Keep Calm and...

AMARA HOLDINGS LIMITED

ANNUAL REPORT 2020

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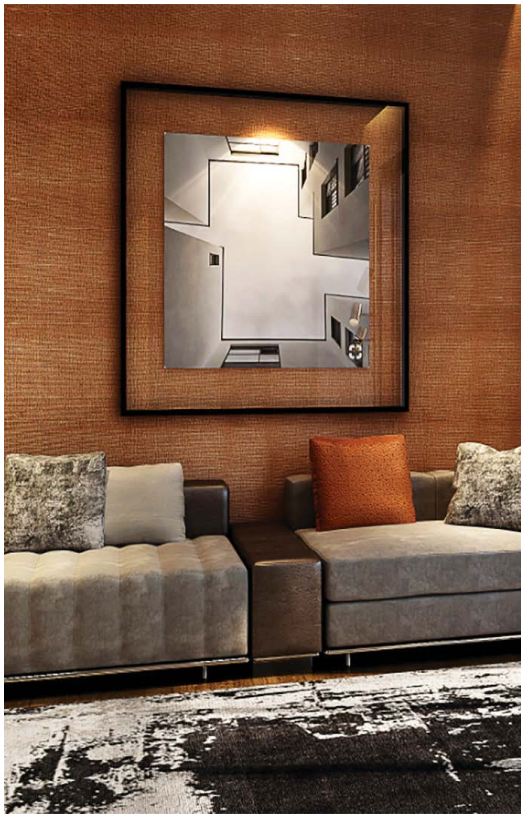
Go Far

THE ONLY CONSTANT IN LIFE IS CHANGE. AT AMARA, WE REMAIN RESILIENT AND QUICK TO ADAPT TO MACRO-ECONOMIC CHALLENGES IN UNCERTAIN TIMES. WITH A PORTFOLIO OF HIGH-QUALITY ASSETS AND WELL-BALANCED CAPITAL AND ASSET MANAGEMENT STRATEGIES, WE CONTINUE TO RISE ABOVE THE CHALLENGES TO GO FAR AND GET 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.

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 HOLDINGS LIMITED

AMARA Brand

AMARA HOTELS & RESORTS

Amara presents the world with a fresh approach to luxury hotels and resorts. We promise to enrich, fulfill 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 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 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.

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.

SILK ROAD

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

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

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.

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



ALBERT TEO HOCK CHUAN

Chief Executive Officer

FOR AMARA, WE FOCUSED ON STRENGTHENING OUR OPERATING CAPABILITIES TO ADAPT QUICKLY TO THE DISRUPTION BROUGHT ON BY THE GLOBAL PANDEMIC.

The year 2020 had been beset with concerns over the unprecedented COVID-19 outbreak, which has affected the global economy and travel industry. According to the International Monetary Fund's latest outlook, global economic growth is estimated to contract by 3.5% in 2020[1], as the impact of COVID-19 further weakened the world economy that was already affected by trade and political tensions.

In Singapore, for the whole of 2020, the economy contracted by 5.4%, based on the advanced estimates, mainly due to the impact of COVID-19[2]. On the hospitality front, latest statistics from the Singapore Tourism Board ("STB") showed that visitor arrivals fell by 85.7% in 2020 to reach 2.7 million visitors (nearly all from the first two months of 2020), while tourism receipts declined by 78.4% to S$4.4 billion in the first three quarters of 2020[3].

For Amara, we focused on strengthening our operating capabilities to adapt quickly to the disruption brought on by the global pandemic. These included a greater emphasis on technology to support marketing functions, upskilling our team and streamlining operations; and financially, we continued to exercise prudence and proactive capital management amidst the macro volatilities.

[1] International Monetary Fund, 20 January 2021 – World Economic Outlook Update, January 2021: Policy Support and Vaccines Expected to Lift Activity.

[2] Ministry of Trade and Industry, 15 February 2021 – GDP Growth Forecast at "4.0 to 6.0 per cent".

[3] Singapore Tourism Board, 1 February 2021 – Singapore's tourism sector emerges from 2020 with greater resilience and reinvention.

At Amara, revenue dropped 42.0% to S$61.1 million in FY 2020 from S$105.3 million in FY 2019, mainly due to lower revenue in the Hotel Investment and Management segment as a result of the COVID-19 pandemic, Circuit Breaker, shutdown and travel restrictions.

FY 2020 net loss stood at S$11.4 million as compared to net profit of S$28.2 million in FY 2019, mainly due to the lower revenue and fair value losses arising from revaluation of investment properties, partially offset by lower staff cost, depreciation, finance cost and other expenses.

Net asset value per share stood at 67.45 Singapore cents as at 31 December 2020, as compared to 70.25 Singapore cents as at 31 December 2019. The Group will remain financially prudent, conserving essential resources to prepare for post-pandemic recovery process. The Group's gearing ratio remained healthy and it is well supported by its principal bankers and available banking facilities.

HOTEL INVESTMENT AND MANAGEMENT

Our Hotel Investment and Management segment has been negatively affected by severe effects brought on by COVID-19 on the tourism industry and food and beverage businesses.

In Singapore, the Group's two hotels, Amara Singapore and Amara Sanctuary Resort, Sentosa have taken an impact from the progressive border control measures imposed by the Singapore Government starting in late January 2020. This, coupled with travel restrictions and lockdowns imposed by other countries, and the postponement or cancellation of MICE and social events, has had an adverse impact during the year under review.

Amara has also taken up many initiatives to recapture revenue streams. In Singapore, both Amara Singapore and Amara Sanctuary Resort, Sentosa have since seen a gradual pick-up in the second half of 2020 with a series of initiatives including providing accommodation for government and business chamber sectors, promotional prices for corporate booking packages and launching new room packages to encourage staycations. Both hotels have additionally been deployed as dedicated facilities for persons to serve their "Stay Home Notice".

Amara Bangkok has been affected by the COVID-19 outbreak since March 2020 after many countries started to impose border control measures and the declaration of a State of Emergency by the Thai Government on 26 March 2020. From 11 June 2020, Amara Bangkok has registered with the authority for the Alternative State Quarantine programme and actively engaged in online marketing efforts for staycation packages for the domestic market. The re-opening of Bangkok in July 2020 and the easing of travel restrictions for visitors from 56 countries in December 2020, in a bid to boost the country's pandemic-hit tourism industry, will serve to provide a gradual uplift to both domestic and international travel over time.

Amara Signature Shanghai was first affected after initial reports of COVID-19 outbreak in China in January 2020 and has been operating at low occupancies since late January 2020, with restaurants and eateries closed from February to April 2020. Amara Signature Shanghai has since seen a gradual recovery from the second half of 2020, underscored by China's success in bringing daily life to 'near pre-pandemic normality' in 10 months after the virus first emerged, an extent not seen in most other countries. With targeted marketing initiatives, we have seen an increase in domestic leisure guests during the long public holiday period. Notwithstanding some localised movement and business restrictions in Shanghai's Huangpu District from January 2021, the longer-term attractiveness of Shanghai remains good, with Shanghai's strategic role as an important financial and innovation powerhouse in Asia and a popular tourist destination.

Operationally, we have put in place business continuity plans in all our hotel operations to stay nimble, from reduction of casual labour to leave clearance to deferring all discretionary expenses and non-critical capital expenditures. The Group has also tapped into the various support schemes provided by the Singapore Government to tide over the pandemic, such as the Enhanced Jobs Support Scheme, waiver of foreign worker levies and various subsidies. These initiatives will continue to provide some cushioning effect in the near term.

CEO'S MESSAGE

We have and will continue to sustain key capabilities through technology and upskilling of our staff, improving internal processes and operational efficiencies to prepare for market recovery, once cross-border travel resumes in a significant way. We have learnt to cope with the disruptions brought on by the global pandemic and remain committed to continually refresh lifestyle experiences to all our guests. The well-being of our guests and employees remains our top priority, and we believe that by staying resolute, we will overcome this challenge together.

PROPERTY INVESTMENT AND DEVELOPMENT

Our Property Investment segment in both Singapore and Shanghai have stayed resilient during the year under review, notwithstanding some impact by the decline in customer demand, strict safe distancing measures and closure of non-essential services.

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

As for our commercial property, 100 AM mall in Tanjong Pagar, occupancy has been stable and high with some tenant rejuvenation during the year, mainly through new F&B brands. Our anchor tenants, including Itadakimasu by PARCO, Daiso and Don Don Donki – also continued to attract consumers with their product varieties. We will continue to strategically work towards maintaining a good tenant mix for a differentiated lifestyle mall experience.

Additionally, to support our tenants in tiding over this difficult period, the Group has provided assistance to eligible tenants in Singapore and Shanghai in areas such as rental rebates.

Overseas in Shanghai, the office component is fully leased to JA Space, which operates office co-sharing services to other enterprises. As for 100 AM Shanghai mall, there has been a renewal in the tenant mix with two new tenants joining the fold in the first quarter of 2021. We will focus on attracting new tenants as part of ongoing rejuvenation to provide a varied collection of lifestyle options for a differentiated experience.

For all our investment properties, the Group has implemented strict precautionary measures to ensure the health and safety of all our customers, tenants and staff during the year. These included stepping up the frequency of cleaning of public areas, temperature screening, contact tracing and implementation of safe distancing measures.

For Property Development, we have successfully launched all our developments but progress of construction of these properties, namely 10 Evelyn off Newton Road and the four units of freehold semi-detached houses at Bedok Avenue, has been slowed down, with stoppage of work during and post-Circuit Breaker period. As a result, the completion dates of the Group's property development projects in progress are expected to be delayed. With Phase 3 re-opening in Singapore and the re-opening of our respective show gallery and show room, we have stepped up our marketing efforts and engagement with buyers for these properties.

The Urban Redevelopment Authority ("URA") showed a 2.1% increase in the private residential property index in the fourth quarter of 2020, compared with the 0.8% increase in the third quarter 2020. For the whole of 2020, prices of private residential properties increased by 2.2%[4].

