



**AMARA HOLDINGS LIMITED**

**AND ITS SUBSIDIARIES**

**(Registration No. 197000732N)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED**

**30 JUNE 2023**

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## A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Group		
		Six months ended		
		30/06/2023	30/06/2022	Change
		\$'000	\$'000	%
<b>Revenue</b>	4	<b>49,885</b>	36,486	37
Other income		<b>441</b>	110	NM
Cost of properties sold/consumables used		<b>(8,509)</b>	(7,339)	16
Staff costs		<b>(11,945)</b>	(8,311)	44
Depreciation		<b>(4,048)</b>	(4,640)	(13)
Finance costs		<b>(8,663)</b>	(4,322)	100
Other expenses		<b>(14,779)</b>	(10,587)	40
Share of results of jointly-controlled entities, net of tax		<b>(429)</b>	(143)	NM
<b>Profit before tax</b>	6	<b>1,953</b>	1,254	56
Income tax expense	7	<b>(1,228)</b>	(1,152)	7
<b>Profit for the period</b>		<b>725</b>	102	NM
<b>Other comprehensive loss:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations, representing total other comprehensive loss for the period		<b>(5,096)</b>	(3,475)	47
<b>Total comprehensive loss for the period</b>		<b>(4,371)</b>	(3,373)	30
<b>Profit attributable to:</b>				
Owners of the company		<b>725</b>	102	NM
<b>Total comprehensive loss attributable to:</b>				
Owners of the company		<b>(4,371)</b>	(3,373)	30
<b>Earnings per share for profit for the period attributable to the owners of the company during the year:</b>				
Basic and diluted (cents)		<b>0.13</b>	0.02	NM

NM: Not meaningful

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## B. Condensed Interim Statements of Financial Position

Notes	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
<b>Current assets</b>				
	23,237	20,949	31	15
Cash and cash equivalents				
Trade and other receivables	9,673	10,795	60,764	64,051
Inventories	298	347	-	-
Development properties	10	92,228	-	-
Contract assets	5,942	4,798	-	-
Total current assets	<b>131,378</b>	135,467	<b>60,795</b>	64,066
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss ("FVTPL")	11	821	891	151
Intangible assets	12	1,178	-	-
Investment in jointly-controlled entities		9,102	8,731	-
Investment in subsidiaries		-	-	40,087
Investment properties	13	399,946	402,209	-
Property, plant and equipment	14	225,961	232,662	-
Other asset		5,553	5,607	-
Deferred tax assets		678	634	-
Total non-current assets		<b>643,239</b>	651,912	<b>40,238</b>
<b>Total assets</b>		<b>774,617</b>	787,379	<b>101,033</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Trade and other payables		22,071	18,898	212
Contract liabilities		1,210	1,210	-
Bank loans	15	56,676	77,506	-
Lease liabilities	15	2,145	1,916	-
Income tax payable		2,627	3,346	-
Total current liabilities		<b>84,729</b>	102,876	<b>212</b>
<b>Non-current liabilities</b>				
Trade and other payables		5,936	6,562	-
Bank loans	15	250,873	237,499	-
Lease liabilities	15	35,785	36,050	-
Deferred tax liabilities		13,867	13,719	-
Total non-current liabilities		<b>306,461</b>	293,830	-
<b>Capital and reserves</b>				
Share capital	16	125,646	125,646	125,646
Treasury shares		(996)	(996)	(996)
Reserves		258,777	266,023	(23,829)
Total equity		<b>383,427</b>	390,673	<b>100,821</b>
<b>Total liabilities and equity</b>		<b>774,617</b>	787,379	<b>101,033</b>

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## C. Condensed Interim Statements of Changes in Equity

