the Sustainability Steering Committee ("SSC") and the Sustainability Task Force ("STF"). The SSC sets the direction for our sustainability efforts, while the STF is responsible for ensuring the successful execution of our initiatives. The STF oversees the implementation of our control measures and tracks Amara's ESG performance. ESG-related risks are reported to the Board annually. The SSC and the STF also provide advice to the Board on Amara's public reporting with regard to our ESG performance.

As we gradually emerge from the COVID-19 pandemic, Amara continues to take the necessary precautions to provide the best services to our customers. We place a strong emphasis on the health and safety of our employees and have implemented various measures such as frequent disinfection and contactless procedures to protect the health of our customers and employees in our hotels, malls, office buildings and restaurants.

We are continually improving our operations and expanding the value we offer to stakeholders. One of our priorities is the reduction of our greenhouse gas emissions ("GHG emissions"). In 2022, we have aligned our climate-related disclosures with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

As we progress on our sustainability journey, we will be regularly reviewing and revising our performance indicators and targets to align with our business objectives. We will also be strengthening our engagement with stakeholders to improve our sustainability efforts and practices in order to build 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 2022 (the “Reporting Period”).

## REPORTING FRAMEWORK

This Report has been reviewed by Amara’s Board and prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – Core Option, Singapore Exchange Securities Trading Limited (SGX ST) – Listing Manual (Rules 711A and 711B) and TCFD recommendations.

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 and TCFD recommendations are internationally-recognised standards which are applicable to the industry that Amara operates in. The use of the GRI Standards and TCFD recommendations 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
People’s Republic of China (PRC)	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 2022. Amara’s business in residential property developments 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, Bedok Avenue and Sanctuary@Newton.

# STAKEHOLDER ENGAGEMENT

We recognise that our stakeholders play a vital role in our sustainability journey, and engage them to identify and assess ESG-related issues and risks. By fostering long-term relationships and open communication, we aim to understand the expectations and concerns of our stakeholders.

We consider stakeholders to be entities or individuals who are significantly impacted by our actions or whose actions can impact our ability to achieve our objectives and implement our strategies.

The following stakeholders are identified through the review of Amara's operating environment based on the above criteria and their key feedbacks/concerns are 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 and 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/prevaling 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 section under Stakeholder Engagement. 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

In 2022, there are no changes to our material topics. 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 48 - 49)         </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 (Pgs 49 - 50)         </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 50)         </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 (Pg 51)             We also advocate fair employment by hiring from different backgrounds to build an inclusive and diverse work environment (Pg 51)             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 (Pg 52)         </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 53)         </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 (Pg 53)         </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 (Pg 55)         </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 57)         </li> </ul>	

# OUR ACHIEVEMENTS

Pillars	Material Factors	2022 Targets	2022 Achievements
<b>Environmental</b>	Energy and Emissions	Reduce or maintain the same consumption and intensity levels as 2021.	Our overall scope 1 and 2 GHG emissions remained relatively similar to 2021, with a 0.6% decrease.
	Water	Reduce or maintain the same water consumption levels as 2021.	Our water consumption level remained relatively similar to 2021, with a 2% decrease.
	Effluents and Waste	Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2021.	We have reduced amount of waste disposed by 30.3% and increased the proportion of recycled waste by 33.3%.
<b>Social</b>	Talent Retention	To adopt fair employment practices that are compliant with all relevant manpower laws and regulations in the jurisdictions we operate in.	Zero cases of non-compliance with employment standards and laws leading to material penalties or fines during the year.
	Occupational Health and Safety	Amara aims to have no workplace incident leading to fatalities or permanent disability during the year.	No incidents leading to fatalities or permanent disability during the year.
	Customer Health and Safety	No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers.	Zero cases of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers that result in significant fines or sanctions.
<b>Governance</b>	Ethics	Zero confirmed cases which are unethical, fraudulent, or corrupt in nature.	Zero confirmed incidents 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.	Zero incidents of non-compliance with relevant laws and regulations that result in significant fines or sanctions.
	Personal Data Protection	Zero incidents of data security breaches.	Zero reported incidents of data security breaches.

# ESG GOVERNANCE STRUCTURE

At Amara, the Board has the overall responsibility for our sustainability strategies and reporting. Our sustainability agenda is directed by the Sustainability Steering Committee (“SSC”) and managed by the Sustainability Task Force (“STF”). The SSC 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 in regard to its performance on ESG-related matters.

## ROLES AND RESPONSIBILITIES

The following are the roles and responsibilities of the relevant committees and departments in the management and reporting of sustainability practices at Amara:

Owners	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>• Formulates overall sustainability strategies and objectives.</li> <li>• Reviews reporting of material topics, sustainability practices and initiatives.</li> </ul>
Finance Department	<ul style="list-style-type: none"> <li>• Ensure that accounts are prepared accurately and timely.</li> <li>• Provides financial data for the purposes of monitoring and reporting of sustainability topics.</li> </ul>
Human Resources Department	<ul style="list-style-type: none"> <li>• Provides employee data for the purposes of monitoring and reporting of sustainability topics.</li> <li>• Oversees recruitment, employee compensation, training, health and safety, and benefits.</li> </ul>
Operations and Administration Departments	<ul style="list-style-type: none"> <li>• Implement environmentally friendly practices and technology in operations.</li> <li>• Monitor and track resource consumption, recycling and waste management in operations.</li> <li>• Address customers' requirements and concerns over our services.</li> </ul>

# ENVIRONMENTAL

As the world rallies to limit global temperature rise to well below 1.5°C as set out in the Paris Agreement, Amara seeks to do our part as well to reduce GHG emissions in our business activities. We are working towards developing strategies to build climate resilience across our business divisions, and the first step is to understand the potential risks and opportunities from climate change, as well as their financial impact on our businesses.

## TCFD REPORT

### GOVERNANCE

The Board has the overall responsibility for Amara's sustainability strategy, including climate-related risks and opportunities. Committees are established to evaluate and monitor climate-related risks and opportunities. Refer to the ESG Governance Structure on page 45 of the Report for further details.

### STRATEGY

We understand that climate change poses both risks and opportunities for Amara. To better understand these issues, we consider the risks of climate change in our decision-making and stay informed with the latest developments in climate adaptation and mitigation through engagement with our stakeholders. We have also adopted the TCFD recommendations as a framework for the management of climate-related risks and opportunities.

### METHODOLOGY

To assess the impact of climate change on our business, the TCFD recommends undertaking scenario analysis as a way of testing the business under different climate scenarios, including a 2°C or lower scenario.

Scenario	Paris-aligned scenario (below 2°C)	No mitigation scenario (4°C)
<b>Rationale</b>	We selected the scenario to assess the transition impacts in an economy shifting to a low carbon world as it reflects actions required to limit global warming to under 2°C.	We selected this scenario to assess our physical risk under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
<b>Underlying model</b>	International Energy Agency's Sustainable Development Scenario	Inter-governmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5
<b>Used to analyse</b>	Transition impacts	Physical impacts
<b>Assumptions</b>	Transition features: <ul style="list-style-type: none"> <li>• Increased regulations on industries to limit GHG emissions</li> <li>• Introduced carbon pricing</li> <li>• Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters</li> <li>• Increased generation from renewable energy</li> </ul>	Physical features: <ul style="list-style-type: none"> <li>• Global emissions continue to rise because of high carbon intensity</li> <li>• Global mean sea level rise of 0.63 metres by year 2100</li> <li>• High frequency and intensity of heat waves and extreme precipitation events</li> </ul>



# ENVIRONMENTAL

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

Taking into consideration the above scenarios, we have identified the following risks and opportunities, and their impact on our business should the above scenarios materialise.

### CLIMATE-RELATED RISKS

Risk Type		Impact
Physical Risks	Acute - Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> <li>Increased insurance premiums</li> <li>Reduced revenue from lower sales output</li> </ul>
	Chronic - Rising mean temperatures	<ul style="list-style-type: none"> <li>Longer dry spells leading to higher utilities costs</li> <li>Ageing and deterioration of facilities and equipment to maintain indoor temperature</li> <li>Lower work productivity</li> <li>Disruption of raw food supplies due to adverse climate</li> </ul>
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> <li>Increased compliance costs and operation costs</li> <li>Increased insurance premiums</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Capital investments into technology development</li> <li>Cost of adoption</li> <li>Increased write-offs and early retirement of existing assets</li> <li>Reduced demand for services</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Higher energy and water costs</li> <li>Changing consumer preferences such as demand for smart building facilities and green real estate could affect profitability</li> <li>Inability to meet customers' sustainability expectations could make our services less attractive</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Reduced revenue from negative image</li> <li>Reduction in capital availability</li> </ul>

### CLIMATE-RELATED OPPORTUNITIES

Risk Type	Impact
Resource Efficiency	<ul style="list-style-type: none"> <li>Enhancing energy efficiency and water conservation in our operations and business properties can reduce costs</li> </ul>
Energy Sources	<ul style="list-style-type: none"> <li>Reduced exposure to fossil fuel price increase</li> <li>Returns on investment in low-emission technology</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>Offerings with sustainable designs can attract environmentally conscious customers</li> <li>Returns on investment in low-emission technology</li> </ul>

### RISK MANAGEMENT

Amara acknowledges that maintaining a sound risk management framework is crucial to safeguard the interests of the Company and its shareholders. To keep abreast of any changes in existing regulatory requirements and for good corporate governance practice, Amara has formulated an Enterprise Risk Management ("ERM") Framework to guide the Group's management in approaching and mitigating sustainability-related risks.

As part of our annual ERM exercise, ESG risks are considered regular business risks and are identified, assessed, and managed to ensure that these risks remain within our risk appetite.

# ENVIRONMENTAL

## CLIMATE-RELATED RISKS

Risk Type		Mitigating Measures
Physical Risks	Acute - Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> <li>Business continuity plan and crisis management plan</li> <li>Develop climate-resilient policies and procedures as well as integrate them as a part of ERM efforts</li> </ul>
	Chronic - Rising mean temperatures	<ul style="list-style-type: none"> <li>Adopt more water efficient fittings and products</li> <li>Regular maintenance of equipment to improve efficiency</li> <li>Provide a better indoor environmental quality for our employees</li> <li>Maintain diverse supplier base for raw food supplies</li> </ul>
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> <li>Use of sustainable materials and technologies that are compliant with laws and regulations</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Progressive adoption of low-emission technologies</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Prioritise the reduction of emissions and pollutions in our value chain</li> <li>Leverage on opportunities to develop new markets</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Work closely with stakeholders to promote environmental-friendly practices in value chain</li> </ul>

## METRICS

In addition to our existing metrics and targets, we continue to perform best-suited practices to enhance our TCFD disclosures, which include improving our ability to collect, measure and report emissions, working with our suppliers and customers, as well as exploring new ways in which we can use analytics, automation, and artificial intelligence to enhance decision-making and transparency.

## GREENHOUSE GAS EMISSIONS

Amara contributes to air pollution mainly through two streams, in terms of fuel for motor vehicles and combustion of fuel or gas at our properties (Scope 1 Emissions), as well as indirectly through the consumption of purchased energy (Scope 2 Emissions).

### Scope 1 Emissions

	FY2021	FY2022	% Change
Gas Consumption (kg)	557,236	441,216	(20.8)
GHG Emission (tCO <sub>2</sub> e)	1,681	1,331	(20.8)
GHG Emission Intensity (tCO <sub>2</sub> e /m <sup>3</sup> of gross floor area)	0.012	0.009	(25.8)

Note: Emission factors and global warming potential used in the computation of GHG emissions are derived from GHG Protocol and IPCC respectively.

### Scope 2 Emissions

	FY2021	FY2022	% Change
Electricity Usage (kWh)	21,412,290	22,978,649	7.32
GHG Emission (tCO <sub>2</sub> e)	9,582	10,003	4.39
GHG Emission Intensity (tCO <sub>2</sub> e /m <sup>3</sup> of gross floor area)	0.067	0.070	4.48

Note: Emission factors and global warming potential used in the computation of GHG emissions are derived from the respective region's emission grid efficiency disclosed by authorities and IPCC respectively.

# ENVIRONMENTAL

The following measures were adopted to reduce our energy consumption and emissions at our properties.