Our priority will be on the sale and delivery of our freehold sites, with active marketing efforts. Looking ahead, with the low interest rate environment, this could possibly contribute to a rise in demand for properties in the coming year. Whilst we remain cautiously optimistic amidst COVID-19, we believe that these well-located developments, which are well designed and attractively priced, will continue to appeal to discerning homeowners and real estate investors looking for a unique lifestyle.

[4] Urban Redevelopment Authority, 22 January 2021 – Release of 4th Quarter 2020 real estate statistics.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services arm experienced a drop in performance amidst the pandemic, with closure of offices and implementation of work-from-home practices.

During the year, we placed a stronger focus on developing new menus geared towards local consumers, and leveraging on e-commerce platforms to attract alternative revenue sources, with a focus on takeaway and delivery options. This included creating bento and other festive menus and stepping up of marketing efforts with live sales events for Thanying Restaurant as well as delivery and takeaway options for all our restaurants since the Circuit Breaker period.

This segment remains a strong complementary pillar of our hotel brand names to bring unique dining experiences to all our guests.

OUTLOOK – KEEP CALM AND LOOK FAR

Whilst 2020 ended on a stronger note with a vaccine being distributed, renewed and new variants of the virus continue to pose concerns for the economic outlook. According to the International Monetary Fund's latest outlook, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022[1].

According to the International Air Transport Association, air traffic volumes are not expected to return to pre-COVID-19 levels until 2024[5]. The global growth outlook for 2021 is expected to remain fragile, as the full impact of the outbreak is dependent on how long the situation persists.

In Singapore, due to macro headwinds and stiffer regional competition, STB expects tourism arrivals and tourism receipts to remain weak in 2021. As for China, while many countries are still struggling to kick start the battered tourism industry, this country has sent out some positive signals on rebuilding the tourism market in the past year, with a resumption of trans-provincial group tours in mid-July 2020. This augurs well for Shanghai, given its strategic position as a financial and tourism hub. In Thailand, 2021 looks to be a year full of calibrated plans for recovery for both the tourism and aviation sectors, with hopes of the COVID-19 crisis bottoming out. We will continue to monitor the progress of Thailand as well as Singapore in the implementation of travel bubbles in 2021.

Looking ahead, given the ever-evolving situation, we will continue to closely monitor the situation and take the necessary precautions to ensure the continuity of our business. We remain confident that business and leisure travel will resume when the COVID-19 situation eases, and demand for accommodation will gradually recover.

Overall, our balanced asset portfolio, the drive for value creation, regional diversity, and a prudent capital management structure, will provide us with a resilient path to overcome future challenges. We will continue to practise prudent financial management and attain a lean and nimble business structure, generating long-term sustainable value for our investors.

WORDS OF APPRECIATION

I would like to thank our Board of Directors for their guidance in steering us through this unprecedented global crisis.

To our management and staff, especially those taking care of the well-being of our guests, my deepest appreciation for all your hard work and commitment during these difficult times.

I would also like to extend my appreciation to all business partners and associates for their support. We will keep calm and look far, preparing ourselves well with creative and unique offerings, for when the recovery takes place, and for long-term growth.

ALBERT TEO HOCK CHUAN

Chief Executive Officer
25 March 2021

[1] International Monetary Fund, 20 January 2021 – World Economic Outlook Update, January 2021: Policy Support and Vaccines Expected to Lift Activity.

[5] International Air Transport Association, 24 November 2020 -- Deep Losses Continue Into 2021.

Amara Singapore
100 AM Singapore



Stay Strong

RESILIENCE & AGILITY


AMARA

OUR BUSINESS PORTFOLIO

HOTEL INVESTMENT AND MANAGEMENT

AMARA SINGAPORE

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

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

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

Element and Element on Tras Street

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

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. Each villa has a tropical fruit garden. Guests may also choose to stay in the privacy and tranquillity of the Courtyard and Verandah suites for a taste of contemporary colonial style. To complement the existing colonial architecture, the deluxe guest rooms are situated in a stylishly designed building that offers contemporary accommodation with superb views of the surrounding tropical landscape.

AMARA BANGKOK

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

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

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



Amara Bangkok

AMARA SIGNATURE SHANGHAI

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

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

Food and beverage establishments include all-day dining restaurant BLU, offering sumptuous a la carte and buffet selections featuring Singaporean, Japanese, Western and local Chinese cuisines. Stylish lobby bar FLO is an ideal location for guests to socialise over fine wines, refreshments and music. The boutique, Grab N Go, serves healthy delights with local, organic ingredients for the health conscious, as well as exquisite souvenirs to bring home. The Grand Ballroom along with ten multi-purpose 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.

OUR BUSINESS PORTFOLIO

PROPERTY INVESTMENT AND DEVELOPMENT

100 AM

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

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

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 have also joined the mall in 2018. A 12-storey office building, also known as 100 AM, is strategically accessible from within the shopping centre. With its convenient location at 100 Tras Street, it is a stroll away from the Tanjong Pagar MRT station, and is easily accessible by bus or car. The office building is also located close to diverse amenities such as major local and foreign banks and post offices.

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

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.

KILLINEY 118

Situated in the prime residential enclave of District 9, Killiney 118 is a six-storey freehold boutique development which comprises 30 units of 1- and 2-bedroom apartments, and appeals to singles and couples seeking the tranquillity in their homes and proximity to Orchard Road.

Developed by Creslin Pte Ltd, a subsidiary of Amara Holdings Limited, Killiney 118 is designed by an award-winning team of ip:li architects firm and Atelier Ikebuchi firm. The property's interior is furbished with quality fittings, featuring signature brands such as Miele and Grohe.

This uniquely exclusive boutique development features a rooftop swimming pool and barbeque pits, a fitness centre and a landscaped environment to create a tranquil haven within the city.

Killiney 118 won the 13th SIA Architecture Design Awards for Residential Projects in 2013 and Certificate of Appreciation Award for National Environment Agency's Skyrise Greenery Award 2013.

CITYLIFE@TAMPINES

Singapore's first luxury hotel-inspired Executive Condominium was developed by Tampines EC Pte Ltd – a consortium comprising Amara Holdings Limited, Kay Lim Holdings Pte Ltd and SingHaiyi Group Ltd, the 514-unit Executive Condominium project was launched in November 2012 to tremendous success.

Offering 2/3/4/5-bedroom, dual-key, Skysuite and Penthouse units, CityLife@Tampines boasts a host of luxury hotel-inspired design features and services, including the home concierge service, a 100-metre infinity pool, resort-style landscaping (Bamboo Boulevard, three Aromatherapy Gardens, and six Sky Gardens at various altitudes), and designer-brand fittings and appliances.

CityLife@Tampines was awarded the BCA Green Mark Awards (Gold Plus) in 2013.

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

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

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

SILK ROAD RESTAURANT

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

Amara Sanctuary
Resort, Sentosa



Look Fresh

REFRESH & MODERNISE



BOARD OF DIRECTORS



ALBERT TEO HOCK CHUAN

Executive Director/Chief Executive Officer

FIRST APPOINTED
21 August 1970

LAST RE-ELECTED
25 April 2018

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

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

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

Under his leadership, the Group's recurring earnings have been further strengthened with the revamped and rebranded mall - 100 AM, located in the heart of the Tanjong Pagar district, which was successfully opened in November 2012. The Group's recurring income streams have been broadened through projects such as Amara Bangkok, a business hotel development in Bangkok CBD, which was opened in 2015; Amara Signature Shanghai which opened in 2018; as well as 100 AM Shanghai which comprises an office building and retail centre. Mr Teo is committed in building the Amara brand as a homegrown Singaporean brand competing alongside international hospitality players.

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

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

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



SUSAN TEO GEOK TIN

Executive Director/Company Secretary

FIRST APPOINTED
26 May 1995

LAST RE-ELECTED
29 April 2019

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

Her past experience includes working with Pricewaterhouse (currently 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 and a Graduate Diploma in Computer Science from La Trobe University. She is a member of the Chartered Accountants Australia and New Zealand and the Institute of Singapore Chartered Accountants.