<b>Group</b>	<b>Note</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Retained earnings and other reserves* \$'000</b>	<b>Total reserves \$'000</b>	<b>Equity attributable to owners of the company \$'000</b>
Balance at 1 January 2023		125,646	(996)	(11,632)	277,655	266,023	390,673
Total comprehensive income/(loss) for the period:							
Profit for the period		-	-	-	725	725	725
Other comprehensive loss		-	-	(5,096)	-	(5,096)	(5,096)
Total		-	-	(5,096)	725	(4,371)	(4,371)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2022, representing total transactions with owners, recognised directly in equity	8	-	-	-	(2,875)	(2,875)	(2,875)
<b>Balance at 30 June 2023</b>		<b>125,646</b>	<b>(996)</b>	<b>(16,728)</b>	<b>275,505</b>	<b>258,777</b>	<b>383,427</b>
Balance at 1 January 2022		125,646	(996)	3,129	274,078	277,207	401,857
Total comprehensive income/(loss) for the period:							
Profit for the period		-	-	-	102	102	102
Other comprehensive loss		-	-	(3,475)	-	(3,475)	(3,475)
Total		-	-	(3,475)	102	(3,373)	(3,373)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2021, representing total transactions with owners, recognised directly in equity	8	-	-	-	(2,875)	(2,875)	(2,875)
<b>Balance at 30 June 2022</b>		<b>125,646</b>	<b>(996)</b>	<b>(346)</b>	<b>271,305</b>	<b>270,959</b>	<b>395,609</b>

\* Includes other reserves of \$112,000 as at 30 June 2023 (30 June 2022: \$112,000).

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## C. Condensed Interim Statements of Changes in Equity (cont'd)

<u>Company</u>	<u>Note</u>	<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Other reserves</u> \$'000	<u>Total reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2023		125,646	(996)	(21,554)	926	(20,628)	104,022
Loss for the period, representing total comprehensive loss for the period		-	-	(326)	-	(326)	(326)
Dividends paid relating to 2022, representing total transactions with owners recognised directly in equity	8	-	-	(2,875)	-	(2,875)	(2,875)
<b>Balance at 30 June 2023</b>		<b>125,646</b>	<b>(996)</b>	<b>(24,755)</b>	<b>926</b>	<b>(23,829)</b>	<b>100,821</b>
Balance at 1 January 2022		125,646	(996)	(21,604)	926	(20,678)	103,972
Loss for the period, representing total comprehensive loss for the period		-	-	(228)	-	(228)	(228)
Dividends paid relating to 2021, representing total transactions with owners recognised directly in equity	8	-	-	(2,875)	-	(2,875)	(2,875)
<b>Balance at 30 June 2022</b>		<b>125,646</b>	<b>(996)</b>	<b>(24,707)</b>	<b>926</b>	<b>(23,781)</b>	<b>100,869</b>

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## D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		Six months ended	
		30/06/2023	30/06/2022
		\$'000	\$'000
<b>Operating activities</b>			
Profit before tax		1,953	1,254
Adjustments for:			
Amortisation of other asset	6	54	53
Depreciation of property, plant and equipment		4,048	4,640
Gain on disposal of property, plant and equipment	6	(57)	(5)
Dividend income from financial assets at FVTPL	6	(16)	(13)
Gain on disposal of financial assets at FVTPL	6	-*	(2)
Loss on fair value adjustment of financial assets at FVTPL	6	58	31
Interest income - fixed deposits	6	(20)	(17)
Interest expense		8,663	4,322
Share of results of jointly-controlled entities, net of tax		429	143
Exchange differences		234	307
Operating cash flows before movements in working capital		15,346	10,713
Inventories		49	80
Trade and other receivables		1,122	722
Trade and other payables		2,546	1,260
Contract assets		(1,144)	(5,669)
Development properties		6,350	2,050
Cash generated from operations		24,269	9,156
Income tax paid		(1,617)	(1,113)
Net cash from operating activities		22,652	8,043
<b>Investing activities</b>			
Advances to a jointly-controlled entity		(800)	(800)
Additional investment in a jointly-controlled entity		-	(400)
Proceeds on disposal of financial assets at FVTPL		12	22
Proceeds on disposal of property, plant and equipment		64	8
Payments for property, plant and equipment		(899)	(337)
Dividend received from financial assets at FVTPL		16	13
Interest received		20	17
Net cash used in investing activities		(1,587)	(1,477)
<b>Financing activities</b>			
Interest paid		(8,554)	(3,841)
Payment of dividends on ordinary shares		(2,875)	(2,875)
Repayment of lease liabilities		(23)	(766)
Repayment of bank borrowings		(11,743)	(7,339)
Proceeds from bank borrowings		4,780	5,100
Net cash used in financing activities		(18,415)	(9,721)
Net increase/(decrease) in cash and cash equivalents		2,650	(3,155)
Cash and cash equivalents at beginning of period		20,949	16,069
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(362)	(188)
<b>Cash and cash equivalents at end of period</b>		<b>23,237</b>	<b>12,726</b>

\* Amount less than \$1,000

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## E. Notes to Condensed Interim Consolidated Financial Statements

### 1. Corporate information

Amara Holdings Limited (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are:

- (a) hotelier and restaurateur;
- (b) property investment, development and provision of construction services;
- (c) investment holding; and
- (d) provision of management and technical advisory services for the management and development of hotels and resorts.