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>• Rooftop greenery</li> <li>• Usage of water sub-meters for cooling tower and swimming pool</li> <li>• Promoting the World Wide Fund for Nature's "Earth Hour" 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>• Water-cooled system with efficiency of 0.564 kW/RT</li> <li>• Extensive greenery</li> <li>• Replacement of old air-cooled chillers with new water-cooled chillers, achieving a new Energy Efficiency of 0.6</li> <li>• Gradual replacement with LED lightings since 2018</li> </ul>
<ul style="list-style-type: none"> <li>• Amara Bangkok</li> <li>• Amara Signature Shanghai</li> <li>• 100 AM Shanghai</li> </ul>	<ul style="list-style-type: none"> <li>• Electric equipment were turned off for floors with no guests</li> <li>• Planned maintenance of equipment to optimise electricity consumption</li> <li>• Escalators and guest elevators were shut down after midnight</li> <li>• Gradual replacement with LED lightings since 2021</li> <li>• Adjusted indoor temperature based on weather</li> <li>• Shutting down of unused equipment, such as chillers, and floors</li> </ul>

## TARGETS AND PERFORMANCE

### Target for FY2022

Reduce or maintain the same consumption and intensity levels as 2021.

### Performance in FY2022

Our overall scope 1 and 2 GHG emissions remained relatively similar to 2021, with a 0.6% decrease.

### Short-term Target (1-2 years)

- Reduce reliance on non-renewable and high GHG emission energy sources.
- Adoption of green technology to improve energy efficiency in operations.

### Medium-term Target (by 2030)

- Reduce GHG emission levels and emission intensities by 30%.
- Track Scope 3 emissions.

## 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.

	FY2021	FY2022	% Change
Water Consumption (m <sup>3</sup> )	293,805	288,382	(2.0)
Water Consumption Intensity (m <sup>3</sup> /m <sup>3</sup> of gross floor area)	2.07	2.03	(2.0)

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.

# ENVIRONMENTAL

## TARGETS AND PERFORMANCE

Target for FY2022	Performance in FY2022
Reduce or maintain the same consumption and intensity levels as 2021.	Our water consumption level remained relatively similar to 2021, with a 2% decrease.
Short-term Target (1-2 years)	Medium-term Target (by 2030)
<ul style="list-style-type: none"> <li>Adoption of technology to improve water efficiency in operations.</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion of water recycling features into building and facilities design.</li> <li>Reduce water usage levels and intensities by 20%.</li> </ul>

## 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, guests 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, plastics, glass, metal and cooking oil are segregated from general waste for recycling; and
- Disposal – Dispose waste in accordance with statutory requirements through licensed vendors.

In PRC, 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:

	FY2021	FY2022	% Change
Waste Recycled/ Sent for Recycling (tonnes)	39	52	33.3
Waste Disposed (tonnes)	2,001	1,395	(30.3)
Waste Disposed Intensity (tonnes/ m <sup>3</sup> of gross floor area)	0.014	0.010	(28.6)

Hazardous wastes generated are 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 appointed by the Ministry of Health.

## TARGETS AND PERFORMANCE

Target for FY2022	Performance in FY2022
Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2021.	We have reduced amount of waste disposed by 30.3% and increased the proportion of recycled waste by 33.3%.
Short-term Target (1-2 years)	Medium-term Target (by 2030)
<ul style="list-style-type: none"> <li>Adoption of technology and recycling measures to reduce waste sent for disposal.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce waste generated and intensities by 20%.</li> </ul>

## ENVIRONMENTAL REGULATORY COMPLIANCE

Complying with applicable laws is the utmost priority for Amara, vital for upholding our stakeholders' trust and avoiding any non-compliance penalties and reputational damages. We consider the environmental impacts of our business activities by regularly reviewing environmental and public health regulations to update and implement the necessary policies and practices.

In 2022, there were no reported non-compliances with environmental and public health regulations in the jurisdictions we operate in that resulted in significant fines or sanctions.

# 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

At Amara, we value diversity and collaboration in our workforce. We strive for equal opportunities and do not tolerate any forms of discrimination or harassment at our workplace.

We align ourselves with the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) and aim to create a fair and rewarding workplace. We also support the hiring of individuals with disabilities and ex-offenders through the Yellow Ribbon Initiative in our hotels. We regularly review our employee compensation to ensure fairness.

Our employment profile is as follows:

<b>Workforce (As of 31 December 2022)</b>	<b>No. of headcount <sup>2</sup></b>	<b>Percentage of total headcount (%)</b>
By Gender		
Male	231	52
Female	210	48
By Age Group		
18-30 years old	102	23
31-50 years old	219	50
Over 50 years old	120	27
By Geographical Region		
Singapore	224	51
People’s Republic of China (PRC)	135	31
Thailand	82	18

<sup>2</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 report.

# SOCIAL

## LABOUR STANDARDS AND HUMAN RIGHTS

Our Group's policy bars discrimination, child labour and forced labour in our operations and in work performed by suppliers and subcontractors. Our policy covers the following:

- a) Non-discrimination: We prohibit discrimination in employment on any grounds, including gender, age, race, ethnicity, religion, marital status, pregnancy and disability;
- b) Child Labour: We prohibit child labour in our operations and expect our suppliers to ensure the same standards. We have determined that there is no risk of child labour in our business; and
- c) Forced Labour: We prohibit forced labour in our operations and expect our suppliers to ensure the same standards.

In 2022, there were no incidences of non-compliance relating to discrimination, child labour, forced or compulsory labour involved in our business practices.

## TARGETS AND PERFORMANCE

### Perpetual Target

To adopt fair employment practices that are compliant with all relevant manpower laws and regulations in the jurisdictions we operate in

### Performance in FY2022

Zero cases of non-compliance with employment standards and laws leading to significant penalties or fines during the year

## TRAINING AND DEVELOPMENT

We believe that a competent workforce is necessary for the sustainability and growth of our business. We have commenced the tracking of our employee's average training hours and the average training hours for employees in 2022 is 9.2, with our female employees completing an average of 9.6 hours of training and male employees completing an average of 8.8 hours of training.

We continued to work closely and collaborate 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

- Amara Singapore
- Amara Sanctuary Resort, Sentosa

### Government training programmes

- SSG Training Programme
- Job Redesign Place and Train Programme
- Earn and Learn Training Programme
- Global Ready Talent Programme

- Amara Bangkok

- Alternative Quarantine ("AQ") programme (our employees have undergone COVID-19 related training carried out by a hospital)
- Sandbox Programme
- Test & Go Programme

In 2022, we have also attained the Singapore's Workforce Resilience Awards Commendation for our efforts in reskilling and retaining workers during the COVID-19 pandemic period.

# 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 create a safer working environment for our employees.

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.

Perpetual Target	Performance in FY2022
Amara aims to have no workplace incident leading to fatalities or permanent disability during the year	No incidents leading to fatalities or permanent disability during the year

## 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

In 2022, we see a gradual reopening of country borders and easing of COVID-19 restrictions in most of the regions we operate in, except in Shanghai, China. We continue to implement and adopt recommendations by the local government to safeguard our customers and employees. The following are some measures we have adopted for our operations in Shanghai:

- Daily body temperature checks, antigen rapid testing and polymerase chain reaction (PCR) testing for employees on duty;
- Employees accessing public areas and guest floors had to put on class I epidemic suit;
- All guests in close contact with employees had to put on class II epidemic suit;
- Declaration and tracking of health codes for all employees and guests;
- Regular disinfection of office, public area, guest rooms and facilities;
- Trainings on pandemic control and personal hygiene were conducted for all employees;
- Employees were required to be fully vaccinated (minimally 2 doses) before being allowed to return to work; and
- Formalised reporting procedures for any work incidents, suspected and confirmed COVID-19 cases.

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

### Food Safety

At Amara, food safety is a top priority. We take proactive measures to minimise food safety risks through the implementation of Standard Operating Procedures ("SOP"). Additionally, our food safety management and quality control system are compliant with all relevant laws and regulations in the jurisdictions we operate in.

We have also implemented systems such as First-In-First-Out ("FIFO") for inventory management, periodic laboratory testing, and mandatory food safety training for employees to ensure high food quality and adherence to regulations and hygiene standards.

# SOCIAL

## Building Safety

At Amara, we are dedicated to creating a safe, accessible, and high-quality environment for all our employees, shoppers, tenants, hotel guests, residents, and members of the community. We have implemented robust health and safety protocols, with a focus on fire safety and hygiene, that are in compliance with local laws and regulations.

We conduct regular fire drills and trainings, as well as fire safety inspections and audits, to ensure the safety of our employees and tenants. Additionally, we conduct regular risk assessments and inspections to identify and address potential hazards and to keep all employees, guests and visitors informed and safe.

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 significant 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 FY2022

Zero cases of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers which resulted in significant fines, penalties or warnings

## CUSTOMER FEEDBACK

At Amara, we value all feedbacks 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. All feedbacks and complaints are treated with the utmost importance.

Our team of dedicated employees utilise hotel feedback management applications to keep track of customer feedbacks and satisfaction ratings to ensure that all feedbacks are adequately and timely addressed.

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



# GOVERNANCE

Amara seeks to uphold the highest standards of ethics and business conduct. We are also highly committed to comply with all laws and regulations in the countries we operate in. We also seek to cultivate a broad spectrum of demographic attributes and characteristics in the boardroom. The following is a summary of our board composition, more details can be found in the Corporate Governance Report section of the Annual Report.

Description	Percentage (%)
Board Independence - The number of independent board of directors as a percentage of all directors.	57
Women on the Board - The number of female board directors as a percentage of all directors.	29

## ETHICS AND REGULATORY COMPLIANCE

### Ethics and Business Conduct

We have a strict policy against corruption, fraud, money-laundering, and other financial crimes. We promote a culture of integrity, ethical behaviour, and professionalism among our employees to gain trust from our stakeholders.

To ensure this, we have implemented internal controls and written guidelines, such as Employee Code of Conduct, Conflict of Interest, Whistle blowing, Anti-corruption and Anti-Money Laundering. All employees, including new hires, must adhere to these policies. These policies have been approved by the Board and made accessible to all employees.

We have a confidential whistle blowing channel that allows employees and stakeholders to report any illegal conduct, financial misconduct, or other wrongdoing. All reports will be kept confidential so that whistle blowers can report their concerns in good faith and without fear of reprisal.

Our Conflict of Interest policy requires the Board, management and employees to declare any conflict of interest whenever it arises. Our Interested Person Transaction Policy also requires the disclosure of any significant transactions in accordance with Chapter 9 of the SGX-ST Mainboard Listing Rules.

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

Perpetual Target	Performance in FY2022
Zero confirmed cases which are unethical, fraudulent, or corrupt in nature	Zero confirmed cases which are unethical, fraudulent, or corrupt in nature

### Regulatory Compliance

At Amara, we review changes to laws and regulatory requirements regularly to ensure full compliance.

Our operations are subjected to the relevant laws and regulations in the countries 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.

# GOVERNANCE

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 FY2022**

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

## **Data Privacy**

Amara understands the increasing threat of cyber attacks on information assets and have taken extra precautions in protecting personal data that is collected, used and processed by us.

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. Any violation of the clause leads to immediate dismissal and/or legal action taken against the offender. Amara has also implemented firewall, anti-virus, and anti-spam solutions for our Information Technology ("IT") 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 FY2022**

Zero reported incidents of data security breaches

# ECONOMIC

In 2022, we have seen a return of visitors with the reopening of country borders across the region. Singapore's international visitor arrivals surpassed 6.3 million in 2022, exceeding Singapore Tourism Board's forecasts. Barring unexpected circumstances, tourism activity is expected to double in 2023 and return to pre-pandemic levels by 2024.

However, the gradual recovery of the tourism sector is complicated by higher inflation, rising interest rates and the ongoing Russia-Ukraine war. The Group will continue to monitor closely the market developments for each of our business segments and remain prudent in cost and capital management.