LAWRENCE MOK KWOK WAH

Non-Executive Director

FIRST APPOINTED
26 May 1995

LAST RE-ELECTED
29 April 2019

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

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

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

BOARD OF DIRECTORS



FOO KO HING

Non-Executive, Lead Independent Director

FIRST APPOINTED
17 June 2013

LAST RE-ELECTED
9 June 2020

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

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

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

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

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



CHIA KWOK PING

Non-Executive, Independent Director

FIRST APPOINTED
2 November 2015

LAST RE-ELECTED
9 June 2020

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

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

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

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



TAN TIONG CHENG

Non-Executive, Independent Director

FIRST APPOINTED
21 June 2018

LAST RE-ELECTED
29 April 2019

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

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

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



Be Passionate

COMMITMENT & TENACITY



OPERATIONS AND FINANCIAL REVIEW

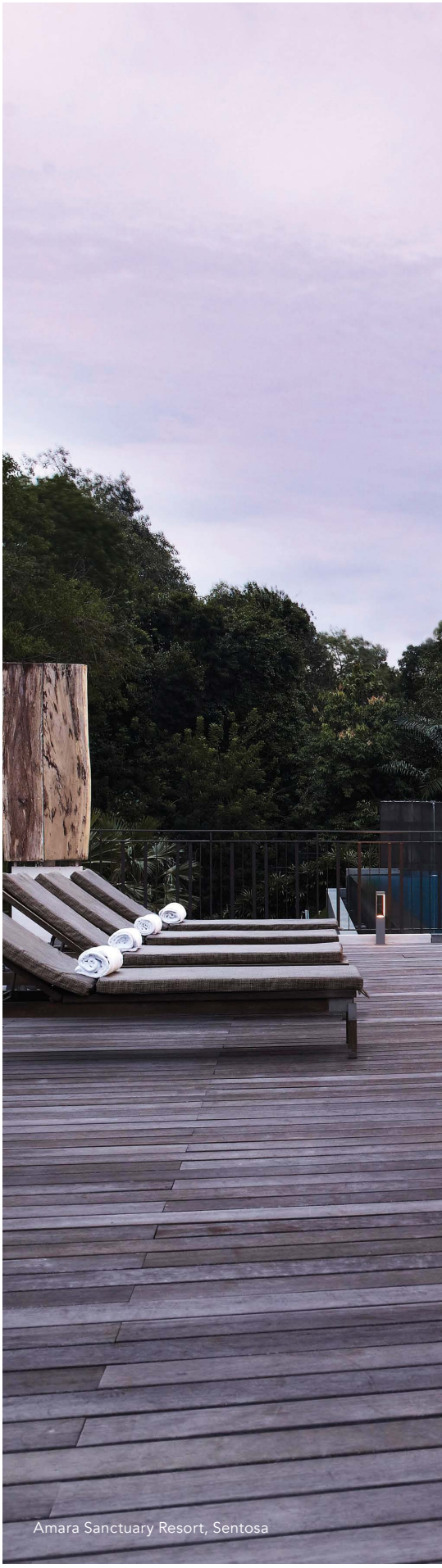
The Group posted a revenue of S$61.1 million for the financial year ended 31 December 2020 ("FY 2020"), a decrease of 42.0% from S$105.3 million in the previous corresponding year ("FY 2019"). This was mainly due to lower contributions from the three business segments as a result of the COVID-19 pandemic, Circuit Breaker, shutdown and travel restrictions. Net loss attributable to owners of the Company stood at S$11.4 million in FY 2020, from a net profit attributable to owners of the Company of S$28.2 million in FY 2019.

The Hotel Investment and Management segment, which contributed to 65.5% of the Group's revenue in FY 2020, experienced a decline of 51.1% in revenue from S$81.8 million in FY 2019 to S$40.0 million in FY 2020. The Property Investment and Development segment, which represents 33.2% of the Group's business, saw a 8.4% decrease from S$22.1 million in FY 2019 to S$20.3 million in the year under review. The Specialty Restaurants and Food Services segment, which made up the remaining 1.3% of the Group's revenue, was 39.7% down year-on-year, from S$1.3 million in FY 2019 to S$0.8 million in FY 2020.

Amara's liquidity and gearing ratio remained healthy, with a cash and bank balance of S$11.6 million as at 31 December 2020, while our net gearing stood at 48.7% in FY 2020 as compared to 47.4% in FY 2019. We are well supported by our principal bankers and available banking facilities.

Net asset value per share declined to 67.45 Singapore cents as at 31 December 2020 from 70.25 Singapore cents a year ago, whereas earnings per share stood at negative 1.99 Singapore cents in FY 2020, compared to 4.90 Singapore cents in FY 2019.

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



Amara Sanctuary Resort, Sentosa



HOTEL INVESTMENT AND MANAGEMENT



Amara Signature Shanghai

Amara's largest contributor to the topline, the Hotel Investment and Management segment, reported S$40.0 million in revenue, a decline of 51.1% from the revenue of S$81.8 million in the previous year. This segment makes up 65.5% of Amara's business.

Globally, many countries went into lockdowns and imposed travel restrictions due to the outbreak of the pandemic. This led to a significant reduction in tourist numbers, and the majority of overseas guests cancelling their reservations. Corporates and individuals also reined in their spending against the uncertain economic outlook.

SINGAPORE

2020 marked the toughest year on record for Singapore's tourism industry amidst unprecedented global travel restrictions and border closures. Visitor arrivals plummeted 85.7% year-on-year in 2020, to 2.7 million, while tourism receipts declined by 78.4% to S$4.4 billion in the first three quarters of 2020[1].

Looking ahead, the situation is expected to improve with global vaccination programmes, regional travel bubbles popping up and continued support from the government, albeit recovery will be gradual over the next few years. The Singapore government, as announced in its Budget 2021, will extend the Jobs Support Scheme, where hard hit sectors, including the tourism sector, will receive 30 per cent of wages paid from April to June, and 10 per cent of wages paid from July to September.

Meanwhile the Singapore Tourism Board ("STB"), in partnership with Enterprise Singapore and Singapore Development Corporation, rolled out the SingapoRediscovers campaign in July 2020 to stimulate domestic tourism. The STB also launched the SingapoRediscovers Vouchers ("SRV") scheme in December 2020 to complement the campaign. STB has also teamed up with technology, media and tourism players in key sources markets to jointly promote Singapore as an attractive destination for future travellers.

In FY 2020, both our hotels in Singapore – our flagship hotel, Amara Singapore, and Amara Sanctuary Resort, Sentosa – saw declines in topline. This was partially mitigated, as both hotels have joined a large number of hotels in providing accommodation facilities to persons who are required to serve the mandatory 14-day "Stay-Home Notice" period in the year under review.

The Amara experience has always been centered around sophistication, agility and adaptability to emerging trends. To stay ahead of the curve, we strive to provide differentiated experiences for all guests, and we embrace innovation and productive efficiency. To attract domestic tourists, Amara Sanctuary Resort, Sentosa has introduced workcation and staycation packages, including staycation with pets. It had also been named one of the most romantic hotels in Singapore by Time Out Singapore in October 2020[2].

The health and safety of our guests and staff remain our top priority. Since COVID-19 hit, we had implemented stricter hygiene and sanitation practices at our hotels, to provide additional assurance for our guests.

During this period, we took the opportunity to implement several improvements at our hotels in Singapore, as part of our drive to improve productivity and enhance guests' experience to meet the needs and wants of the modern guest. This includes the introduction of contactless payment systems, such as GrabPay, QR code payment and PayNow at both hotels. Guests are also able to view dining menus via QR codes. Besides enabling guests to minimise contact with staff, these improvements at our hotels cater towards a seamless experience.

Amid this tough operating environment, we had undertaken some cost saving measures such as recruitment freezing and re-deployment of staff to other job functions, as well as reduction of non-essential services and maintenance works. We will strive to remain ahead of the curve by constantly innovating and providing unrivalled experiences for all our guests.

[1] Singapore Tourism Board, 1 February 2021 – Singapore's tourism sector emerges from 2020 with greater resilience and reinvention.

[2] Time Out Singapore, 26 October 2020 - The most romantic hotels in Singapore.

SHANGHAI

As the tourism industry reels from the impact of the pandemic, China's international tourism revenue fell 87.1% year-on-year to approximately US$17.0 billion in 2020, according to the Ministry of Culture and Tourism[3].

Going into 2021, the number of local cases has hovered around zero in most parts of China, leading these low-risk areas to lift many restrictions. Though some precautions remain in place, such as mandatory mask wearing on public transport and travel tracking, travelling and daily activities are almost back to normal. Both inbound overseas tourism and domestic tourism play integral roles in China's tourism landscape. According to a McKinsey & Company report, while borders remain closed for outbound travel, domestic travels for leisure and business within China has been recovering[4]. Notably, we have seen the number of domestic leisure customers increase during long public holidays, such as during the Golden Week. With Shanghai as one of the most popular destinations amongst domestic travellers, Amara Signature Shanghai will be able to capitalise on this rising wave by extending the unique Amara experience; offering guests an integrated lifestyle experience, through its proximity to 100 AM Shanghai, which houses both a Grade A office tower and mall.

We remain confident in the potential of Asia Pacific's tourism industry and the attractiveness of Asia as a tourist destination. Where the recovery of international travel is likely to be gradual, China has begun opening its border to selected countries, and are in talks to form further travel bubbles with other markets[5]. In the meantime, we have increased promotional activities for our room packages and MICE packages for corporate bookings to attract more domestic travellers.

In this period, we plan to take the opportunity to upskill our employees, whilst implementing stricter financial discipline. To ensure Amara Signature Shanghai continues to grow sustainably, we will bring to Shanghai the same drive and commitment as with Singapore and Bangkok to provide top-notch service and to continually upgrade our operational processes for greater margin efficiency.

BANGKOK

The Thailand authorities had imposed the Emergency Decree on 26 March 2020, and had extended it several times till end of March 2021, to curb the spread of the virus. According to the Ministry of Tourism and Sports, only 6.7 million foreign tourists entered Thailand in 2020, as compared to the 40 million visitors in 2019[6]. Against the uncertainty in the economy, local businesses have also curbed their spending.

Similar to our hotels in Singapore and Shanghai, Amara Bangkok experienced contraction in revenues, which was partially mitigated by Amara Bangkok being registered for the Alternative State Quarantine programme. We had also put out online promotions for hotel stay packages to attract the domestic market.

The reopening of Bangkok in July 2020 and easing of travel restrictions for visitors from 56 countries in December are expected to provide some relief to the tourism sector. Looking ahead, the Bank of Thailand expects tourist arrivals to slide to 5.5 million in 2021 before rebounding to 23 million in 2022. To tide through the tough times, Amara Bangkok will likewise practise financial prudence, and additionally take the opportunity to upskill our staff. With Amara Bangkok's strategic location and exceptional service standards, we believe it is well-positioned to take advantage of the recovery in Thailand's tourism sector.

[3] China Travel News, 1 March 2021 – Domestic and international trips in China expected to rebound in second half.

[4] McKinsey & Company, 15 October 2020 – What can other countries learn from China's travel recovery path?

[5] Wego Travel, 1 March 2021 – What is a Travel Bubble? Here's Everything You Need to Know About the Buzzy New Term in Travel.

[6] Bloomberg, 25 January 2021 – Thai Tourist Arrivals at Decade Low as New Wave Clouds Outlook.

PROPERTY INVESTMENT AND DEVELOPMENT



100 AM Singapore

The Property Investment and Development segment contributed 33.2% to the Group's topline or S$20.3 million, a decline of 8.4% from S$22.1 million recorded in the previous corresponding year.

COMMERCIAL

For 2020, prices of office space in Singapore decreased by 10.7%, compared with the decrease of 0.6% in 2019, while rentals of office space decreased by 8.5%, compared with the decrease of 3.1% in 2019[7].