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



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## 2. Basis of Preparation (cont'd)

### 2.2 Use of judgements and estimates (cont'd)

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.

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. 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 at the end of reporting period.

The valuation technique and inputs used to determine the fair value of the investment properties are further explained in Note 13.

The carrying amounts of the Group's investment properties at the end of the reporting period are disclosed in Note 13.

#### 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.

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## 3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 4 Segment and revenue 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.

### 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

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## 4.1 Reportable segments

	Hotel investment and management	Property investment and development	Specialty restaurants and food services	Others	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six months ended 30 June 2023</b>						
Segment revenue						
Sales to external customers	30,823	18,076	983	3	-	49,885
Intersegment sales/income	1,666	40	-	-	(1,706)	-
Total revenue	<u>32,489</u>	<u>18,116</u>	<u>983</u>	<u>3</u>	<u>(1,706)</u>	<u>49,885</u>
Depreciation and amortisation	(4,089)	(4)	(9)	-	-	(4,102)
Share of results of jointly- controlled entities	-	(429)	-	-	-	(429)
Segment profit/(loss)	5,058	5,593	292	(24)	-	10,919
Interest income						20
Interest expense on borrowings						(8,663)
Unallocated corporate expenses						(323)
Profit before tax						<u>1,953</u>
Taxation						<u>(1,228)</u>
Profit for the period						<u>725</u>
Segment assets	247,925	524,112	1,030	872	-	773,939
Deferred tax assets						678
Total assets						<u>774,617</u>
<i>Segment assets include:</i>						
Investment in jointly-controlled entities	-	9,102	-	-	-	9,102
Additions to - Property, plant and Equipment	1,050	7	2	-	-	1,059
Segment liabilities	(14,552)	(14,266)	(186)	(212)	-	(29,216)
Income tax payable						(2,627)
Deferred tax liabilities						(13,867)
Corporate borrowings						(345,480)
Total liabilities						<u>(391,190)</u>

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## 4.1 Reportable segments (cont'd)

	Hotel investment and management	Property investment and development	Specialty restaurants and food services	Others	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six months ended 30 June 2022</b>						
Segment revenue						
Sales to external customers	18,300	17,409	773	4	-	36,486
Intersegment sales/income	409	84	-	-	(493)	-
Total revenue	<u>18,709</u>	<u>17,493</u>	<u>773</u>	<u>4</u>	<u>(493)</u>	<u>36,486</u>
Depreciation and amortisation	(4,682)	(1)	(10)	-	-	(4,693)
Share of results of jointly- controlled entities	-	(143)	-	-	-	(143)
Segment (loss)/profit	(900)	6,422	270	(8)	-	5,784
Interest income						17
Interest expense on borrowings						(4,322)
Unallocated corporate expenses						(225)
Profit before tax						<u>1,254</u>
Taxation						<u>(1,152)</u>
Profit for the period						<u>102</u>
Segment assets	261,709	547,350	662	932	-	810,653
Deferred tax assets						568
Total assets						<u>811,221</u>
<i>Segment assets include:</i>						
Investment in jointly-controlled entities	-	8,657	-	-	-	8,657
Additions to - Property, plant and Equipment	337	4	18	-	-	359
Segment liabilities	(10,858)	(13,146)	(205)	(197)	-	(24,406)
Income tax payable						(2,495)
Deferred tax liabilities						(14,298)
Corporate borrowings						(374,413)
Total liabilities						<u>(415,612)</u>

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## 4.2 Disaggregation of revenue