## **ECONOMIC PERFORMANCE AND BUSINESS RECOVERY**

Amara has implemented our business continuity plan across our operations, and is taking actions to both reduce costs and increase revenue. The Group has launched various initiatives aimed at increasing revenue. Some examples are as follows:

- Partnerships with tour agencies, event organisers and third-party booking agents to increase bookings;
- Launching new menus with attractive prices at our restaurants and promote delivery services;
- Creating special prices for corporate booking packages;
- Utilisation of social media and e-commerce platform to promote hotel products and offerings;
- Launching new room packages with dinner/lunch set at the restaurants; and
- Work closely with local government agencies and support government events and room bookings for medical groups.

Amara's financial situation remained stable, with the support of the Group's primary banks and access to credit facilities. Additionally, the Group is taking advantage of various support programmes offered by the Singapore government, such as the Enhanced Job Support Scheme and government subsidies.

# GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
<b>GRI 1: Foundation 2021</b>			
<b>GENERAL DISCLOSURES</b>			
GRI 2: General Disclosures 2021	<b>The organization and its reporting practices</b>		
	2-1	Organizational details - Legal name - Nature of ownership and legal form - Location of headquarters - Countries of operation	Amara Holdings Limited Annual Report: Statistics of Shareholdings (Pg 149) Annual Report: Corporate Data (Pg 148) Annual Report: Our Business Portfolio (Pg 10)
	2-2	Entities included in the organization's sustainability reporting	Sustainability Report: Scope of Report (Pg 40)
	2-3	Reporting period Frequency Contact point	1 January 2022 to 31 December 2022 Annual Sustainability Report: About The Report (Pg 40)
	2-4	Restatements of information	Not applicable
	2-5	External assurance	Amara has not sought external assurance for this Reporting Period, and may consider it in the future.
	<b>Activities and workers</b>		
	2-6	Activities, value chain and other business relationships	Annual Report: Our Business Portfolio (Pg 10)
	2-7	Employees	Sustainability Report: Talent Retention (Pg 51)
	2-8	Workers who are not employees	Sustainability Report: Talent Retention (Pg 51)
	<b>Governance</b>		
	2-9	Governance structure and composition	Corporate Governance Report: Board Composition and Guidance (Pg 66)
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report: Board Membership (Pg 68)
	2-11	Chair of the highest governance body	Corporate Governance Report: The Board's Conduct of Affairs (Pg 63)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report: ESG Governance Structure (Pg 45)
	2-13	Delegation of responsibility for managing impacts	Sustainability Report: ESG Governance Structure (Pg 45)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Report: ESG Governance Structure (Pg 45)
	2-15	Conflicts of interest	Sustainability Report: Ethics and Business Conduct (Pg 55)
	2-16	Communication of critical concerns	Sustainability Report: Customer Feedback (Pg 54) Corporate Governance Report: Whistleblowing Policy (Pg 75)
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report: The Board's Conduct of Affairs (Pgs 63 - 66)
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report: Board Performance (Pg 70)
2-19	Remuneration policies	Corporate Governance Report: Remuneration Matters (Pg 70)	
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio		

# GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Page Reference & Remarks	
<b>GRI 1: Foundation 2021</b>			
<b>GENERAL DISCLOSURES</b>			
GRI 2: General Disclosures 2021	<b>Strategy, policies and practices</b>		
	2-22	Statement on sustainable development strategy	Sustainability Report: Board Statement (Pg 39)
	2-23	Policy commitments	Sustainability Report: Labour Standards and Human Rights (Pg 52)
	2-24	Embedding policy commitments	Sustainability Report: Labour Standards and Human Rights (Pg 52)
	2-25	Processes to remediate negative impacts	Sustainability Report: Customer Feedback (Pg 54) Sustainability Report: Ethics and Business Conduct (Pg 55)
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Customer Feedback (Pg 54) Sustainability Report: Ethics and Business Conduct (Pg 55)
	2-27	Compliance with laws and regulations	Sustainability Report: Regulatory Compliance (Pg 55)
	2-28	Membership associations	Amara has no memberships with relevant organisations
<b>Stakeholder engagement</b>			
	2-29	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 41)
	2-30	Collective bargaining agreements	Amara's employees are free to join or not to join any recognised labour unions or other bona fide representatives within the framework of the Company's procedures, applicable local laws and regulations and prevailing industrial relations and practices.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report: Materiality Assessment (Pg 42)
	3-2	List of material topics	
	3-3	Management of material topics	
<b>ECONOMIC PERFORMANCE AND BUSINESS RECOVERY</b>			
GRI 3: Management Approach 2021	3-3	Management of material topics	Annual Report: Financial Statements (Pgs 79 - 147)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
<b>ETHICS AND REGULATORY COMPLIANCE</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report: Ethics and Regulatory Compliance (Pg 55)
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	

# GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
<b>ENERGY AND EMISSIONS</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Energy and Emissions (Pgs 47 - 49)
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	
	302-3 GHG emissions intensity	
<b>WATER</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Water (Pgs 49 - 50)
GRI 303: Water and Effluents 2018	305-3 Water consumption	
<b>EFFLUENTS AND WASTE</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Effluents and Waste (Pg 50)
GRI 306: Waste 2020	306-3 Waste generated	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Occupational Health and Safety (Pg 53)
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	
<b>TALENT RETENTION</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Talent Retention (Pg 51)
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Sustainability Report: Training and Development (Pg 52)
<b>CUSTOMER HEALTH AND SAFETY</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Customer Health and Safety (Pgs 53 - 54)
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

# TCFD RECOMMENDATIONS INDEX

Code	TCFD Recommendations	Page Reference
<b>GOVERNANCE</b>		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Report: ESG Governance Structure (Pg 45)
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Report: Environmental TCFD Report (Pg 46)
<b>STRATEGY</b>		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Sustainability Report: Environmental (Pgs 46 - 49)
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>RISK MANAGEMENT</b>		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Sustainability Report: Environmental (Pgs 46 - 49)
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	Corporate Governance Report: Risk Management and Internal Controls (Pg 73)
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
<b>METRICS AND TARGETS</b>		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Report: Environmental (Pgs 48 - 49)
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

# 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 incoming Directors to meet up with the Management and the Company Secretary to familiarise themselves with their roles, the organisation structure and business practices of the Group. This will enable them to get acquainted with Management and the Company Secretary thereby facilitating board interaction and independent access to Management and the Company Secretary. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng were the Directors appointed onto the Board during the year.

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 2022 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 Board meetings 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 1967 (the "Act") and the Listing Rules.

The Directors had also attended appropriate courses, conferences and seminars. In particular, Mr George Seow Ewe Keong who is a first-time director of a SGX-ST listed company had undergone the relevant mandatory training by attending all the nine modules of the Listed Entity Director Programme conducted by Singapore Institute of Directors. All the other Directors have also attended the sustainability courses prescribed by Singapore Exchange Regulation during the year. 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	Chairman	-	-	Member
Susan Teo Geok Tin	Executive Director	-	-	-
Lawrence Mok Kwok Wah	Non-Executive & Non-Independent Director	Member	Member	-
Ginney Lim May Ling	Lead Independent Director	-	Chairman	Member
Bill Chua Teck Huat	Independent Director	Member	Member	Chairman
George Seow Ewe Keong	Independent Director	Chairman	Member	Member
Tan Kim Seng <sup>(1)</sup>	Independent Director	Member	Member	-
Teo Shao-Lynn, Dawn (Zhang Xiaolin) <sup>(2)</sup>	Alternate Director to Albert Teo Hock Chuan	-	-	-

### 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:

	Board	Audit Committee	Remuneration Committee	Nominating Committee
<b>Number of meetings held</b>	7	3	1	2
Name of Directors	Number of meetings attended			
Albert Teo Hock Chuan	5	2	1	2
Susan Teo Geok Tin	7	3	1	2
Lawrence Mok Kwok Wah	7	3	1	1
Foo Ko Hing <sup>(3)</sup>	3	2	1	1
Chia Kwok Ping <sup>(4)</sup>	4	2	1	2
Tan Tiong Cheng <sup>(5)</sup>	2	2	1	1
Ginney Lim May Ling <sup>(6)</sup>	3	1	-	1
Bill Chua Teck Huat <sup>(7)</sup>	4	2	-	1
George Seow Ewe Keong <sup>(8)</sup>	4	2	-	1
Tan Kim Seng <sup>(1)</sup>	3	2	-	-

<sup>(1)</sup> Appointed Independent Director and member of AC on 31 July 2022, appointed member of RC on 20 February 2023

<sup>(2)</sup> Appointed on 9 March 2023

<sup>(3)</sup> Resigned as Independent Director effective from 27 April 2022

<sup>(4)</sup> Resigned as Independent Director effective from 31 July 2022

<sup>(5)</sup> Retired as Independent Director at the conclusion of the AGM on 26 April 2022

<sup>(6)</sup> Appointed Independent Director, Chairman of RC, member of both NC and AC on 11 May 2022, appointed Lead Independent Director on 6 June 2022 and resigned as member of AC on 31 July 2022

<sup>(7)</sup> Appointed Independent Director, Chairman of NC, member of both RC and AC on 11 May 2022

<sup>(8)</sup> Appointed Independent Director, Chairman of AC, member of both NC and RC on 11 May 2022

# CORPORATE GOVERNANCE REPORT

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

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 conducting 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.

### *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 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 seven Directors, of whom four 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 Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng.

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. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng 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.

# CORPORATE GOVERNANCE REPORT

## BOARD COMPOSITION AND GUIDANCE (CONTINUED)

### *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.

### *Provision 2.4*

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

The Company recognises that board diversity is an essential element to enhance the Board's decision making process. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions, promote effective decision-making and avoid groupthink. The following principles are considered to embrace diversity and in determining the Board composition:

- The Board should comprise Directors with a broad range of skills, competencies, knowledge, experience, and educational and professional backgrounds; and
- At least half of the Board should comprise independent directors (if the Chairman is not independent, independent directors should make up a majority of the Board).

The Board is of the view that the current Board comprises an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity, that support the Company in the pursuit of its strategic objectives and its sustainable development. Details of the Directors' qualifications, background and working experience are provided under the "Board of Directors" section of this Annual Report.

The number of independent directors forms the majority of the Board and this conforms to the Board Diversity Policy adopted.

The Board also recognises the importance and value of gender diversity. It presently includes two female Directors, thereby achieving a level of 29% female representation on the Board which is higher than the 21.5% female representation benchmark reported by the Council for Board Diversity for the Top 100 primary-listed companies on SGX-ST as at 31 December 2022.

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.

### *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.**

# CORPORATE GOVERNANCE REPORT

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

### *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 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.

### *Provision 3.3*

#### *Lead Independent Director*

Ms Ginney Lim May Ling is the Lead Independent Director. She 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.

## 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:

- Bill Chua Teck Huat (Chairman)
- Ginney Lim May Ling
- George Seow Ewe Keong
- Albert Teo Hock Chuan

The majority of the NC members, including its Chairman, are independent. Ms Ginney Lim May Ling, 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.

# CORPORATE GOVERNANCE REPORT

## BOARD MEMBERSHIP (CONTINUED)

### *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. Pursuant to the Company's Constitution, Mr Lawrence Mok will retire at the forthcoming AGM and has given his consent to re-election.

The Company's Constitution requires a newly appointed director to hold office only until the next AGM but shall then be eligible for re-election. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng who are newly appointed directors shall retire at the forthcoming AGM and each has given his or her consent to re-election.

The NC has recommended to the Board, the re-election of the above Directors at the forthcoming AGM, taking into consideration these Directors' attendance, commitment and participation at the Board meetings.

The Board has accepted the NC's recommendations. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat and Mr George Seow Ewe Keong each has abstained from the NC's deliberation on their respective re-election. Each of the retiring Directors has abstained from the Board's deliberation on their respective re-election.

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.

### *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. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat and Mr George Seow Ewe Keong 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.

# CORPORATE GOVERNANCE 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:

- Ginney Lim May Ling (Chairman)
- Bill Chua Teck Huat
- George Seow Ewe Keong
- Lawrence Mok Kwok Wah
- Tan Kim Seng

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.



# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS (CONTINUED)

### *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.

### *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.**

# CORPORATE GOVERNANCE REPORT

## DISCLOSURE ON REMUNERATION (CONTINUED)

### 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	
	2022	2021
S\$250,000 to below S\$500,000	2	1
Below S\$250,000	8	5
Total	10	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 they currently serve as (i) Director, Property Division, (ii) Group Quality and Systems Manager and (iii) Director, Strategic Planning and Corporate Development, and Senior Vice President, Amara Hotels & Resorts, respectively. Their remuneration individually exceeded S\$100,000 during the year, under the following broad band of remuneration:

Remuneration Band	No. of Immediate Family Members who are not Directors
S\$200,001 to S\$300,000	2
S\$300,001 to S\$400,000	1

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.

The Company believes that it is not in the best interests of the Group to disclose the full 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.

### 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 Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong, Mr Tan Kim Seng 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.

# CORPORATE GOVERNANCE REPORT

## DISCLOSURE ON REMUNERATION (CONTINUED)

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 per cent (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 per cent (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.

### *Provision 9.2*

#### *Assurances to the Board*

The Board has received the following assurances for FY 2022:

- (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.

# CORPORATE GOVERNANCE REPORT

## 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 George Seow Ewe Keong (Chairman of the AC), Mr Bill Chua Teck Huat, Mr Tan Kim Seng and Mr Lawrence Mok Kwok Wah. The AC had three 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 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;
- 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.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE (CONTINUED)

### 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.

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).

# CORPORATE GOVERNANCE REPORT

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

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. Shareholders are also invited to submit questions for the AGM via email or by post within 7 days upon receiving the notice of AGM. Responses to the relevant and substantial questions received from the shareholders will be announced on SGXNet at least 48 hours prior to the closing date and time for the lodgement of the proxy forms.

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 are announced during the meeting and also disclosed via SGXNet promptly after the general meetings.

The forthcoming AGM will be held physically and shareholders shall have the right to participate fully in the meeting by voting in person or by proxy. There will be no option for shareholders to participate virtually.

### *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 2022, the Company held its annual general meeting by way of electronic means which was attended by all the Directors and auditors either in-person or remotely.

### *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 Act) to appoint up to two proxies to attend general meetings and vote in his stead. The 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.

### *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.

# CORPORATE GOVERNANCE REPORT

## 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.

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.

# CORPORATE GOVERNANCE REPORT

## **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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# 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 2022.

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 88 to 147 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 2022, 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	
Bill Chua Teck Huat	(Appointed on 11 May 2022)
Ginney Lim May Ling	(Appointed on 11 May 2022)
George Seow Ewe Keong	(Appointed on 11 May 2022)
Tan Kim Seng	(Appointed on 31 July 2022)
Teo Shao-Lynn, Dawn (Zhang Xiaolin) (Alternate Director to Albert Teo Hock Chuan)	(Appointed on 9 March 2023)

## 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 2023	At beginning of year	At end of year	At 21 January 2023
<u>Amara Holdings Limited</u> <u>(Ordinary shares)</u>						
Albert Teo Hock Chuan	30,071,404	1,000	1,000	159,188,290	189,258,694	189,258,694
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*

\* 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 2023	At beginning of year	At end of year	At 21 January 2023
<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 options to take up unissued shares of the company or any corporation in the group were 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 option.

# DIRECTORS' STATEMENT

## 5. AUDIT COMMITTEE

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

George Seow Ewe Keong (Chairman)  
Lawrence Mok Kwok Wah  
Bill Chua Teck Huat  
Tan Kim Seng

This subcommittee of the Board had three 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

George Seow Ewe Keong  
Director

30 March 2023

# 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 2022, 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 88 to 147.

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 2022 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 \$402.2 million and accounted for 51.1% of the group's total assets as at 31 December 2022. These investment properties are stated at fair values based on valuations carried out by independent professional valuers ("external valuers"). The valuations involve the application of judgement in selecting an appropriate valuation methodology and certain 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 factors 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 considered the qualifications and experience of the external valuers.

With the involvement of our internal specialist, we assessed 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 discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations to externally published information where available and evaluated 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 used in the estimates. We noted that the group has a process to select external valuers with appropriate knowledge and to review and accept the valuations. We are satisfied with the experience 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 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, totalling \$98.6 million as at 31 December 2022. Management estimates the net realisable value based on valuations carried out by external valuers with reference to recent transacted price of the sold 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 external valuers, historical price trends, forecast selling prices and macroeconomic developments. We challenged the group's estimated selling prices by comparing the estimated 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 estimated selling price for the purpose of determining the net realisable value. We considered the qualifications and experience 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 to externally published information where available and evaluated whether their assumptions are consistent with current market environment.

## 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.

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

## 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.
- 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.



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

## **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 Kee Cheng Kong.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

30 March 2023

## STATEMENTS OF FINANCIAL POSITION

31 December 2022

	Notes	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	20,949	16,069	15	28
Trade and other receivables	8	10,795	12,751	64,051	63,995
Inventories	9	347	429	-	-
Development properties	10	98,578	110,091	-	-
Contract assets	11	4,798	5,373	-	-
Total current assets		135,467	144,713	64,066	64,023
<b>Non-current assets</b>					
Financial assets at fair value through profit or loss ("FVTPL")	12	891	928	170	161
Intangible assets	13	1,178	1,178	-	-
Investment in jointly-controlled entities	14	8,731	7,600	-	-
Investment in subsidiaries	15	-	-	40,087	40,087
Investment properties	16	402,209	407,277	-	-
Property, plant and equipment	17	232,662	251,983	-	-
Other asset	18	5,607	5,714	-	-
Deferred tax assets	19	634	564	-	-
Total non-current assets		651,912	675,244	40,257	40,248
<b>Total assets</b>		<b>787,379</b>	<b>819,957</b>	<b>104,323</b>	<b>104,271</b>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Trade and other payables	20	18,898	15,712	301	299
Contract liabilities	11	1,210	1,210	-	-
Bank loans	21	77,506	89,464	-	-
Lease liabilities	22	1,916	3,270	-	-
Income tax payable		3,346	2,574	-	-
Total current liabilities		102,876	112,230	301	299
<b>Non-current liabilities</b>					
Trade and other payables	20	6,562	5,796	-	-
Bank loans	21	237,499	249,170	-	-
Lease liabilities	22	36,050	36,575	-	-
Deferred tax liabilities	19	13,719	14,329	-	-
Total non-current liabilities		293,830	305,870	-	-
<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	266,023	277,207	(20,628)	(20,678)
Total equity		390,673	401,857	104,022	103,972
<b>Total liabilities and equity</b>		<b>787,379</b>	<b>819,957</b>	<b>104,323</b>	<b>104,271</b>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	Notes	Group	
		2022 \$'000	2021 \$'000
<b>Revenue</b>	26	93,685	66,873
Fair value gain/(loss) (net) of investment properties	16	1,243	(994)
Other income	27	1,189	2,999
Changes in inventories of finished goods		(73)	(19)
Cost of properties sold/consumables used		(21,153)	(6,899)
Staff costs	28	(18,227)	(13,895)
Depreciation		(9,088)	(10,038)
Finance costs	29	(11,901)	(8,313)
Other expenses	31	(25,806)	(19,596)
Share of results of jointly-controlled entities, net of tax	14	(549)	(167)
<b>Profit before tax</b>		9,320	9,951
Income tax expense	30	(2,868)	(2,401)
<b>Profit for the year</b>	31	6,452	7,550
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations, representing total other comprehensive (loss)/income for the year		(14,761)	6,471
<b>Total comprehensive (loss)/income for the year</b>		(8,309)	14,021
<b>Profit attributable to:</b>			
Owners of the company		6,452	7,550
		6,452	7,550
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the company		(8,309)	14,021
		(8,309)	14,021
<b>Earnings per share:</b>			
Basic and diluted (cents)	33	1.12	1.31

See accompanying notes to financial statements.

## STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	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 2021		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
Total comprehensive income/(loss) for the year:							
Profit for the year		-	-	-	6,452	6,452	6,452
Other comprehensive loss		-	-	(14,761)	-	(14,761)	(14,761)
Total		-	-	(14,761)	6,452	(8,309)	(8,309)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2021, representing total transactions with owners, recognised directly in equity	32	-	-	-	(2,875)	(2,875)	(2,875)
<b>Balance at 31 December 2022</b>		125,646	(996)	(11,632)	277,655	266,023	390,673

\* Includes other reserves of \$112,000 as at 31 December 2022 (2021 : \$112,000).

See accompanying notes to financial statements.

## STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2022

	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 2021		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
Profit for the year, representing total comprehensive income for the year		-	-	2,925	-	2,925	2,925
Dividends paid relating to 2021, representing total transactions with owners recognised directly in equity	32	-	-	(2,875)	-	(2,875)	(2,875)
<b>Balance at 31 December 2022</b>		125,646	(996)	(21,554)	926	(20,628)	104,022

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Notes	Group	
		2022 \$'000	2021 \$'000
<b>Operating activities</b>			
Profit before tax		9,320	9,951
Adjustments for:			
Fair value (gain)/loss (net) of investment properties	16	(1,243)	994
Amortisation of other asset	18	107	108
Depreciation of property, plant and equipment	17	9,088	10,038
Property, plant and equipment written off	31	26	18
Gain on disposal of property, plant and equipment	27	(8)	(190)
Dividend income from financial assets at FVTPL	27	(35)	(36)
Gain on disposal of financial assets at FVTPL	27	(2)	(73)
Loss/(Gain) on fair value adjustment of financial assets at FVTPL	27	16	(78)
Interest income - fixed deposits	27	(33)	(24)
Interest expense	29	11,901	8,313
Impairment of property, plant and equipment	17	-	257
Loss allowance	8	162	313
Write-back of loss allowance	8	(497)	-
Share of results of jointly-controlled entities, net of tax	14	549	167
Exchange differences		955	(70)
Operating cash flows before movements in working capital		30,306	29,688
Inventories		82	19
Trade and other receivables		2,291	(2,393)
Trade and other payables		3,541	(2,541)
Contract assets/liabilities		575	(1,731)
Development properties		11,513	(2,905)
Cash generated from operations		48,308	20,137
Income tax paid		(2,099)	(2,358)
Net cash from operating activities		46,209	17,779
<b>Investing activities</b>			
Proceeds on disposal of financial assets at FVTPL		22	90
Proceeds on disposal of property, plant and equipment		8	577
Payments for property, plant and equipment (Note A)	17	(598)	(762)
Advances to a jointly-controlled entity	14	(1,280)	(7,227)
Investment in a jointly-controlled entity	14	(400)	-*
Additions to investment properties	16	(433)	-
Dividend received from financial assets at FVTPL	27	35	36
Interest received	27	33	24
Net cash used in investing activities		(2,613)	(7,262)

\* Amount less than \$1,000

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

(CONTINUED)

Year ended 31 December 2022

	Notes	Group	
		2022 \$'000	2021 \$'000
<b>Financing activities</b>			
Interest paid		(11,164)	(7,768)
Payment of dividends on ordinary shares	32	(2,875)	-
Repayment of lease liabilities	21	(1,528)	(1,763)
Repayment of bank borrowings		(78,323)	(7,844)
Proceeds from bank borrowings		56,075	11,008
Net cash used in financing activities		(37,815)	(6,367)
Net increase in cash and cash equivalents		5,781	4,150
Cash and cash equivalents at beginning of year		16,069	11,646
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(901)	273
<b>Cash and cash equivalents at end of year</b>	7	<b>20,949</b>	<b>16,069</b>

**Note A:**

During the financial year, the group acquired property, plant and equipment with an aggregate cost of \$620,000 (2021 : \$762,000) of which \$22,000 (2021 : \$NIL) was financed by means of leases.

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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.

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 2022 were authorised for issue by the Board of Directors on 30 March 2023.

## 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 2022, the group and the company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and 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 disclosures or on the amounts reported for the current or prior years.



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Annual Improvements to SFRS(I)s 2018–2020

The group has adopted the amendments included in the Annual Improvements to SFRS(I) Accounting Standards 2018-2020 for the first time in the current year. The Annual Improvements include amendments to two Standards as set out below:

#### SFRS(I) 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

#### SFRS(I) 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

### 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
- 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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### **Basis of consolidation (continued)**

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.