On the other hand, prices of retail space decreased by 4.5%, compared with the increase of 1.3% in 2019. Rents of retail space decreased by 14.7%, compared with the increase of 2.9% in 2019[7].

Despite the pandemic and the Circuit Breaker where the Group's retail tenants had to temporarily suspend operations, our mixed-use development in Singapore, 100 AM, achieved stable and high occupancy rates for both the retail mall and office tower. The Group provided support and assistance to eligible tenants, such as rental rebates. We have implemented precautionary measures at our retail mall and office tower, such as stepping up the frequency of cleaning of public areas, temperature screening, contact tracing and implementation of safe distancing measures. Moving forward, our strategy remains unchanged; we will continually revitalise our tenant mix from time to time to inject brand new retail lifestyle experiences to meet the everchanging demands and lifestyle within the hub of Tanjong Pagar.

The office tower at 100 AM Shanghai remains fully leased to JA Space, which operates office co-sharing services to other enterprises, while the mall maintained high occupancy with two new tenants joining the fold in the first quarter of 2021.

[7] Urban Redevelopment Authority, 22 January 2021 – Release of 4th Quarter 2020 real estate statistics.



Bedok Avenue

RESIDENTIAL

According to the Urban Redevelopment Authority, prices of private residential properties increased 2.2% in 2020, compared to a growth of 2.7% in 2019[7]. The slower growth can be attributed to the Circuit Breaker measures from April to June 2020, where show flats were closed and non-essential services were stopped. Sales gradually recovered in the following months to a total of 9,982 units for the whole of 2020 as compared to 9,912 units for 2019, due to the pent-up demand from local buyers and investors as they entered the market to capitalise on the relatively low borrowing rates and attractively priced new launches.

Amara's projects are well-located, tastefully designed and uniquely positioned. Marketing and sales for our developments – 10 Evelyn, M5 and Bedok Avenue – are ongoing, after the Circuit Breaker period. However, construction for 10 Evelyn and Bedok Avenue projects were disrupted during the Circuit Breaker period, and were only allowed to resume in the second half of 2020, albeit at a slower progress due to restrictions imposed on labour.

Buoyed by growing optimism surrounding the vaccine roll-out in Singapore and the anticipated improving economy, we are cautiously optimistic about the 2021 outlook for property industry in Singapore.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Similar to other food and beverage ("F&B") businesses, our Specialty Restaurants and Food Services segment had been adversely affected by the pandemic. As F&B are considered an essential service, we could operate during the Circuit Breaker, albeit with delivery and takeaway only. We had collaborated with several e-commerce platforms and delivery partners to promote our takeaway and delivery options at both our restaurants – our flagship Thanying Restaurant Singapore and Silk Road Restaurant.

Subsequently, we were allowed to reinstate dine-in services with a maximum group size of five, and towards the end of 2020, to eight persons. This has helped to increase the business volume. Separately, to drive other sources of revenue due to the absence of tourists, we had adjusted the menu at both restaurants to better cater to the taste and preference of local consumers. This included special offers and festive menus to attract locals who were unable to travel out of Singapore due to travel restrictions. We also leveraged on an emerging trend during this period to promote the Thanying Restaurant brand to new target markets via live sales events.

We believe that our restaurants are well-poised to take advantage of the recovery in the tourism sector. Meanwhile, we will continue to leverage on domestic tourism to bring these unique dining experiences to the local consumers.



Thanying Restaurant, Singapore

Keep Calm and...

POISED FOR RECOVERY

Given the continuously evolving situation and uncertainty of when the pandemic may be effectively contained, the full extent of the COVID-19 impact on the hospitality and restaurant industries cannot be conclusively determined at present. However, the Group remains optimistic of the industries' prospects in the long term.

Leveraging on our strengths of a strong brand portfolio and good balance of our three complementary businesses, our strategy has enabled us to remain resilient under such unprecedented conditions. As we prepare for the full recovery of the tourism sector, we will continue to work on training and upskilling our staff, improving internal processes and operational efficiencies to poise ourselves for the new normal.

AWARDS AND ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

AMARA BANGKOK

SHA Award 2020
Awarded by Amazing Thailand Safety & Health Administration

Thailand MICE Venue Standard: TMVS 2020
Awarded by Thailand Convention & Exhibition Bureau

Most Recommended Hotel Award 2019
Awarded by Ctrip

Travellers' Choice Award 2019
Awarded by TripAdvisor

Certificate of Excellence 2016-2019
Awarded by TripAdvisor

Green Hotel Award 2018 – Bronze
Awarded by DEQP, Ministry of Natural Resources and Environment, Thailand

Top Performance 2018
Awarded by Ctrip

Travel Award 2017-2018
Awarded by Rakuten Travel

Chinese Preferred Hotel 2017
Awarded by Ctrip

AMARA SIGNATURE SHANGHAI

Traveller Review Awards 2020
Awarded by Booking.com

Loved by Guests Award Winner 2020
Awarded by Hotels.com

Favourite Hot Deal Hotel 2020
Awarded by CTrip

Best WeChat Marketing Hotel 2020 Digital Marketing Man of the Year
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

Preferred Banquet Venues – Editor's Choice Award 2015 & 2018, 2020
Awarded by Blissful Brides

Most Romantic Hotels 2020
Awarded by Time Out Singapore

Best Spa & Resort Hotel 2020
Awarded by Expat Living Singapore

Wedding Banquet Venue for a Celebration of a Lifetime - Editor's Choice Award 2020
Awarded by Blissful Brides

Green Mark Platinum Award 2019
Awarded by Building and Construction Authority

Preferred Hotel Partner Award 2019
Awarded by Ctrip

Rising Star and Best F&B Outlets Award 2018
Awarded by Ctrip

Best Outdoor Solemnisation Venue 2018
Awarded by Her World Brides

Best for Staycation Award 2017
Awarded by TripZilla.com

Editor's Choice Venue Awards 2017
Awarded by Her World Brides

Singapore Service Class 2012 & 2015
Awarded by SPRING Singapore

AWARDS AND ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

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
The Wedding Accolade

Recommended by TripAdvisor 2012
Awarded by TripAdvisor

Hotel Security Award 2011-2012
Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

Excellent Service Awards 2011 (2 Star, 9 Gold & 17 Silver)
Awarded by Singapore Hotel Association and SPRING Singapore

Best Resort Award 2009
Awarded by AsiaOne People's Choice

URA Architectural Heritage Awards (Category A) 2007
Awarded by the Urban Redevelopment Authority

SHUTTERS

Singapore's Top Restaurants 2013-2018
Awarded by Wine & Dine

TIER BAR

Singapore's Top Restaurants 2014-2017
Awarded by Wine & Dine

AMARA SINGAPORE

Travellers' Choice 2020 - Best of the Best
Awarded by TripAdvisor

SG Clean Award 2020
Awarded by STB, NEA and Enterprise Singapore

SG Clean Guest Recommendation 2020
Awarded by Orbitz, Wotif, Expedia and Travelocity

Loved by Guests Luxury Winner 2020
Awarded by Hotels.com

Green Mark Award (GoldPlus) 2019
Awarded by Building and Construction Authority

RAS Epicurean Award 2019 Best Buffet
Awarded by Restaurant Association of Singapore

Employee of the Year Award 2019 – Housekeeping
Awarded by Singapore Hotel Association

Travel Award 2018 – Bronze
Awarded by Rakuten

3R Awards for Hotels 2018 – Certificate of Participation 2018
Awarded by NEA and Singapore Hotel Association

Excellent Service Award (EXSA) 2018 (51 Star, 15 Gold, 22 Silver)
Awarded by Singapore Hotel Association

FHA Individual Challenge (24-27 April 2018) Bronze Medal – Chef Jason Tang
Awarded by Food Hotel Asia

Best Wedding Setting & Ambience (4 star) 2018
Best Modern Wedding Theme (4 star)
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 Chef Jason Tang and Chef Chew Kam Wah
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

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

The Singapore Women's Weekly gold plate awards 2011 – buffets galore
Awarded by The Singapore Women's Weekly

Singapore's Top Restaurants 2009 – Silver
Awarded by Simply Dining

AWARDS AND ACCOLADES

THANYING RESTAURANT

Singapore's Best Restaurants 1992-2020
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 2011
Awarded by Singapore Tatler

Best Eats 2010
Awarded by CNNGo.com

Luxe Dining Singapore's Best Restaurants 2010
Awarded by Singapore Tatler

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

SILK ROAD RESTAURANT

Certificate of Excellence 2019
Awarded by TripAdvisor

100 Top Chinese Restaurants of the World 2019
Awarded by Publisher/ Author Ch'ng Poh Tiong

Singapore's Best Restaurants 2003-2019
Awarded by Singapore Tatler

Singapore's Top Restaurants 2003-2013, 2018
Awarded by Wine & Dine

Singapore Service Class 2006-2012
Awarded by SPRING Singapore

Epicurean Star Awards 2012
Top 5 Chinese Restaurants Nominated by Restaurant Association of Singapore

Excellent Service Awards 2011 (1 Star, 5 Gold & 1 Silver)
Awarded by Singapore Hotel Association and SPRING Singapore

The Best of Singapore Service Star 2010-2011
Awarded by Singapore Tourism Board

Luxe Dining Singapore's Best Restaurants 2010-2011
Awarded by Singapore Tatler

The Definitive Guide to Singapore's Top Restaurants 2010-2011
Awarded by Simply Dining

Healthier Restaurant Award 2009-2011
Awarded by Health Promotion Board

Excellent Award 2010 (4 Gold & 7 Silver)
Restaurant Association of Singapore and SPRING Singapore

Singapore Service Star 2009-2010
Awarded by Singapore Tourism Board

15th Excellent Service Award 2009 (2 Gold & 9 Silver)
Awarded by Restaurant Association of Singapore and SPRING Singapore

SuperStar Finalist Excellent Service Award 2008
Awarded by SPRING Singapore

Excellent Service Award 2008 (4 Star & 3 Silver)
Awarded by SPRING Singapore

Excellent Service Awards 2007 (6 Gold)
Awarded by SPRING Singapore

Top Sichuan Restaurant in Singapore
The Straits Times – Lifestyle August 2006 Top 50 Restaurants