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Group \$'000
<b><u>Six months ended 30 June 2023</u></b>					
Types of goods or services					
Hotel investment and management	30,823	-	-	-	30,823
Sales of completed properties held for sale	-	8,683	-	-	8,683
Rental income of investment properties	-	9,393	-	-	9,393
Food and beverage revenue	-	-	983	-	983
Others	-	-	-	3	3
<b>Total revenue</b>	<b>30,823</b>	<b>18,076</b>	<b>983</b>	<b>3</b>	<b>49,885</b>
Timing of revenue recognition					
At point of time	30,823	8,683	983	3	40,492
Over time	-	9,393	-	-	9,393
<b>Total revenue</b>	<b>30,823</b>	<b>18,076</b>	<b>983</b>	<b>3</b>	<b>49,885</b>
Geographical information					
Singapore	19,473	16,778	983	3	37,237
PRC	7,993	1,298	-	-	9,291
Thailand	3,357	-	-	-	3,357
<b>Total revenue</b>	<b>30,823</b>	<b>18,076</b>	<b>983</b>	<b>3</b>	<b>49,885</b>
	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Group \$'000
<b><u>Six months ended 30 June 2022</u></b>					
Types of goods or services					
Hotel investment and management	18,300	-	-	-	18,300
Sales of development properties under construction	-	7,937	-	-	7,937
Rental income of investment properties	-	9,355	-	-	9,355
Food and beverage revenue	-	-	773	-	773
Others	-	118	-	3	121
<b>Total revenue</b>	<b>18,300</b>	<b>17,410</b>	<b>773</b>	<b>3</b>	<b>36,486</b>
Timing of revenue recognition					
At point of time	18,300	-	773	3	19,076
Over time	-	17,410	-	-	17,410
<b>Total revenue</b>	<b>18,300</b>	<b>17,410</b>	<b>773</b>	<b>3</b>	<b>36,486</b>
Geographical information					
Singapore	12,924	15,880	773	3	29,580
PRC	4,224	1,530	-	-	5,754
Thailand	1,152	-	-	-	1,152
<b>Total revenue</b>	<b>18,300</b>	<b>17,410</b>	<b>773</b>	<b>3</b>	<b>36,486</b>

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## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
At amortised cost	<b>41,040</b>	39,421	<b>60,784</b>	64,054
At FVTPL	<b>821</b>	891	<b>151</b>	170
	<b>41,861</b>	40,312	<b>60,935</b>	64,224

### Financial liabilities

Financial liabilities at amortised cost	<b>331,183</b>	336,379	<b>212</b>	301
Lease liabilities	<b>37,930</b>	37,966	-	-
	<b>369,113</b>	374,345	<b>212</b>	301

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.

## 6. Profit before tax

### 6.1 Significant items

Profit before tax is arrived at after crediting/(charging):

	Group	
	30/06/2023	30/06/2022
	\$'000	\$'000
Amortisation of other asset	<b>(54)</b>	(53)
Gain on disposal of property, plant and equipment	<b>57</b>	5
Loss on fair value adjustments of financial assets at FVTPL	<b>(58)</b>	(31)
Gain on disposal of financial assets at FVTPL	-*	2
Dividend income from financial assets at FVTPL	<b>16</b>	13
Interest income – fixed deposits	<b>20</b>	17
Foreign exchange loss, net	<b>(316)</b>	(226)
(Under)/Over provision of prior year's income tax	<b>(30)</b>	27

\* Amount less than \$1,000

### 6.2 Related party transactions

There are no material related party transactions for the financial period.

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## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30/06/2023</b>	30/06/2022
	<b>\$'000</b>	\$'000
Tax expense attributable to the results is made up of:		
Current income tax	<b>898</b>	1,045
Deferred income tax	<b>300</b>	134
	<b>1,198</b>	1,179
(Over)/Under provision in preceding financial years:		
- Current income tax	-	(12)
- Deferred income tax	<b>30</b>	(15)
	<b>1,228</b>	1,152

## 8. Dividends

	<b>Group and Company</b>	
	<b>Six months ended</b>	
	<b>30/06/2023</b>	30/06/2022
	<b>\$'000</b>	\$'000
<b>Ordinary dividends</b>		
Final tax exempt dividend of 0.5 cent per share (30 June 2022 : 0.5 cent per share) in respect of previous financial year	<b>2,875</b>	2,875
	<b>2,875</b>	2,875