### **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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Business combinations (continued)

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 2022

## 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 2022

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

### Financial instruments (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 ("ECL"), 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 2022

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

### Financial instruments (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 2022

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

### Financial instruments (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 2022

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

### Financial instruments (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.



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Financial instruments (continued)

#### Financial liabilities and equity instruments (continued)

##### 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.

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 profit or loss either in the "other income" (Note 27) or "other expenses" (Note 31) line item 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.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Leases (continued)

#### The group as lessee (continued)

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.

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.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Leases (continued)

#### The group as lessee (continued)

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.

#### 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 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 2022

## 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 operating supplies and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

	%
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 ("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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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 2022

## 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 jointly-controlled entity accounting policy.

### **Impairment of property, plant and equipment, right-of-use assets and intangible assets excluding goodwill**

At the end of each reporting period, the group reviews the carrying amounts of its property, plant and equipment, right-of-use assets 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 the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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 (or 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 (or 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 2022

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

### Jointly-controlled entity

A jointly-controlled entity is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of jointly-controlled entity are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5.

Under the equity method, an investment in a jointly-controlled entity is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the jointly-controlled entity. When the group's share of losses of a jointly-controlled entity exceeds the group's interest in that jointly-controlled entity (which includes any long-term interests that, in substance, form part of the group's net investment in the jointly-controlled entity), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity.

An investment in a jointly-controlled entity is accounted for using the equity method from the date on which the investee becomes a jointly-controlled entity. On acquisition of the investment in a jointly-controlled entity, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the group's net investment in a jointly-controlled entity is impaired, the requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in a jointly-controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be a jointly-controlled entity. When the group retains an interest in the former jointly-controlled entity and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the jointly-controlled entity at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the jointly-controlled entity is included in the determination of the gain or loss on disposal of the jointly-controlled entity. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly-controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the jointly-controlled entity is disposed of.

When the group reduces its ownership interest in a jointly-controlled entity but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a jointly-controlled entity of the group, profits and losses resulting from the transactions with the jointly-controlled entity are recognised in the group's consolidated financial statements only to the extent of interests in the jointly-controlled entity that are not related to the group.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

### Jointly-controlled entity (continued)

The group applies SFRS(I) 9, including the impairment requirements, to long-term interests in a jointly-controlled entity to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying SFRS(I) 9 to long-term interests, the group does not take into account adjustments to their carrying amount required by SFRS(I) 1-28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with SFRS(I) 1-28).

### 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 2022

## 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. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

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 such sales of residential development properties is 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.

In relation to the sale of build, design and sell scheme property units, where company has no enforceable right to payment, revenue is recognised when property is completed and delivered to customer.

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, 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 2022

## 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 2022

## 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 2022

## 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 the lower of cost and net realisable value.

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 2022

## 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financial assets</b>				
At amortised cost	39,421	31,420	64,054	64,005
At FVTPL	891	928	170	161
	<u>40,312</u>	<u>32,348</u>	<u>64,224</u>	<u>64,166</u>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	336,379	356,380	301	299
Lease liabilities	37,966	39,845	-	-
	<u>374,345</u>	<u>396,225</u>	<u>301</u>	<u>299</u>

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 2022

## 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
United States Dollar	65,147	64,231	65,169	65,568
Singapore Dollar	46	58	-	-

Sensitivity analysis for foreign currency risk is not disclosed as the net effect on the profit or loss and equity are considered not significant.

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 group obtains financing through bank loans and finance lease facilities. The group'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.

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 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 2022

## 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 2022, 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 2022 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 (2021 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been \$660,000 (2021 : \$712,000) 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% (2021 : 5%) higher or lower with all other variables including tax rate being held constant.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 2022

## 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 2022</b>						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	9,475	(354)	9,121
Other receivables	8	Performing	12-month ECL	844	-	844
Other receivables	8	In default	Lifetime ECL	5,366	(5,366)	-
Advances to a jointly-controlled entity (non-current)	14	(i)	12-month ECL	8,507	-	8,507
Contract assets	11	(i)	Lifetime ECL (simplified approach)	4,798	-	4,798
					<u>(5,720)</u>	
<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>Company</b>						
<b>31 December 2022</b>						
Other receivables	8	Performing	12-month ECL	64,039	-	64,039
<b>31 December 2021</b>						
Other receivables	8	Performing	12-month ECL	63,977	-	63,977

- (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.



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 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.

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 2022 and 2021, 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 2022

## 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 2022</b>						
Non-interest bearing Lease liabilities	-	17,047	4,327	-	-	21,374
(fixed rate)	5.35	2,018	6,401	124,005	(94,458)	37,966
Variable interest rate instruments	5.36	94,535	248,828	-	(28,358)	315,005
		<u>113,600</u>	<u>259,556</u>	<u>124,005</u>	<u>(122,816)</u>	<u>374,345</u>
<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>

The company's financial liabilities as at 31 December 2022 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 2022

## 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 2022</b>				
Non-interest bearing	-	39,420	-	39,420
Fixed interest rate instrument	0.10	1	-*	1
		<u>39,421</u>	<u>-</u>	<u>39,421</u>
<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>

\* Amount less than \$1,000

The company's financial assets as at 31 December 2022 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)
	2022 Assets	2021 Assets		
<b>Group</b>				
Financial assets at FVTPL (Note 12)	891	928	Level 1	Quoted prices in an active market
<b>Company</b>				
Financial assets at FVTPL (Note 12)	170	161	Level 1	Quoted prices in an active market

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 2022 and 2021.

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 2022 and 2021 except for those that disclosed in note 21.

## 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.

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividend paid to holding company	765	-

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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	
	2022	2021
	\$'000	\$'000
Short-term benefits	1,604	1,267
Post-employment benefits	46	39
	1,650	1,306

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 \$771,000 (2021 : \$593,000), excluding directors' fee which is disclosed in Note 31 to the financial statements.

## 7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	20,948	16,068	15	28
Fixed deposits	1	1	-	-
	20,949	16,069	15	28

Included in the above is an amount of \$2,652,000 (2021 : \$232,000) 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 (2021 : within 1 month) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2022 is 0.10% (2021 : 0.10%) per annum.

## NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables <sup>(a)</sup>	9,711	9,977	2	7
Non-trade receivables due from third parties	5,691	5,614	2	-
Non-trade receivables due from subsidiaries	-	-	64,037	63,977
Other receivables	336	40	-	-
Grant receivable <sup>(b)</sup>	-	1,873	-	-
Deposit	183	233	-	-
Prepayments	594	1,069	10	11
	16,515	18,806	64,051	63,995
Less: Loss allowance	(5,720)	(6,055)	-	-
	10,795	12,751	64,051	63,995

<sup>(a)</sup> As at 1 January 2021, trade receivables from contract with customers amounted to \$7,236,000 (net of loss allowance of \$376,000).

<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 (2021 : 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 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 2022

## 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 2022</b>					
Estimated total gross carrying amount at default	8,039	396	117	1,159	9,711
Lifetime ECL	-	-	-	(354)	(354)
					<u>9,357</u>
<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>

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 2021	376
Change in loss allowance	313
Balance as at 31 December 2021	<u>689</u>
Change in loss allowance	162
Write-back of loss allowance	(497)
<b>Balance as at 31 December 2022</b>	<u>354</u>
<u>Other receivables</u>	
Balance at 1 January 2021 and 31 December 2021 and 2022	<u>5,366</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 ECL.

In determining the ECL, Management has taken into account the historical default experience and the financial position of the counterparties (where available), 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.

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

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## 9. INVENTORIES

	Group	
	2022	2021
	\$'000	\$'000
Food and beverage	207	196
Other hotel and catering supplies	140	233
	347	429

## 10. DEVELOPMENT PROPERTIES

	Group	
	2022	2021
	\$'000	\$'000
Properties under development	16,340	82,788
Completed properties held for sale	82,238	27,303
	98,578	110,091

The group's development properties as at 31 December 2022 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	Completed	3,941	Residential development of 4 blocks of 5 storey apartments
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2023	1,076	Proposed residential development

Certain development properties of the group with carrying amount of \$56,580,000 (2021 : \$67,158,000) (Note 21) are pledged as security for banking facilities at the end of the financial year.



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022	2021
	\$'000	\$'000
Contract assets	4,798	5,373
Contract liabilities	(1,210)	(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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Quoted equity shares at fair value through profit or loss	891	928	170	161

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	
	2022	2021
	\$'000	\$'000
Club memberships	564	564
Less: Impairment loss	(175)	(175)
	389	389
Goodwill	789	789
	1,178	1,178

The group tests goodwill 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 2022

## 14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2022 \$'000	2021 \$'000
Unquoted equity shares, at cost	800	400
Share of accumulated losses, net of tax	(576)	(27)
Advances to a jointly-controlled entity (non-current)	8,507	7,227
	8,731	7,600
Movement in unquoted equity shares, at cost:		
	2022 \$'000	2021 \$'000
At beginning of year	400	400
Addition	400	-*
At end of year	800	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 \$8,507,000 (2021 : \$7,227,000) is unsecured, interest-free, non-trade in nature and has been classified as non-current assets as the group does not expect 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	
		2022 %	2021 %
<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	40

<sup>(a)</sup> In members' voluntary liquidation.<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 2022

## 14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES (CONTINUED)

Summarised financial information of the group's jointly-controlled entities are set out below.

	Group	
	2022 \$'000	2021 \$'000
Current assets	60,399	59,249
Current liabilities	(996)	(4,390)
Non-current liabilities	(58,842)	(53,917)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,561	5,335
Non-current financial liabilities (excluding trade and other payables and provisions)	37,575	35,850
Revenue	-	-
Loss for the year	(1,373)	(417)
Total comprehensive loss for the year	(1,373)	(417)
The above loss for the year includes the following:		
Interest expense	(1,038)	(256)
Income tax credit	-	8

## 15. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'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:		
	2022 \$'000	2021 \$'000
At beginning and end of year	10,729	10,729

## NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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	
			2022 %	2021 %	2022 \$'000	2021 \$'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 2022

## 15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			2022 %	2021 %
<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

31 December 2022

## 16. INVESTMENT PROPERTIES

	Group	
	2022 \$'000	2021 \$'000
At beginning of year	407,277	404,679
Additions through subsequent expenditure	433	-
Gain/(Loss) from fair value adjustments included in profit or loss	1,243	(994)
Currency realignment	(6,744)	3,592
At end of year	402,209	407,277

The group's investment properties as at 31 December 2022 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 \$18,563,000 (2021 : \$18,904,000) was generated from investment properties, and direct operating expenses include \$4,831,000 (2021 : \$4,513,000) 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 \$385,659,000 (2021 : \$391,977,000) were mortgaged as security to banks for bank loans and bank facilities for the group (Note 21).

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 external 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 external 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. 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 2022</b>	-	-	402,209	402,209
As at 31 December 2021	-	-	407,277	407,277

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: 3.25% to 4.50% (2021 : 3.35% to 4.50%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$1,732 to \$5,309 per sq ft (2021 : \$2,468 to \$12,369 per sq ft)	The estimated fair value increases with higher comparable price.
The People's Republic of China	Capitalisation approach	Capitalisation rate: 5.28% to 5.78% (2021 : 4.53% to 5.93%)	The estimated fair value decreases with higher capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$549 to \$1,343 per sq ft (2021 : \$560 to \$1,075 per sq ft)	The estimated fair value decreases with changes in comparable prices.

## NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 17. PROPERTY, PLANT AND EQUIPMENT

	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 2021	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>	<b>306,370</b>	<b>39,693</b>	<b>1,691</b>	<b>11,745</b>	<b>11,861</b>	<b>3,094</b>	<b>162</b>	<b>374,616</b>
Currency realignment	(11,577)	(967)	(18)	(31)	(1,046)	(102)	-	(13,741)
Additions	10	256	-	140	-	-	214	620
Disposals/Write off	-	(245)	-	-	-	(19)	-	(264)
<b>At 31 December 2022</b>	<b>294,803</b>	<b>38,737</b>	<b>1,673</b>	<b>11,854</b>	<b>10,815</b>	<b>2,973</b>	<b>376</b>	<b>361,231</b>
<b>Accumulated depreciation</b>								
At 1 January 2021	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>	<b>78,990</b>	<b>28,382</b>	<b>1,399</b>	<b>7,933</b>	<b>5,672</b>	<b>-</b>	<b>-</b>	<b>122,376</b>
Currency realignment	(1,727)	(638)	(17)	(17)	(515)	-	-	(2,914)
Depreciation	6,386	1,599	117	695	291	-	-	9,088
Disposals/Write off	-	(238)	-	-	-	-	-	(238)
<b>At 31 December 2022</b>	<b>83,649</b>	<b>29,105</b>	<b>1,499</b>	<b>8,611</b>	<b>5,448</b>	<b>-</b>	<b>-</b>	<b>128,312</b>
<b>Impairment loss</b>								
At 1 January 2021	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	257	-	-	-	257
<b>At 31 December 2021 and 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257</b>
<b>Carrying amount</b>								
<b>At 31 December 2022</b>	<b>211,154</b>	<b>9,632</b>	<b>174</b>	<b>2,986</b>	<b>5,367</b>	<b>2,973</b>	<b>376</b>	<b>232,662</b>
At 31 December 2021	227,380	11,311	292	3,555	6,189	3,094	162	251,983

The carrying amount of the group's property, plant and equipment includes the following right-of-use (ROU) assets:

	Group	
	2022 \$'000	2021 \$'000
Leasehold land and building	65,016	68,076
Plant and machinery, furniture, fixtures and equipment	2,530	3,240
Motor vehicles	-	30
Land use rights	5,367	6,189
	<b>72,913</b>	<b>77,535</b>



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The depreciation charge of the group's property, plant and equipment includes the following ROU assets:

	Group	
	2022	2021
	\$'000	\$'000
Leasehold land and building	1,271	1,335
Plant and machinery, furniture, fixtures and equipment	473	483
Motor vehicles	30	62
Land use rights	291	297
	<b>2,065</b>	<b>2,177</b>

Additions to ROU assets amounted to \$22,000 (2021 : \$NIL) for the year ended 31 December 2022.

At the end of the reporting period, the net carrying amount of certain leasehold land and buildings and renovations of the group amounted to \$166,689,000 (2021 : \$180,950,000) and were mortgaged as security to banks for borrowings (Note 21).

The group's properties as at 31 December 2022 and 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	
	2022	2021
	\$'000	\$'000
At beginning of year	5,714	5,822
Amortisation	(107)	(108)
At end of year	<b>5,607</b>	<b>5,714</b>

Amortisation is recognised in profit or loss and is included in the "other expenses" line item.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 2021	(606)
Charge to profit or loss	42
At 31 December 2021	(564)
Credit to profit or loss	(70)
<b>At 31 December 2022</b>	<b>(634)</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 2021	4,429	1,451	7,900	13,780
Charge/(Credit) to profit or loss	11	326	(149)	188
Currency realignment	-	-	361	361
At 31 December 2021	4,440	1,777	8,112	14,329
Charge/(Credit) to profit or loss	198	331	(463)	66
Currency realignment	-	-	(676)	(676)
<b>At 31 December 2022</b>	<b>4,638</b>	<b>2,108</b>	<b>6,973</b>	<b>13,719</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 group has unrecognised tax losses of \$38,045,000 (2021 : \$26,127,000) 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 \$9,020,000 (2021 : \$6,110,000) 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 2022

## 20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	3,953	3,890	-	-
Other payables	1,445	853	33	37
Deferred grant income <sup>(a)</sup>	2,393	2,820	-	-
Deferred revenue	127	126	-	-
Due to related party	13	17	-	-
Accrued operating expenses	7,518	5,739	268	262
Accrued construction costs	3,633	2,413	-	-
Deposits received <sup>(b)</sup>	6,378	5,650	-	-
Total	25,460	21,508	301	299
Less: Amount due for settlement after 12 months	(6,562)	(5,796)	-	-
Amount due for settlement within 12 months	18,898	15,712	301	299

The average credit period on purchase of goods is 30 days (2021 : 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 as at 31 December 2021 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 2022, the group has the right to invoice the customers based on services rendered.

## 21. BANK LOANS

	Group	
	2022 \$'000	2021 \$'000
Bank loans, secured	315,005	338,634
Less: Amount due for settlement within 12 months (shown under current liabilities)	(77,506)	(89,464)
Amount due for settlement after 12 months	237,499	249,170

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	
	2022 \$'000	2021 \$'000
Development properties	56,580	67,158
Investment properties	385,659	391,977
Hotel properties	166,689	180,950
	608,928	640,085

The weighted average effective interest rates for the bank loans is 5.36% (2021 : 1.69%) per annum for the group. These loans have maturity dates ranging from March 2023 to July 2026 (2021 : March 2022 to July 2026) and are based on floating rates.

Under current liabilities, the group has certain bank loans from financial institutions totalling \$24,283,000 (2021: \$NIL) which did not meet the covenant tests as at the end of the reporting period due to the impact of COVID-19 on business operations and the waiver from those financial institutions were received subsequent to year end. Out of the total loans of \$24,283,000, a long-term bank loan of \$18,221,000 was classified from non-current liabilities to current liabilities as at 31 December 2022.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 2022 \$'000	Financing cash flows <sup>(i)</sup> \$'000	Non-cash changes		31 December 2022 \$'000
			Adjustments \$'000	Foreign exchange movement \$'000	
Bank loans (Note 21)	338,634	(22,248)	126	(1,507)	315,005
Lease liabilities (Note 22)	39,845	(1,528)	222	(573)	37,966
	378,479	(23,776)	348	(2,080)	352,971

	1 January 2021 \$'000	Financing cash flows <sup>(i)</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

<sup>(i)</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	
	2022 \$'000	2021 \$'000
Maturity analysis:		
Year 1	2,018	3,446
Year 2	1,589	1,549
Year 3	1,582	1,593
Year 4	1,615	1,605
Year 5	1,615	1,638
Year 6 onwards	124,005	128,249
	132,424	138,080
Less: Unearned interest	(94,458)	(98,235)
	37,966	39,845
Analysed as:		
Current	1,916	3,270
Non-current	36,050	36,575
	37,966	39,845

The group does not face a significant liquidity risk with regard to its lease liabilities.

As at 31 December 2022, 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 2022 is disclosed in Note 4(c)(v).

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 23. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	No. of shares issued '000	No. of shares issued '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			
	2022	2021	2022	2021
	No. of shares '000	No. of shares '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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Foreign currency translation reserve	(11,632)	3,129	-	-
Retained earnings/(Accumulated losses)	277,543	273,966	(21,554)	(21,604)
Other reserves	112	112	926	926
	266,023	277,207	(20,628)	(20,678)

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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		2022	2021
		\$'000	\$'000
Hotel investment and management	At a point in time	49,073	41,409
<u>Property investment and development</u>			
Sale of completed properties held for sale	At a point in time	24,428	-
Sale of development properties under construction	Over time	-	5,744
Rental income of investment properties	Over time	18,562	18,904
		42,990	24,648
<u>Specialty restaurants and food services</u>			
Food and beverage revenue	At a point in time	1,615	809
Others	At a point in time	7	7
		93,685	66,873

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 \$NIL (2021 : \$2,386,000).

## 27. OTHER INCOME

		Group	
		2022	2021
		\$'000	\$'000
Gain on disposal of financial assets at FVTPL		2	73
Gain on disposal of property, plant and equipment		8	190
Dividend income from financial assets at FVTPL		35	36
Interest income - fixed deposits		33	24
Foreign exchange gain, net		-	142
Grant income		-	1,957
(Loss)/Gain on fair value adjustment of financial assets at FVTPL		(16)	78
Rental income		412	-
Write-back of loss allowance		497	-
Others		218	499
		1,189	2,999

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 28. STAFF COSTS

	Group	
	2022	2021
	\$'000	\$'000
Wages and salaries	14,949	10,961
Defined contribution plans	1,869	1,742
Other benefits	1,409	1,192
	18,227	13,895

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 (2021 : 25 months) commencing from April 2020. Government grant income of \$298,000 (2021 : \$3,168,000) was offset against staff costs during the year.

## 29. FINANCE COSTS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense:		
- Lease liabilities	1,953	2,131
- Bank loans and overdraft	9,948	6,182
	11,901	8,313

## 30. INCOME TAX EXPENSE

	Group	
	2022	2021
	\$'000	\$'000
Tax expense attributable to the results is made up of:		
Current income tax	2,883	2,248
Deferred income tax	11	230
	2,894	2,478
Over provision in preceding financial years:		
- Current income tax	(11)	(77)
- Deferred income tax	(15)	-
	2,868	2,401

## NOTES TO FINANCIAL STATEMENTS

31 December 2022

**30. INCOME TAX EXPENSE (CONTINUED)**

The tax expense on profit differs from the amount that would arise using the Singapore statutory rate of income tax due to the following:

	Group	
	2022	2021
	\$'000	\$'000
Profit before income tax	9,320	9,951
Share of results of jointly-controlled entities, net of tax	549	167
Profit before tax and share of results of jointly-controlled entities	9,869	10,118
Tax calculated at a tax rate of 17% (2021: 17%)	1,678	1,720
Singapore statutory stepped income exemption	(77)	(53)
Effect of different tax rates in other countries	(1,075)	(222)
Expenses not deductible for tax purposes	1,197	1,223
Income not taxable	(906)	(1,067)
Deferred tax assets not recognised	2,077	877
Over provision of prior years' current income tax	(11)	(77)
Over provision of prior years' deferred income tax	(15)	-
	2,868	2,401

**31. PROFIT FOR THE YEAR**

Profit for the year has been arrived at after charging:

	Group	
	2022	2021
	\$'000	\$'000
Audit fees:		
- paid to auditors of the company	168	153
- paid to other auditors	98	91
	266	244
Non-audit fees:		
- paid to auditors of the company	15	15
- paid to other auditors	40	17
	55	32
Directors' fees	213	167
Other expenses include:		
Advertising and marketing expenses	1,103	805
Cleaning expenses	1,643	1,372
Commission charges	4,536	1,597
Property, plant and equipment written off	26	18
Operating supplies	648	701
Property tax	3,467	3,231
Expense relating to short-term leases and leases of low value assets	281	253
Foreign exchange loss, net	850	-
Repair and maintenance	3,232	2,957
Utilities expenses	5,476	4,094



# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 32. DIVIDENDS

	Group and Company	
	2022	2021
	\$'000	\$'000
<b>Ordinary dividends</b>		
Final tax exempt dividend of 0.5 cent per share (2021 : \$NIL per share) in respect of previous financial year	2,875	-

Subsequent to 31 December 2022, 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 2022. 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 PER SHARE

	Group	
	2022	2021
Profit after tax attributable to the equity holders of Amara Holdings Limited (\$'000)	6,452	7,550
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	574,968	574,968
Basic and diluted earnings per ordinary share (cents)	1.12	1.31

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 2022

**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 2022</b>						
Segment revenue						
Sales to external customers	49,073	42,990	1,615	7	-	93,685
Intersegment sales/income	2,014	163	-	-	(2,177)	-
Total revenue	51,087	43,153	1,615	7	(2,177)	93,685
Depreciation and amortisation	(9,171)	(4)	(20)	-	-	(9,195)
Fair value gain of investment properties	-	1,243	-	-	-	1,243
Share of results of jointly-controlled entities	-	(549)	-	-	-	(549)
Other significant non-cash (expenses)/income	(162)	497	-	-	-	335
Segment profit	5,534	15,628	487	9	-	21,658
Interest income						33
Interest expense on borrowings						(11,901)
Unallocated corporate expenses						(470)
Profit before tax						9,320
Taxation						(2,868)
Profit for the year						6,452
Segment assets	252,436	532,646	742	921	-	786,745
Deferred tax assets						634
Total assets						787,379
Segment assets include:						
Investment in jointly-controlled entities	-	8,731	-	-	-	8,731
Additions to - Property, plant and equipment	586	20	14	-	-	620
Segment liabilities	(11,890)	(14,276)	(200)	(304)	-	(26,670)
Income tax payable						(3,346)
Deferred tax liabilities						(13,719)
Corporate borrowings						(352,971)
Total liabilities						(396,706)

## NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 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 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 2022

## 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	76,994	47,190	448,054	445,247
PRC	12,704	18,131	157,761	180,830
Thailand	3,987	1,552	44,572	47,675
	93,685	66,873	650,387	673,752

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 \$NIL (2021 : \$9.2 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 2022 and 2021.