Finalist for Award for Excellence Chinese Cuisine Restaurant 2004-2005
Awarded by Hospitality Asia Platinum Awards

A Great Table of Singapore 2003-2005
Awarded by Tables

Service Gold National Courtesy Award 2003 & 2004
Awarded by Singapore Hotel Association

National Model for Work Redesign 2002
Awarded by SPRING Singapore

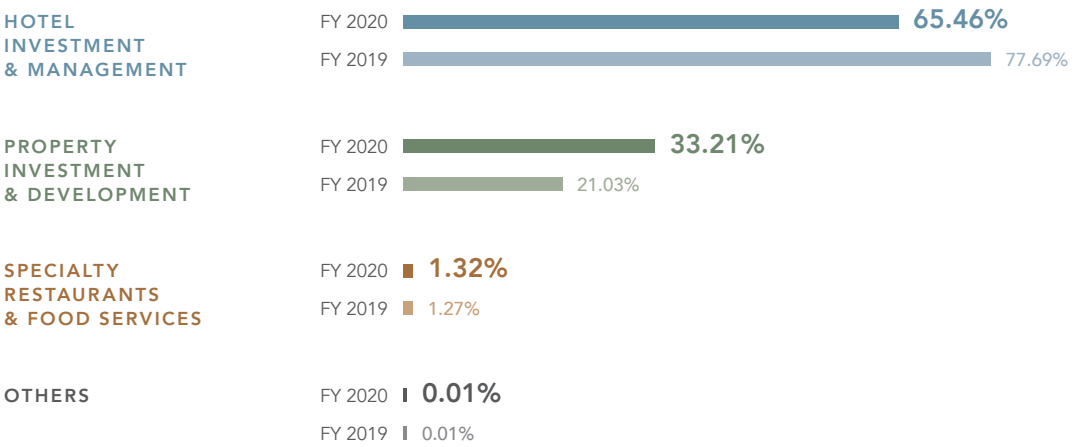
Editor's Choice
IS Magazine

FINANCIAL HIGHLIGHTS

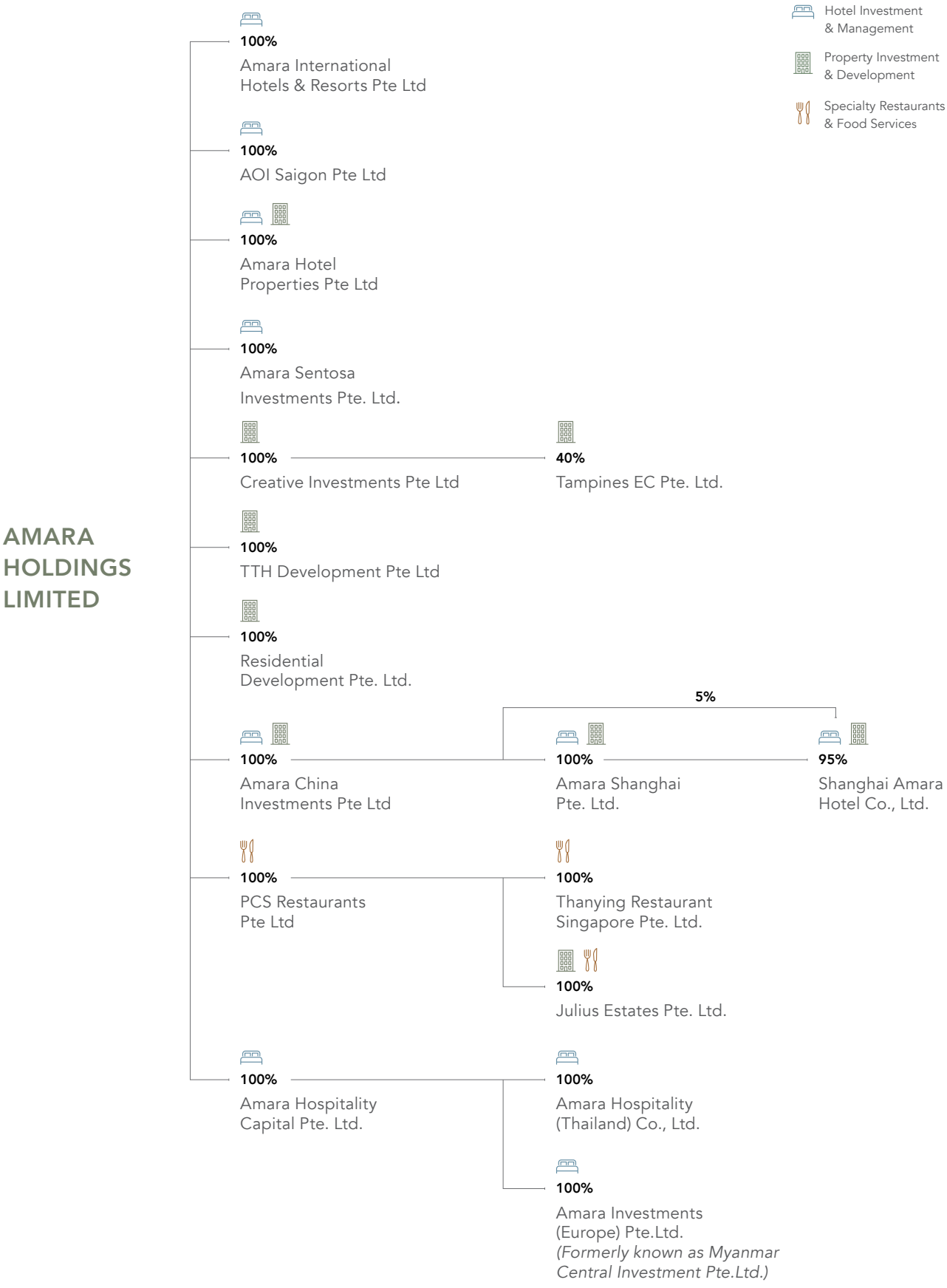
Financial Year Ended 31 December 2020

Income Statement	FY 2020 S$'000	FY 2019 S$'000
Revenue	61,053	105,295
(Loss)/Profit before tax	(11,100)	34,844
Income tax expense	(345)	(6,666)
(Loss)/Profit attributable to shareholders	(11,445)	28,178
Financial Ratios	**%**	%
(Loss)/Profit attributable to shareholders as percentage of revenue	(18.75)	26.76
Gearing ratio	48.70	47.41
Per Share Unit	**Cents**	Cents
Earnings per share	(1.99)	4.90
Net tangible assets per share	67.25	70.04
Net assets value per share	67.45	70.25
Revenue By Country (%)	**%**	%
Singapore	72.36	71.12
Thailand	4.81	10.65
China	22.83	18.23
Revenue By Activity (%)	**%**	%
Hotel Investment & Management	65.46	77.69
Property Investment & Development	33.21	21.03
Specialty Restaurants & Food Services	1.32	1.27
Others	0.01	0.01
	100.00	100.00

REVENUE BY ACTIVITY (%)



CORPORATE STRUCTURE



SUSTAINABILITY REPORT FY 2020

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BOARD STATEMENT

The Board of Directors (the "Board") of Amara Holdings Limited ("Amara") is pleased to present Amara's fourth annual Sustainability Report for the financial year ended 31 December 2020.

In the past year, the unprecedented COVID-19 pandemic has brought devastating impacts to all industries especially the hospitality, retail and food and beverage ("F&B") industries. Amara has responded to the challenges with pro-active management and operational agility, and we continued to deliver value to our stakeholders.

In light of COVID-19's pervasive health impact, Amara is more committed than ever in our sustainability efforts to protect the health and safety of our employees and customers. We have cared for, engaged and supported our employees to tide through the pandemic and provided training and reskilling for them to meet new career challenges. We have also implemented measures such as SafeEntry, safe distancing, disinfection, temperature monitoring to protect the health of customers in our hotels, malls, office buildings and restaurants.

In 2020, we continued our undertaking in energy reduction, water and waste management and community contribution programmes. We wish to help shape a green planet that our future generations can benefit from.

The Board remains steadfast, resolute and committed in providing guidance and oversight over the identification and management of material factors in Amara's environmental, social and governance ("ESG") performances.

The Board of Directors
Amara Holdings Limited

ABOUT THE REPORT

This Sustainability Report (the "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 2020.

REPORTING FRAMEWORK

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

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

SCOPE OF REPORT

This Report covers Amara's business activities - hotels, malls and office buildings as well as restaurants in Singapore, Thailand and China, as listed below:

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

Amara's Shanghai businesses (Amara Signature Shanghai, 100 AM Shanghai and Thanying Restaurant, Shanghai) have been newly included in the reporting scope in 2020.

SUSTAINABILITY GOVERNANCE AND REPORT DEVELOPMENT

Our sustainability agenda continues to be directed by the Sustainability Steering Committee ("SSC") and managed by the Sustainability Task Force ("STF").

The Board provides oversight for the performance of SSC and STF, which review and assess the Group's sustainability performance regularly to identify and implement enhancement plans.

FEEDBACK

As part of our continuous efforts on improving our sustainability performance, we welcome you to provide comments or feedback on any aspect of this Report. Please write to corporate@amaraholdings.com.

STAKEHOLDER ENGAGEMENT

At Amara, we recognise the importance of stakeholder engagement in identifying the Group's key sustainability issues from their expectations and concerns.

We strive to build strong and lasting relationships with our stakeholders by engaging them on a regular basis and on various platforms. This has allowed us to make informed decisions and implement the right strategies in developing sustainable businesses.