## 9. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2023</b>	31/12/2022	<b>30/06/2023</b>	31/12/2022
	<b>Cents</b>	Cents	<b>Cents</b>	Cents
Net asset value per ordinary share	<b>66.69</b>	67.95	<b>17.54</b>	18.09

## 10. Development properties

	<b>Group</b>	
	<b>30/06/2023</b>	31/12/2022
	<b>\$'000</b>	\$'000
Properties under development	<b>16,368</b>	16,340
Completed properties held for sale	<b>75,860</b>	82,238
	<b>92,228</b>	98,578

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## 11. Financial assets at fair value through profit or loss

	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	\$'000	\$'000	\$'000	\$'000
Quoted equity shares at fair value through profit or loss	<b>821</b>	891	<b>151</b>	170

The investments above pertain to investments in quoted equity securities that offer the Group 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 period. Changes in fair value are recognised in profit or loss "other income" line item.

## 12. Intangible assets

	Group	
	30/06/2023	31/12/2022
	\$'000	\$'000
Club memberships	<b>564</b>	564
Less: Impairment loss	<b>(175)</b>	(175)
	<b>389</b>	389
Goodwill	<b>789</b>	789
	<b>1,178</b>	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.

## 13. Investment properties

The Group's investment properties consist of commercial properties, held for long-term rental yields and/or capital appreciation. They are mainly leased to third parties under operating leases.

	Group	
	30/06/2023	31/12/2022
	\$'000	\$'000
At beginning of period/year	<b>402,209</b>	407,277
Additions through subsequent expenditure	-	433
Gain from fair value adjustments included in profit or loss	-	1,243
Currency realignment	<b>(2,263)</b>	(6,744)
At end of period/year	<b>399,946</b>	402,209

### 13.1 Valuation

The Group engages independent qualified external valuers to determine the fair value of the Group's properties at the end of the reporting period based on the property's highest and best use. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the management and the independent valuers.



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## 13. Investment properties (cont'd)

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 3.25% to 5.78% (2022: 3.25% to 5.78%) per annum.

An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

Desktop valuations were prepared by independent qualified external valuers to determine the fair values of investment properties as of 30 June 2023. The desktop valuations were based mainly on the terms of the leasing contracts and current market conditions. There were no changes to the terms of the leasing contracts and there were also no material changes to the condition of the properties. Based on these factors, there were no significant changes to the fair values of the investment properties.

## 14. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to \$1,059,000 (30 June 2022: \$359,000) of which \$160,000 (30 June 2022: \$22,000) was financed by finance lease and disposed assets amounting to \$7,000 (30 June 2022: \$3,000).

## 15. Borrowings

### Aggregate amount of Group's borrowings and debt securities

	<b>Group</b>	
	<b>30/06/2023</b>	<b>31/12/2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Secured	<b>58,821</b>	79,422
Unsecured	-	-
	<b>58,821</b>	79,422
<b>Amount repayable after one year</b>		
Secured	<b>286,658</b>	273,549
Unsecured	-	-
	<b>286,658</b>	273,549

### Details of any collateral

- (a) first mortgages on certain subsidiaries' property, plant and equipment, right-of-use assets, investment and development properties;
- (b) an assignment in escrow of interest in a subsidiary's lease and rental proceeds from its investment properties and a fixed and floating charge over its assets;
- (c) an assignment of certain subsidiaries' interest in sale and purchase agreements, tenancy agreements, insurance policies, building contracts, performance bonds and all monies standing to the credit in a subsidiary's project account in respect of development properties; and
- (d) corporate guarantee given by the Company and debenture over certain subsidiaries' hotels.

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### 15. Borrowings (cont'd)

Included in secured borrowings as at 30 June 2023 are current lease liabilities of \$2,145,000 (31 December 2022: \$1,916,000) and non-current lease liabilities of \$35,785,000 (31 December 2022: \$36,050,000) which are secured on the right-of-use assets.

### 16. Share capital

	Group and Company			
	30/06/2023		31/12/2022	
	No. of shares issued '000	\$'000	No. of shares issued '000	\$'000
At beginning and end of interim period	<b>576,936</b>	<b>125,646</b>	576,936	125,646

As at 30 June 2023 and 31 December 2022, the number of ordinary shares in issue was 576,936,000 of which 1,967,800 were held by the Company as treasury shares.