# NOTES TO FINANCIAL STATEMENTS

31 December 2022

## 35. OPERATING LEASE ARRANGEMENTS

### The group as lessee

At 31 December 2022, the group is committed to \$39,000 (2021 : \$73,000) 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	
	2022 \$'000	2021 \$'000
Year 1	16,780	16,010
Year 2	12,108	10,749
Year 3	6,978	6,054
Year 4	5,848	3,378
Year 5	3,778	3,241
Year 6 onwards	3,593	5,802
Total	49,085	45,234

## 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) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* <sup>(1)</sup>
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates* <sup>(1)</sup>
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* <sup>(1)</sup>
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* <sup>(2)</sup>
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* <sup>(2)</sup>
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback* <sup>(2)</sup>
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture* <sup>(3)</sup>

<sup>(1)</sup> Applies to annual periods beginning on or after 1 January 2023.

<sup>(2)</sup> Applies to annual periods beginning on or after 1 January 2024.

<sup>(3)</sup> Effective date is deferred indefinitely.

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  
Ginney Lim May Ling  
*Lead Independent Director*  
Bill Chua Teck Huat  
George Seow Ewe Keong  
Tan Kim Seng  
Teo Shao-Lynn, Dawn (Zhang Xiaolin)  
*Alternate Director to Albert Teo Hock Chuan*

## COMPANY SECRETARIES

Susan Teo Geok Tin  
Foo Soon Soo

## AUDIT COMMITTEE

George Seow Ewe Keong  
*Chairman*

Lawrence Mok Kwok Wah  
Bill Chua Teck Huat  
Tan Kim Seng

## NOMINATING COMMITTEE

Bill Chua Teck Huat  
*Chairman*

Albert Teo Hock Chuan  
Ginney Lim May Ling  
George Seow Ewe Keong

## REMUNERATION COMMITTEE

Ginney Lim May Ling  
*Chairman*

Lawrence Mok Kwok Wah  
Bill Chua Teck Huat  
George Seow Ewe Keong  
Tan Kim Seng

## PRINCIPAL BANKERS

United Overseas Bank Limited  
DBS Bank Ltd.

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
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Singapore 098632

## REGISTERED OFFICE

100 Tras Street #06-01 100 AM  
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t : (65) 6879 2515  
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e : corporate@amaraholdings.com  
w : www.amaraholdings.com

## 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

## AUDITOR

Deloitte & Touche LLP  
6 Shenton Way  
#33-00 OUE Downtown 2  
Singapore 068809

Kee Cheng Kong  
*Partner-in-charge*  
(Appointed in the financial year ended 31 December 2022)

# STATISTICS OF SHAREHOLDINGS

As at 16 March 2023

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	4,839
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	490	10.12	466,567	0.08
1,001 - 10,000	3,003	62.06	15,796,467	2.75
10,001 - 1,000,000	1,317	27.22	68,212,830	11.86
1,000,001 AND ABOVE	28	0.58	490,492,270	85.31
<b>TOTAL</b>	<b>4,839</b>	<b>100.00</b>	<b>574,968,200</b>	<b>100.00</b>

Based on information available to the Company on 16 March 2023, 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	DBS NOMINEES (PRIVATE) LIMITED	46,122,414	8.02
3	TEO CHEW CHUAN	42,578,500	7.41
4	TEO SIEW BEE	35,441,205	6.16
5	TEO GEOK TIN	35,132,232	6.11
6	TEO KWEE CHUAN	35,099,234	6.10
7	TEO HIN CHUAN	32,580,997	5.67
8	MORPH INVESTMENTS LTD	14,800,000	2.57
9	ONG KIAN KOK	13,800,000	2.40
10	IFAST FINANCIAL PTE. LTD.	12,439,100	2.16
11	TEO HWEE YEE	12,282,405	2.14
12	TEO ENG KEONG (ZHANG YONGQIANG)	12,282,400	2.14
13	CITIBANK NOMINEES SINGAPORE PTE LTD	10,514,800	1.83
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,713,100	0.99
15	TEO GUAN HOON	3,238,000	0.56
16	POH LAY ENG	3,153,493	0.55
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,095,900	0.54
18	RONNIE POH TIAN PENG	2,900,000	0.50
19	OCBC SECURITIES PRIVATE LIMITED	2,153,500	0.37
20	CHIAM HOCK POH	2,024,900	0.35
	<b>TOTAL</b>	<b>478,340,170</b>	<b>83.18</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 16 March 2023

## SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	% <sup>(5)</sup>
Albert Teo Hock Chuan	1,000	189,248,694 <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
Albertsons Capital Pte. Ltd.	36,260,704	-	36,260,704	6.31
Teo Shao-Lynn, Dawn (Zhang Xiaolin)	1,659,910	36,260,704 <sup>(3)</sup>	37,920,614	6.60
Teo Chew Chuan	42,578,500	3,153,493 <sup>(4)</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 36,260,704 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 Shao-Lynn, Dawn (Zhang Xiaolin) is deemed to have an interest in the 36,260,704 shares in which Albertsons Capital Pte. Ltd. is interested in as she 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>(4)</sup> Teo Chew Chuan is deemed interested in 3,153,493 shares held by his spouse.
- <sup>(5)</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 held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 27 April 2023 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 2022 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 2022. **(Resolution 2)**

3. To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company <sup>(1)</sup>. **(Resolution 3)**

Mr Lawrence Mok Kwok Wah will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered non-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 a member of the Remuneration Committee.

4. To re-elect Ms Ginney Lim May Ling as a Director retiring under Regulation 94 of the Constitution of the Company <sup>(1)</sup>. **(Resolution 4)**

Ms Ginney Lim May Ling will, upon re-election as Director of the Company, be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. She will remain as the Lead Independent Director, the Chairman of the Remuneration Committee and a member of the Nominating Committee.

5. To re-elect Mr Bill Chua Teck Huat as a Director retiring under Regulation 94 of the Constitution of the Company <sup>(1)</sup>. **(Resolution 5)**

Mr Bill Chua Teck Huat 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 SGX-ST. He will also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

6. To re-elect Mr George Seow Ewe Keong as a Director retiring under Regulation 94 of the Constitution of the Company <sup>(1)</sup>. **(Resolution 6)**

Mr George Seow Ewe Keong will, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will also remain as a member of both the Nominating Committee and the Remuneration Committee.

7. To re-elect Mr Tan Kim Seng as a Director retiring under Regulation 94 of the Constitution of the Company <sup>(1)</sup>. **(Resolution 7)**

Mr Tan Kim Seng 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 SGX-ST. He will also remain as a member of the Remuneration Committee.

8. To approve payment of Directors' Fees of \$213,060 for the year ended 31 December 2022 (2021: \$167,134). **(Resolution 8)**

9. To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 9)**

<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 2022 of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without amendments):

### 10. 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,

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 of the SGX-ST; 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 10)**  
(See Explanatory Note 1)

# NOTICE OF ANNUAL GENERAL MEETING

## 11. 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 11)**

(See Explanatory Note 2)

## 12. 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").

(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.

# NOTICE OF ANNUAL GENERAL MEETING

(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 12)**

(See Explanatory Note 3)

## AS OTHER BUSINESS

13. 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 2022 will be paid on 22 June 2023 to shareholders whose names appear in the Register of Members on 8 June 2023.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 8 June 2023 after 5.00 p.m. to 9 June 2023, 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, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m., on 8 June 2023 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  
12 April 2023

# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTE 1:

The Ordinary Resolution in item 10, 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 11, 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 12, 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 2022, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 12 April 2023 in relation to the proposed renewal of the Share Purchase Mandate ("Appendix to this Notice").

## NOTES:

1. The above Meeting will be held physically at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 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. **There will be no option for members to participate virtually. No printed copies of this Notice, the Appendix to this Notice, Proxy Form and the Annual Report 2022 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. Members (including CPF and SRS investors) may participate in the above Meeting by:
  - (a) attending in person or by proxy;
  - (b) raising questions relating to the resolutions to be tabled for approval at the above Meeting at the above Meeting itself or submitting such questions in advance of the above Meeting; and/or
  - (c) voting (i) in person or (ii) through appointed proxy/ies

Members are advised to exercise social responsibility and not to attend the above Meeting if feeling unwell. Members are also strongly encouraged to mask up at the above Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## SUBMISSION OF PROXY FORMS

- (1) A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Act) entitled to attend, speak and vote at the above Meeting is entitled to appoint not more than two proxies to attend, speak and vote on his behalf. Where such member appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.
- (2) A member of the Company who is a relevant intermediary as defined in Section 181 of the Act is entitled to appoint more than two proxies to attend, speak and vote at the above Meeting.
- (3) A proxy or representative need not be a member of the Company.
- (4) The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or notarially certified or office copy thereof must be submitted in the following manner:
  - (i) If submitted by post, be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
  - (ii) If submitted electronically via email, be submitted to the Company's Share Registrar at Amara-AGM2023@boardroomlimited.com,in either case, by **10.30 a.m. on 24 April 2023**, being 72 hours before the time of the above Meeting.
- (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.
- (6) CPF or SRS investors who wish to appoint the Chairman of the above Meeting as proxy to vote on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2023.

# NOTICE OF ANNUAL GENERAL MEETING

## QUESTIONS

- (1) Members may raise questions, if any, relating to the resolutions to be tabled for approval at the above Meeting, at the above Meeting itself or in advance of the above Meeting. For members who would like to submit their questions in advance of the above Meeting, they may do so in the following manner by **19 April 2023**:
- (i) If submitted by post, be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
  - (ii) If submitted electronically via email, be submitted to the Company's Share Registrar at [Amara-AGM2023@boardroomlimited.com](mailto:Amara-AGM2023@boardroomlimited.com).
- (2) Members submitting questions are required to provide their particulars as follows:
- (i) Full name as per CDP/CPF/SRS account records;
  - (ii) National Registration Identity Card Number or Passport Number (for individuals) / Company Registration Number (for corporates); and
  - (iii) The manner in which the member holds shares in the Company (e.g., via CDP, CPF/SRS and/or scrip).
- (3) The Company will endeavour to address substantial and relevant questions by 10.30 a.m. on 22 April 2023. A summary of the questions and responses will be posted on the Company's website and on SGXNet.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) 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 proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General 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 (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information relates to Mr Lawrence Mok Kwok Wah, Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng, all of whom are seeking re-election as Directors at the forthcoming Annual General Meeting on 27 April 2023:

	<b>Mr Lawrence Mok Kwok Wah</b>	<b>Ms Ginney Lim May Ling</b>	<b>Mr Bill Chua Teck Huat</b>
First appointed	26 May 1995	11 May 2022	11 May 2022
Last re-elected	26 April 2021	-	-
Age	70	60+	60+
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Mok as Non-Independent, Non-Executive Director of the Company. Mr Mok's expertise in business and general management will continue to value-add in the Board's deliberations.	The Board accepts the recommendation of the Nominating Committee to re-elect Ms Lim as Independent Director of the Company. Ms Lim's experience in the legal and REIT sectors is valuable to the Board.  Being a female director, Ms Lim also adds to the gender diversity of the Board.	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Chua as Independent Director of the Company. Mr Chua brings with him a wealth of knowledge and experience in the financial sector.
Whether re-election is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	RC Member and AC Member	Lead ID, RC Chairman and NC Member	NC Chairman, AC Member and RC Member
Professional qualifications	Bachelor of Accountancy (Honours) degree from the University of Singapore (now known as National University of Singapore)  Fellow of the Institute of Singapore Chartered Accountants and CPA Australia	Bachelor of Laws (LLB) Honours degree from the National University of Singapore	Bachelor of Arts (Economics) degree and Bachelor of Engineering Honours Class 1 (Industrial) degree from the University of Newcastle, Australia
Working experience and occupation(s) during the past 10 years	General Manager, Regional Operations of O'Connor's Holdings Pte Ltd from 2006 to 2015  Consultant in business operations and risk management from 2016 to present	General Counsel, Executive Vice President, Group Communications and Group Company Secretary, Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Private Limited)	Managing Director and Head of Global Financial Institutions Group at United Overseas Banking Group from May 2011 to November 2014
Shareholding interest in the listed issuer and its subsidiaries	Amara Holdings Limited Direct Interest – 710,030 shares Deemed Interest – 35,441,205 shares	No	No