Amara's approach towards stakeholder engagement is summarised below:

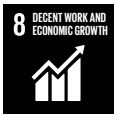
Stakeholder	Platforms	Frequency	Key Feedback/Concern
Investors 	Annual General Meeting Annual report Financial results SGX announcements	Annual Annual Bi-annual Throughout the year	• Sustainable profitability and shareholder returns • Long term business growth • Transparent and timely disclosure of information • High standard of corporate governance
Employees 	Induction programme for new employees Training and development programme Career development performance appraisals Recreational and wellness activities Town hall meetings and regular email communications	Throughout the year Throughout the year Annual Throughout the year Throughout the year	• Safe working environment • Competitive remuneration and benefits • Training and development opportunities
Customers 	Email feedback Verbal feedback from customers at hotels and restaurants Online feedback channels	Throughout the year Throughout the year Throughout the year	• Deliver high quality products and services • Timely response to customer feedbacks and complaints
Suppliers 	Email correspondences with suppliers Tele-conversations with suppliers Regular dialogue sessions with key suppliers and service providers	Throughout the year Throughout the year Throughout the year	• Fair and equal treatment of suppliers • Timely payments to suppliers and service providers
Regulators 	Correspondences through email and letters Meetings, dialogue and briefings Memberships in industry associations	Throughout the year Throughout the year Throughout the year	• Compliance with changing/ prevailing laws and regulations • High standard of corporate governance
Communities 	Corporate philanthropy, such as fundraising drives Corporate volunteering Open communication channels with local communities	Ad-hoc Ad-hoc Throughout the year	• Contribution to local communities • Responsible and ethical business practices

MATERIALITY ASSESSMENT

Our first materiality assessment was conducted in 2017, which has identified eight material factors. We endeavour to perform materiality assessment annually to ascertain that the material factors remain relevant to our business. The relevance of material topics is assessed on the factors of importance to Amara's stakeholders and level of impact to Amara's business. All the material factors have been verified and approved by the Board.

Since 2018, we have 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.

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
Environmental *Reducing our environmental footprint*	Amara is committed to monitoring our impact on the environment closely, strives to take corrective actions timely, and understand the responsibility we have towards the environment	• **Energy and Emissions** We constantly seek new ways to reduce our energy consumption and greenhouse gas emissions (Pgs 43 - 45)	
		• **Water** We strive to maximise our water usage efficiency without compromising the needs of our operations (Pg 45)	
		• **Effluents and Waste** We encourage our employees to use resources efficiently and practise good recycling habits for general waste, food waste and cooking oils (Pg 46)	
Social *Managing our talent and our responsibilities*	Amara aims to engage our customers, employees and the local communities and maintain meaningful relationships	• **Talent Retention** We provide staff training and reskilling opportunities We also advocate fair employment by hiring from different backgrounds to build an inclusive and diverse work environment We aim to elevate the skillsets of our workforce and gain a competitive edge in meeting the new challenges imposed by COVID-19 through investing in training and development programmes to upskill and empower our employees (Pg 47)	
		• **Occupational Health and Safety** 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 requirements) and cultivate a strong safety culture (Pg 48)	
		• **Customer Health and Safety** We have established COVID-19, 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 in the crisis of COVID-19 pandemic (Pgs 49 - 50)	
Governance *Complying with applicable laws and regulations*	Amara is committed to upholding high standards of ethics and business conduct in our business operations. We are always striving to ensure compliance with all relevant laws and regulations at all times	• **Ethics and Regulatory Compliance** 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, guests and employees are secure (Pgs 51 - 52)	
Economic *Addressing the flow of capital*	Amara's financial performance is the cornerstone of business growth and our return to stakeholders, such as shareholders, employees and the community	• **Economic Performance and Business Recovery** Despite the challenges and unforeseeable impact from the COVID-19 pandemic, we will closely monitor and adapt to the changing situation through pro-active management and operational agility to recover our business operations and maintain long term sustainability (Pg 53)	

OUR ACHIEVEMENTS

Pillars	Material Factors	2020 Targets	2020 Achievements
Environmental	Energy and Emissions	Reduce or maintain the same consumption and intensity levels as 2019	Both consumption and intensity levels were reduced
	Water	Manage consumption levels to an increase of not more than 20% from 2019	Water consumption reduced by 35%
	Effluents and Waste	Reduce total amount of waste generated by 10% and increase the proportion of recycled waste by 10%	Overall reduction in total waste generated by 15% Proportion of recycled waste decreased mainly due to drastic reduction in food production as a result of the COVID-19 pandemic
Social	Talent Retention	Conduct performance appraisal for 100% of employees	Performance appraisal was conducted for 100% of employees
	Occupational Health and Safety	No workplace incident leading to fatalities or permanent disability during the year, as well as zero case of employee infection with COVID-19	Zero case of employee incidents that led to fatalities or permanent disability during the year. Zero case of employee infection with COVID-19
	Customer Health and Safety	No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers	Zero case of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers during the year
Governance	Ethics and Regulatory Compliance	Continue to achieve zero non-compliance with all relevant laws and regulations that result in significant fines or sanctions	Zero incident of non-compliance during the year

ENVIRONMENTAL

At Amara, we endeavour to monitor and reduce the environmental footprint created by our business activities through continuous improvement in resource management practices.

In 2020, there was an overall reduction in our energy and water consumption and waste generation, despite the inclusion of our Shanghai business operations in this Report.

ENERGY AND EMISSIONS

Amara is a home-grown integrated group principally engaged in three business areas – hotel investment and management, property investment and development, and specialty restaurants and food services.

We are committed to reducing energy consumption while not compromising our operational requirements and customer satisfaction. Our properties in Singapore have been consistently accredited with the Building and Construction Authority ("BCA") Green Mark certification, recognising us as one of the business leaders with strong achievements in environmental sustainability.

In 2020, our properties have maintained their respective BCA Green Mark certifications. Energy savings were observed with our continued efforts in implementing energy saving initiatives.

Award	Properties	Energy Saving Initiatives	Results
Green Mark Gold^{Plus}	• Amara Singapore • 100 AM Singapore	• Variable speed dives on existing chilled water pumps, condenser water pumps and cooling towers • Use of energy efficient tubes and light-emitting diode (LED) lighting • Rooftop greenery • Usage of water sub-meters for cooling tower and swimming pool	• Chiller plant system efficiency of 0.625 kW/ton
Green Mark Platinum	• Amara Sanctuary Resort, Sentosa	• Water-cooled system with efficiency of 0.564 kW/RT • Energy efficient LED lighting • Extensive greenery	• Estimated energy savings of 1,654,754 kWh/year • Attained PUB Water Efficient Building Certification

We continue to track, monitor, and report our energy consumption across all properties.

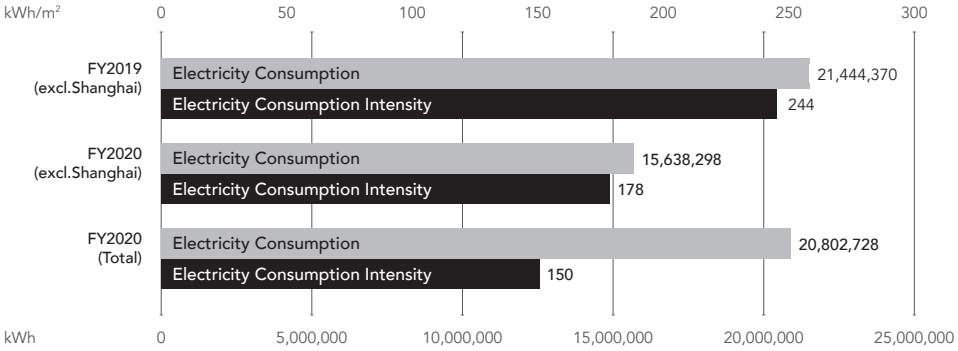
In 2020, we saw a substantial reduction in both electricity and gas consumption due to the COVID-19 pandemic which resulted in partial closure of our hotels, low occupancy rates, and reduction in F&B activities. The following activities in each business have contributed to the reduction in energy consumption:

Business	Activities
• Amara Singapore • 100 AM Singapore • Thanying Restaurant Singapore	• Replacement of five old chillers with four new chillers, achieving a new Energy Efficiency of 0.65 (previously > 1.0) • Gradual replacement to LED lightings since 2016 • Monitoring of electricity consumption on a monthly basis
• Amara Sanctuary Resort, Sentosa	• Replacement of six old air-cooled chillers with four new water-cooled chillers, achieving a new Energy Efficiency of 0.6 (previously > 1.691) • Gradual replacement to LED lightings since 2018
• Amara Bangkok	• Electrical equipment for floors with no guest were turned off
• Amara Signature Shanghai	• Escalators and guest elevators shut down after midnight • Adjusted indoor temperature based on weather • Participation in "Earth Hour" on 28 March 2020 to help spread awareness of the importance of energy conservation

ENVIRONMENTAL

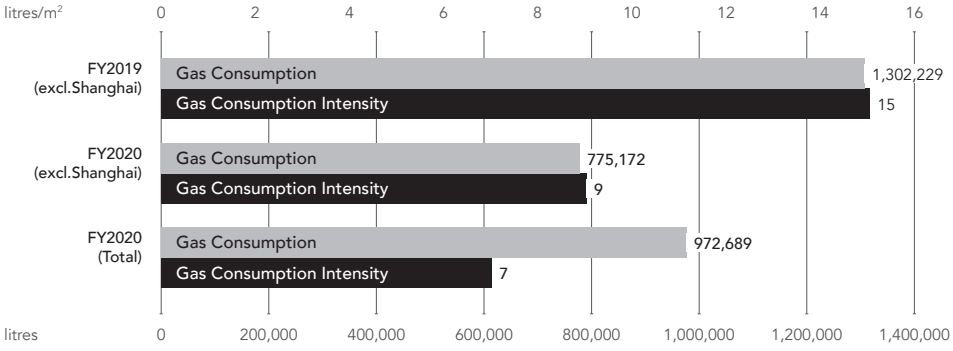
Amara's electricity consumption (excluding Shanghai business activities) was 15,638,298 kWh in 2020, representing a 27% decrease from 2019. With the inclusion of our Shanghai business activities, the total electricity consumption was 20,802,728 kWh. The overall electricity consumption intensity (i.e. kWh per area of activity tracked) fell by 39% to 150 kWh/m^2 in 2020 as compared to 244 kWh/m^2 in 2019.