There was no conversion of shares during the financial period.

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

### 17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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## F. Other Information Required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated statement of financial position of Amara Holdings Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

#### Consolidated Statement of Profit or Loss and Other Comprehensive Income

#### First half ended 30 June 2023 ("1H 2023") vs First half ended 30 June 2022 ("1H 2022")

Group revenue for 1H 2023 increased by 37% to \$49.9 million, from \$36.5 million in 1H 2022. This was mainly due to higher revenue in Hotel Investment and Management segment.

Other income for 1H 2023 increased mainly due to rental income and gain on disposal of property, plant and equipment.

Cost of properties sold / consumables used increased by 16% to \$8.5 million, from \$7.3 million in 1H 2022. This was mainly due to consumables used in the Hotel Investment and Management segment.

Staff costs for 1H 2023 increased by 44% to \$11.9 million, from \$8.3 million in 1H 2022. This was mainly due to increase in headcount in the Hotel Investment and Management segment.

Depreciation charge for 1H 2023 decreased by 13% to \$4.0 million, from \$4.6 million in 1H 2022. This was mainly due to certain plant and equipment which have been fully depreciated in the year 2022.

Finance costs for 1H 2023 increased substantially by 100% to \$8.7 million, from \$4.3 million in 1H 2022. This was mainly due to higher interest rates on bank borrowings.

Other expenses for 1H 2023 increased by 40% to \$14.8 million, from \$10.6 million in 1H 2022. This was mainly due to higher utilities and commission charges.

Income tax expense for 1H 2023 increased by 7% as compared to 1H 2022. The higher tax expense in 1H 2023 was mainly due to higher tax expense in Hotel Investment and Management segment.

Other comprehensive loss of \$5.1 million and \$3.5 million in 1H 2023 and 1H 2022 respectively were mainly due to exchange loss on translation of foreign operations in China arising from depreciation of Chinese Yuan (Renminbi) against the Singapore Dollar.

#### Statements of Financial Position

Development properties decreased from \$98.6 million as at 31 December 2022 to \$92.2 million as at 30 June 2023, mainly due to recognition of development costs.

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### 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No prospect statement was made.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

According to the International Monetary Fund's latest World Economic Outlook in July 2023, global growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024. A lower growth rate is expected for 2023 in view of the rise in central bank policy rates to fight inflation and the impact of the Russia-Ukraine war on economic activity.

As announced by the Ministry of Trade and Industry on 11 August 2023, Singapore economy grew by 0.5% on a year-on-year basis in the second quarter of 2023, extending the 0.4% growth in the first quarter of 2023. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded marginally by 0.1% in the second quarter, a turnaround from the 0.4% contraction in the first quarter. The 2023 GDP growth forecast for Singapore has been narrowed to "0.5% to 1.5%", from "0.5% to 2.5%".

For the Hotel segment, it has seen fast recovery in 2023 in view of increasing flight connectivity and capacity which led to the increase in international travel. For the Singapore market, international visitor arrivals reached 6.3 million in the year to date and STB expects to hit 12 to 14 million visitors in the full year.

For the Residential Properties segment, Urban Redevelopment Authority's real estate statistics released in end July 2023 indicated a 0.2% decline in prices of private residential properties in second quarter of 2023 following a 3.3% gain in the previous quarter. The private housing market is showing signs of moderation, with slowdown in price and rental momentum.

### 5. Dividend information

5a. Current Financial Period Reported on:	None
5b. Corresponding Period of the Immediate Preceding Financial Year:	None
5c. Date Payable:	Not applicable
5d. Books Closure Date:	Not applicable

No dividend has been declared/recommended for the period ended 30 June 2023 as it is not the usual practice of the Group to declare interim dividends.

### 6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

### 7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

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## **8. Statement by directors**

### **Pursuant to SGX Listing Rule 705(5)**

To the best of the directors' knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements to be false or misleading in any material aspects.

ON BEHALF OF THE BOARD OF DIRECTORS

Albert Teo Hock Chuan  
Director

George Seow Ewe Keong  
Director

11 August 2023