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr Lawrence Mok Kwok Wah</b>	<b>Ms Ginney Lim May Ling</b>	<b>Mr Bill Chua Teck Huat</b>
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	<p>Brother-in-law of Mr Albert Teo Hock Chuan, Chief Executive Officer, Executive Director and substantial shareholder.</p> <p>Spouse of Ms Corinne Teo Siew Bee, executive officer and substantial shareholder.</p> <p>Brother-in-law of Ms Susan Teo Geok Tin, Executive Director and substantial shareholder.</p> <p>Brother-in-law of Mr Teo Kwee Chuan, executive officer and substantial shareholder.</p> <p>Brother-in-law of Mr Teo Chew Chuan and Mr Teo Hin Chuan, substantial shareholders.</p> <p>Brother-in-law of Mr Teo Peng Chuan, director of a principal subsidiary.</p>	No	No
Conflict of interest (including any competing business)	No	Ms Lim is a Director of PARAGON REIT (formerly known as SPH REIT), which owns retail and commercial assets	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other principal commitments including directorships			
- Past (for the last 5 years)	<p>Director of :</p> <ul style="list-style-type: none"> <li>- Amara Hotel Properties Pte. Ltd.</li> <li>- Amara Hospitality Capital Pte. Ltd.</li> <li>- Shanghai Amara Hotel Co., Ltd.</li> <li>- Neuron Biohub Pte. Ltd.</li> </ul>	<p>Director, Times Development Pte. Ltd. (1 September 2006 until present)</p> <p>Director, Orchard 290 Ltd. (1 April 2007 until present)</p> <p>Director, PARAGON REIT Management Pte. Ltd. (formerly known as SPH REIT Management Pte. Ltd.) / PARAGON REIT (formerly known as SPH REIT) (10 June 2013 until present)</p> <p>Director, PARAGON REIT (Investments) Pte. Ltd. (formerly known as SPH REIT (Investments) Pte. Ltd.) (10 December 2018 until present)</p> <p>Director, Times Properties Private Limited (6 July 2022 until present)</p> <p>Director, CP Interactive Pte. Ltd. (6 July 2022 until present)</p>	<p>Director, Citibank Singapore Limited (31 May 2017 until present)</p> <p>Director, Boardroom Executive Services Pte. Ltd. (23 March 2017 until present)</p> <p>Director, United Hampshire US REIT Management Pte. Ltd. (21 February 2020 until present)</p> <p>Director, Sunseap Group Pte. Ltd. (23 October 2017 until present)</p> <p>Director, IES-INCA Pte. Ltd. (1 April 2020 until present)</p> <p>Director, Newcastle Australia Institute of Higher Education Pte. Ltd. (1 July 2020 until present)</p> <p>Director, Green Sands Equity Inc (27 March 2017 until present)</p>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr Lawrence Mok Kwok Wah</b>	<b>Ms Ginney Lim May Ling</b>	<b>Mr Bill Chua Teck Huat</b>
		<p>Director, CP Interactive International Pte. Ltd. (6 July 2022 until present)</p> <p>Director, Streetsine Technology Group Pte. Ltd. (7 November 2022 until present)</p> <p>Member, NUS Law Advisory Council (1 July 2018 until present)</p> <p>Specialist Mediator, Singapore International Mediation Centre (August 2020 until present)</p> <p>General Manager of SPH Foundation Limited (May 2005 to December 2021)</p>	<p>Director, ST Engineering Electronics Ltd. (1 June 2000 until 15 August 2018)</p> <p>Director, ST Engineering Land Systems Limited (1 February 2016 until 15 August 2018)</p> <p>Director, Swan &amp; Maclaren Holdings Pte. Ltd. (1 March 2023 until present)</p>
- Present	<p>Director of :</p> <ul style="list-style-type: none"> <li>- Amara Hotel Properties Pte Ltd</li> <li>- Amara Hospitality Capital Pte. Ltd.</li> <li>- Shanghai Amara Hotel Co., Ltd.</li> <li>- Neuron Biohub Pte. Ltd.</li> </ul>	<p>Director, Times Development Pte. Ltd. (1 September 2006 until present)</p> <p>Director, Orchard 290 Ltd. (1 April 2007 until present)</p> <p>Director, PARAGON REIT Management Pte. Ltd. (formerly known as SPH REIT Management Pte. Ltd.) / PARAGON REIT (formerly known as SPH REIT) (10 June 2013 until present)</p> <p>Director, PARAGON REIT (Investments) Pte. Ltd. (formerly known as SPH REIT (Investments) Pte. Ltd.) (10 December 2018 until present)</p> <p>Director, Times Properties Private Limited (6 July 2022 until present)</p> <p>Director, CP Interactive Pte. Ltd. (6 July 2022 until present)</p> <p>Director, CP Interactive International Pte. Ltd. (6 July 2022 until present)</p> <p>Director, Streetsine Technology Group Pte. Ltd. (7 November 2022 until present)</p> <p>Director, Straits Magazines Pte. Ltd. (1 January 2023 until present)</p> <p>Director, Singapore Newspaper Services Private Limited (1 January 2023 until present)</p> <p>Director, Singapore News and Publications Limited (1 January 2023 until present)</p> <p>Director, The Straits Times Press (1975) Limited (1 January 2023 until present)</p> <p>Member, NUS Law Advisory Council (1 July 2018 until present)</p> <p>Specialist Mediator, Singapore International Mediation Centre (August 2020 until present)</p>	<p>Director, Citibank Singapore Limited (31 May 2017 until present)</p> <p>Director, Boardroom Executive Services Pte. Ltd. (23 March 2017 until present)</p> <p>Director, United Hampshire US REIT Management Pte. Ltd. (21 February 2020 until present)</p> <p>Director, Sunseap Group Pte. Ltd. (23 October 2017 until present)</p> <p>Director, IES-INCA Pte. Ltd. (1 April 2020 until present)</p> <p>Director, Newcastle Australia Institute of Higher Education Pte. Ltd. (1 July 2020 until present)</p> <p>Director, Green Sands Equity Inc (27 March 2017 until present)</p> <p>Director, Swan &amp; Maclaren Holdings Pte. Ltd. (1 March 2023 until present)</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr Lawrence Mok Kwok Wah</b>	<b>Ms Ginney Lim May Ling</b>	<b>Mr Bill Chua Teck Huat</b>
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	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	No
Whether there is any unsatisfied judgment against him/her?	No	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	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	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lawrence Mok Kwok Wah	Ms Ginney Lim May Ling	Mr Bill Chua Teck Huat
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	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	No
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	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	No
Whether he/she has ever, to his/her knowledge, been concerned 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	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	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	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr Lawrence Mok Kwok Wah</b>	<b>Ms Ginney Lim May Ling</b>	<b>Mr Bill Chua Teck Huat</b>
(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,  in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No
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	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes
If yes, please provide details of prior experience.	Director of Amara Holdings Limited since the Company was listed	Director of PARAGON REIT (formerly known as SPH REIT), a real estate investment trust listed on the mainboard of the Exchange since 10 June 2013 until present	Director of United Hampshire US REIT, a real estate investment trust listed on the mainboard of the Exchange, since 21 February 2020

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr George Seow Ewe Keong</b>	<b>Mr Tan Kim Seng</b>
First appointed	11 May 2022	31 July 2022
Last re-elected	-	-
Age	70+	60+
Country of principal residence	Malaysia	Singapore
The Board's comments on this re-election	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Seow as Independent Director of the Company. Mr Seow's experience in finance and multinationals provide enhancement to the Board.	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Tan as Independent Director of the Company. Mr Tan's expertise in the hospitality industry will contribute positively to the Group.
Whether re-election is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	AC Chairman, NC Member and RC Member	AC Member and RC Member
Professional qualifications	Bachelor of Commerce from the University of Western Australia  Chartered Accountant (Malaysian Institute of Accountants)	Bachelor of Science, Cornell University's School of Hotel Management
Working experience and occupation(s) during the past 10 years	No	Advisor (Hospitality), QUE Limited from January 2022 to December 2022  Chief Operating Officer, Meritus Hotels & Resorts from October 2015 to December 2022  Managing Director, IFH Asia Pacific
Shareholding interest in the listed issuer and its subsidiaries	No	No
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	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr George Seow Ewe Keong</b>	<b>Mr Tan Kim Seng</b>
Other principal commitments including directorships		
- Past (for the last 5 years)	Nil	<p>Director, Mandarin Hotel (Singapore) Private Limited (1 July 2016 until December 2022)</p> <p>Director, Singapore Mandarin International Hotels Pte. Ltd. (1 July 2016 until December 2022)</p> <p>Director, Hotel Investment (Marina) Private Limited (1 July 2016 until 27 December 2019)</p> <p>Director, Singapore Meritus International Hotels Pte. Ltd. (1 July 2016 until December 2022)</p> <p>Director, Meritus Hotels Pte. Ltd. (1 July 2016 until December 2022)</p> <p>Director, Meritus International Pte. Ltd. (3 June 2016 until December 2022)</p> <p>Director, OUE Trademarks Pte. Ltd. (1 July 2016 until December 2022)</p> <p>Director, Chatterbox Pte. Ltd. (3 November 2016 until 27 December 2019)</p> <p>Director, Chenexpress Pte. Ltd. (4 November 2016 until 27 December 2019)</p>
- Present	Nil	Nil

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr George Seow Ewe Keong	Mr Tan Kim Seng
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



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr George Seow Ewe Keong	Mr Tan Kim Seng
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
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 concerned 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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>Mr George Seow Ewe Keong</b>	<b>Mr Tan Kim Seng</b>
(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,  in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No
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.	Director of Amara Holdings Limited since May 2022	Director of Maveric Ltd. from 2006 until 2011

**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 will be held physically at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 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. **There will be no option for members to participate virtually.**
2. 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 to vote on their behalf should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 17 April 2023.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co.Registration Number)  
of \_\_\_\_\_ (Address)

being a member/members of AMARA HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Thursday, 27 April 2023 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	For*	Against*	Abstain*
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2022 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 2022.			
3.	To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company.			
4.	To re-elect Ms Ginney Lim May Ling as a Director retiring under Regulation 94 of the Constitution of the Company.			
5.	To re-elect Mr Bill Chua Teck Huat as a Director retiring under Regulation 94 of the Constitution of the Company.			
6.	To re-elect Mr George Seow Ewe Keong as a Director retiring under Regulation 94 of the Constitution of the Company.			
7.	To re-elect Mr Tan Kim Seng as a Director retiring under Regulation 94 of the Constitution of the Company.			
8.	To approve payment of Directors' Fees of \$213,060 for the year ended 31 December 2022.			
9.	To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.			
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			

No.	Ordinary Resolutions	For*	Against*	Abstain*
11.	To authorise Directors to issue shares under the Amara Performance Share Plan.			
12.	To approve the renewal of the Share Purchase Mandate.			

\* Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or "Abstain", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total number of Shares held

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

### Notes for Proxy Form

1. A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Companies Act 1967) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf.
2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no provision is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and the second named proxy as an alternate to the first named, or at the Company's option to treat this proxy form as invalid.
3. A member of the Company who is a relevant intermediary as defined in Section 181 of the Companies Act 1967 is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. A proxy or representative need not be a member of the Company.
5. 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.
6. The instrument appointing a proxy or proxies for any member 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.
7. The instrument appointing a 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 shall be submitted in the following manner:
  - (a) if by post, to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
  - (b) if electronically via email, to the Company's Share Registrar at **Amara-AGM2023@boardroomlimited.com**, in either case, by 10.30 a.m. on 24 April 2023, being 72 hours before the time of the AGM, and in default the instrument of proxy shall be treated as invalid.
8. 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 AGM, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

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**AMARA HOLDINGS LIMITED**

(Registration Number 197000732N)

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