Graph 1 - Electricity consumption (kWh) and electricity consumption intensity (kWh/m^2)



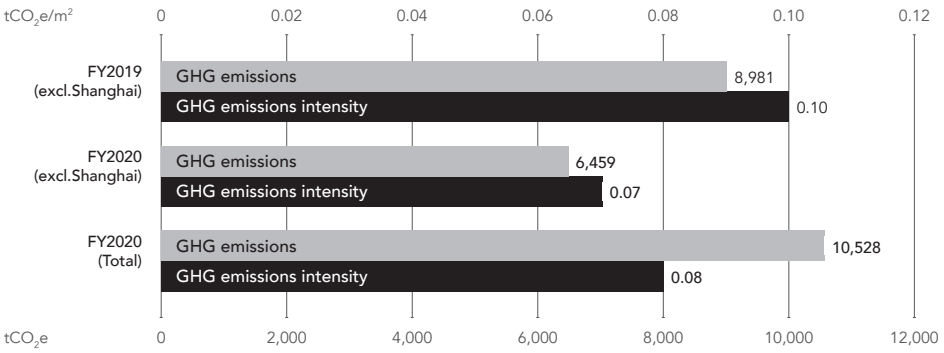
Similarly, gas consumption in 2020 (excluding Shanghai business activities) reduced by 40% to 775,172 litres as compared to 2019. With the inclusion of our Shanghai business activities, the total gas consumption in 2020 was 972,689 litres. The overall gas consumption intensity (i.e. litre per area of activity tracked) fell by 53% to 7 litres/m^2 in 2020, from 15 litres/m^2 in 2019.

Graph 2 - Gas consumption (litres) and gas consumption intensity (litres/m^2)



Energy consumption directly impacts our greenhouse gas ("GHG") emissions. Our GHG emissions (excluding Shanghai business activities) decreased by 28% to 6,459 tonnes of CO_2 equivalent ("tCO_2e") in 2020. With the inclusion of our Shanghai business activities, the total GHG emission increased by 17% to 10,528 tonnes in 2020. This resulted in a reduction of 26% in the overall GHG emission intensity (i.e. $tC0_2e$ per area of activity tracked) in 2020.

Graph 3 - GHG emissions (tCO_2e) and GHG emissions intensity (tCO_2e/m^2)



ENVIRONMENTAL

In view of the ongoing COVID-19 pandemic, Amara continues to expect consumption and intensity levels to be reduced or maintained in 2021.

Target for FY2020	Performance for FY2020	Target for FY2021
Reduce or maintain the same consumption and intensity levels as 2019	Both consumption and intensity levels were reduced due to operations affected by COVID-19 pandemic	Reduce or maintain the same consumption and intensity levels as 2020

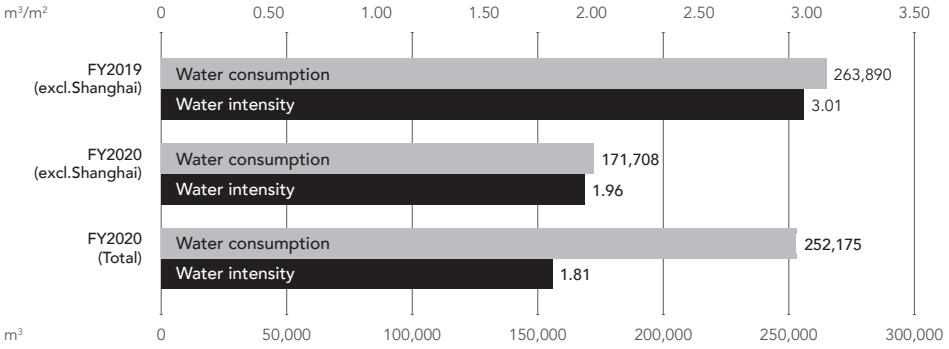
WATER

The World Wildlife Fund (WWF) recognised that with the world's current water consumption rate, two-third of the global population may face water shortages by 2025. At Amara, we constantly strive to improve our water usage efficiency and water resilience without compromising the needs of our tenants and customers.

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

Not including our Shanghai business activities, Amara's overall water consumption in 2020 decreased by 35% to 171,708 m^3 compared to 2019. The total water consumption when including our Shanghai business activities in 2020 was 252,175 m^3. The overall water consumption intensity (i.e. m^3 per area of activity tracked) fell by 40% to 1.81 m^3/m^2 in 2020 as compared to 3.01 m^3/m^2 in 2019.

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



The primary reason contributing to the reduction in water consumption was due to the COVID-19 pandemic affecting the Group's operations. The following activities in each business have contributed to the reduction in water consumption:

Business	Activities
• Amara Singapore	• Close monitoring of water usage: o Kitchen cleaning outsourced to a contractor with better work processes and higher productivity level o Cooking range water usage was reduced o More frequent checks and maintenance to prevent potential water leakage
• Amara Sanctuary Resort, Sentosa	• Higher water consumption due to change in water chiller offset by lower occupancy due to COVID-19
• Amara Bangkok	• Low occupancy and F&B demand
• Amara Signature Shanghai	• Lower occupancy during COVID-19 lockdown period

Similar to electricity and gas consumption, Amara expects to maintain or reduce water consumption level in 2021.

Target for FY2020	Performance for FY2020	Target for FY2021
Manage consumption levels to an increase of not more than 20% from 2019	Water consumption reduced by 35% due to operations being affected by COVID-19 pandemic	Reduce or maintain the same water consumption levels as 2020

ENVIRONMENTAL

EFFLUENTS AND WASTE

At Amara, waste generated from our business operations are non-hazardous, which are mainly food waste, cooking oil and general waste. We strive to minimise our waste generation through efficient use of resources and cultivate good recycling habits of our employees.

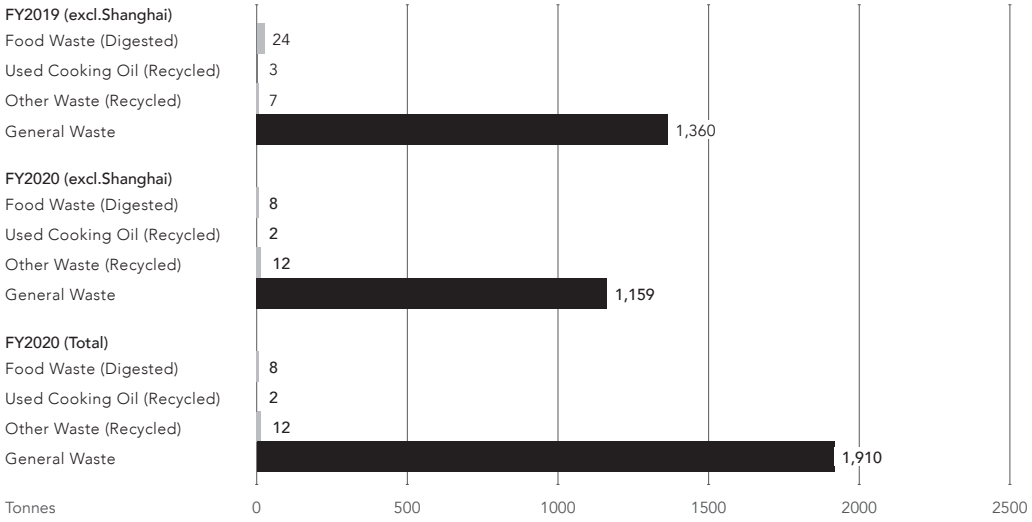
Our waste disposal methods include reuse, recycle, composting, incineration and landfills. Recycling is the key in our waste management practices. At Amara, food waste, used cooking oil and other wastes (paper, glass, metal, plastic) are recycled. All types of waste generated from our properties are also closely tracked and monitored.

We have adopted the following waste management practices:
- Operated a zero-inventory practice, where we endeavour to order just the right amount to minimise wastages;
- Installed on-site eco-digester at 100 AM Singapore to reduce amount of food waste sent to incinerators;
- Started a green initiative to recycle materials such as paper, metal, plastic and glass at Amara Sanctuary Resort, Sentosa;
- Reducing usage of plastic in food packaging; and
- Implemented response plans to government food waste policy, such as the Clear Plate Food Action at Amara Signature Shanghai.

For Amara Signature Shanghai, some measures undertaken to reduce the production of waste include changing from plastic takeaway meal box to paper meal box; preparing hotel breakfast based on daily occupancy headcount; and following the government's food waste policy (i.e. Clear Plate Food Action), etc.

Excluding our Shanghai business activities, in 2020, the total amount of waste generated was 1,181 tonnes compared to 1,394 tonnes in 2019. The percentage of food waste, used cooking oil and other waste remains the same as per 2019, which makes up 2% of the total waste generated in 2020. With the inclusion of our Shanghai business activities, the total amount of waste generated in 2020 was 1,932 tonnes.

Graph 5 - Waste generated



There was an overall reduction in waste generated in 2020 compared to 2019, mainly due to the reduced F&B activities from COVID-19 pandemic. The travel restrictions and lockdowns in geographical locations that we operate in have impacted our main core of business in F&B, hospitality and tourism industries. In view of the current pandemic situation which will continue into 2021, we expect the total amount of waste generated to maintain or reduce in 2021.

Target for FY2020	Performance for FY2020	Target for FY2021
Reduce total amount of waste generated by 10% and increase the proportion of recycled waste by 10%	Overall reduction in total waste generated by 15% (excluding Shanghai business activities). The proportion of recycled waste decreased by 23% mainly due to drastic reduction in food production as a result of the COVID-19 pandemic	Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2020

MOVING FORWARD

We will continue to seek new solutions to reduce our carbon footprint and resource consumption. We also target to maintain our record of zero incidents of penalties for non-compliance with all relevant environmental regulations of the jurisdictions that we operate in. Furthermore, we will stay committed in playing an active role, together with our stakeholders, in environmental conservation and sustainability programme.

SOCIAL

Amara's corporate vision aims to strive for excellence in all that we do, and maintain meaningful relationships with our employees, guests, visitors, suppliers and the local communities we operate in.

TALENT RETENTION

As at 31 December 2020, Amara has a total of 458 employees, a decrease of 37 employees compared to the prior year. Our headcount decreased due to reduced level of recruitment activities in spite of employee turnovers.

Permanent Employees (As of 31 December 2020)	Singapore	Shanghai	Bangkok
Male	123	77	51
Female	103	70	34
Grand Total	226	147	85

Our businesses, especially hotels and restaurants, have been adversely affected by the COVID-19 pandemic in 2020. The frontline and operations employees were the most affected during this crisis. In order to ensure job security for them, departments with excess manpower were re-deployed to assist in the duties and activities of other departments.

At Amara, we pledge ourselves to the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), and aim to build a fair and rewarding workplace environment. We advocate gender equality in our talent recruitment; our female employees make up 45.2% of the workforce. We also hire Persons with Disabilities ("PWD") and ex-offenders under Yellow Ribbon Initiative in our hotels (i.e. Amara Signature Shanghai and Amara Sanctuary Resort, Sentosa) to create an inclusive society. Our compensation packages to employees are reviewed against industry standards regularly to ensure that our employees are fairly rewarded.

We adopt a transparent and meritocratic approach by rewarding our employees based on merit. On an annual basis, we conduct performance appraisals for our employees to recognise their contributions and identify opportunities for continuous improvement. In 2020, we have conducted performance appraisals for 100% of our employees and we aim to continue this practice in 2021.

Target for FY2020	Performance for FY2020	Target for FY2021
Conduct performance appraisal for 100% of employees	Performance appraisal was conducted for all employees	Maintain the conduct of performance appraisal for 100% of employees

TRAINING AND DEVELOPMENT

At Amara, we see the importance of continuous investment in training and reskilling programmes, so as to elevate the skillsets of our employees and gain a competitive edge in meeting new challenges imposed by the COVID-19 pandemic.

In 2020, we have implemented the Job Redesign Place and Train for operational staff as job enlargement and enrichment to upskill our people to equip them with knowledge and skills to sustain in the new norm due to COVID-19 and enhancement of human capital capacity. 10 employees from our Singapore operations are pursuing their Work Study Diploma in 2 areas, namely, Hospitality and Restaurant Management and Culinary Arts Management, while our Shanghai businesses have also provided educational funding for continuous professional/technical development for a total of 10 employees.

To meet our training needs, we have tapped on external training and collaboration with local institutions in training and development of our employees through structured skill-based career pathways. We have gained training grants support from the government agencies for our Singapore businesses, such as SkillsFuture Singapore ("SSG"), Enterprise Singapore ("ESG"), and Singapore National Employers Federation ("SNEF"). The training and development that our staffs have been nominated under the government initiatives are illustrated as follows:

Business	Government training programmes
Amara Singapore	• SNEF Job Redesign Place and Train; ESG and SSG training programmes
Amara Sanctuary Resort, Sentosa	• ESG and SSG training programmes
Amara Bangkok	• Alternative State Quarantine (ASQ) programme (our employees have undergone COVID-19 related training carried out by a hospital)

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

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

To protect our employees from the COVID-19 pandemic, we have implemented a comprehensive list of health and safety monitoring and safeguard measures in 2020 which include:

- Mandated use of protection equipment such as face masks and gloves across all operations;
- Taking of temperatures twice a day for all employees coming to work physically;
- Daily sanitisation of common areas with high touchpoints, such as meeting room tables, doors, water dispensers, lifts, fridge handles etc.;
- Implemented work-from-home arrangements for employees and allow employees to access the office network off-site when working from home;
- Employees who were essentially required to work in the hotels and restaurants physically were on roster shift and split teams to minimise contact among employees;
- Communication and interactions between colleagues, suppliers, customers and business partners were done virtually (e.g. Zoom, Google Meet video calls) whenever possible;
- Guidelines for employees to abstain from socializing or congregating in groups at the workplace including during meal breaks;
- Formalised the reporting procedures for any work incidents, suspected and confirmed COVID-19 cases; and
- Appointment of Safe Management Officer(s) ("SMO") for all properties in Singapore.

We also keep our employees connected virtually and intangibly in spirit. We constantly communicate with our employees via electronic means and advise them to minimise outdoor activities and limit social contacts. All hotel employees in Singapore were given a wellness pack once every fortnight.

In addition, there were no workplace accidents leading to employee fatalities or permanent disability in 2020. The total number of accidents and total number of man-hours worked in 2020 were 7 and 1,134,548 respectively. As such, the Accident Frequency Rate[1] has decreased by 43% from 10.9 per million man-hours worked in 2019 to 6.17 per million man-hours worked in 2020. There were also no cases of employee infection with COVID-19.

Perpetual Target	Performance in FY2020
The Group aims to have no workplace incident leading to fatalities or permanent disability during the year, as well as to achieve zero case of employee infection with COVID-19	No incidents leading to fatalities or permanent disability during the year. No cases of employee infection with COVID-19

[1] Accident Frequency Rate = No. of workplace fatalities and injuries / million man-hours worked

SOCIAL

CUSTOMER HEALTH AND SAFETY

At Amara, we always treat the health and safety of customers with the utmost priority in the delivery of our products and services.

COVID-19 precautionary measures
As we adapt to this new normal imposed by COVID-19, Amara has stepped up and taken all necessary precautionary measures in accordance with the regulations set out by the local health authorities in the jurisdictions that our businesses operate in. These include but are not limited to:

- SMOs appointed and trained to keep abreast of latest guidelines, implement recommended practices and monitor compliance;
- Taking of body temperatures of all guests and visitors entering the hotels, restaurants, shopping malls and office buildings. Any guest with temperature above 37.5°C will be advised to see a doctor immediately;
- Masks, gloves and hand sanitisers are available for all guests in our hotels and restaurants;
- Record hotel guest check-in information based on the local government's requirements;
- Contactless check-in and check-out procedures are being implemented to minimise contact, on top of contactless payment options;
- At some of our F&B outlets, we have replaced our physical menus with digital menus. Restaurants with buffet offerings have switched to à la carte menus and made-to-order options;
- Increased disinfection and cleaning for all common areas and high-touch areas such as door handles, lift buttons and public washrooms. Increase the frequency of deep cleaning at shared facilities such as the swimming pool and gym, with heightened sanitisation of surfaces and equipment; and
- Complied with special cleaning and sanitisation procedures by authorities for guest rooms.

In 2020, we have not incurred any statutory penalties with regard to non-compliances with the local regulations for COVID-19, for example COVID-19 (Temporary Measures) Act 2020 in Singapore.

In addition, we have rendered assistance to customers where possible during this crisis. We have extended flexibility to our hotel guests with free cancellation up to 24 hours prior to arrival, including non-refundable reservations. Price adjustments on hotel room rates were permitted to enable the hotels to cater to those affected by border closures during this crisis.

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

Food Safety
Amara's operation of hotels and restaurants means that food safety is our paramount concern and responsibility.

We have established food management safety and practices in our Standard Operating Procedures ("SOP"). The SOPs are maintained to enforce the practice of a First-In-First-Out (FIFO) system to manage our food inventory efficiently and uphold the quality of the food served in all our hotels and restaurants. Additionally, we also conduct periodic laboratory testing on our food items as a quality control measure.

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

SOCIAL

Building Safety
Building safety is also a key responsibility of Amara in providing a safe environment for our guests, visitors, and tenants. Aligned with the relevant building safety laws and regulations in the jurisdictions that our businesses operate in, Amara has established building safety measures with a strong focus on fire safety.

Building safety measures are implemented and inculcated into our operations through fire drills, which are conducted twice a year, and providing regular fire safety training courses. To ensure compliance with the measures set, regular fire safety inspections are also performed throughout the year.

Based on the risk assessments and inspections conducted, Amara also identifies other potential hazards and review the existing measures set. In order to prevent accidents or injuries, any identified hazards found will be effectively communicated to our guests and visitors. Moreover, we also conduct daily briefings to communicate any identified hazards to our security team, that are deployed to patrol our premises on a regular time interval to deter and prevent crimes.

We are pleased to report that there were no incidents of non-compliance with regulations and voluntary codes concerning the health and safety of guests and visitors which resulted in fines or penalties, thereby allowing us to achieve our 2020 target. We will continue to strive to maintain this compliance status in the forthcoming year.

Perpetual Target	Performance in FY2020
No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers	Zero case of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers during the year

COMMUNITY INVOLVEMENT

At Amara, we believe in contributing to the community as a testament of our roots as a homegrown brand.

We are actively participating in the nationwide dining initiative organised by the Restaurant Association of Singapore, also known as the #Hi5SG Campaign, which aims to encourage customers to dine at F&B establishments and at the same time raise funds for charities on selected F&B sales. During the campaign period, our participating F&B businesses will donate SGD1 for every sale of each Quintessential High Tea Set at Tea Room, Peking Duck at Silk Road; and à la carte Dinner Buffet at Element.

Other community involvement activities carried out in 2020 were as follows:

Business	Activities
Amara Singapore Amara Sanctuary Resort, Sentosa	• Visited SWAMI Elderly Home for community engagement activities and organised meals prepared by Amara's culinary team
Amara Signature Shanghai	• Actively participated in Earth Hour on 28th March 2020 • Organised "Hotel Experience for the Handicapped" event to provide the Amara experience to Persons With Disabilities • Visited and provided snacks to the local community and neighbourhood police as morale booster and motivation during the COVID-19 period
100 AM Singapore	• Promoted Malay Heritage Centre's Travelling Exhibition (National Heritage Centre) from December 2020 through 100 AM marketing platforms such as mall TVs and Facebook

MOVING FORWARD

We will continue to contribute time and effort to meet the needs of our customers and employees, as well as to serve our local communities. In 2021, we will strive to achieve zero cases of employee and customer injuries and zero cases of employee COVID-19 infections. We will also provide more training to equip our employees in meeting the new challenges in our everchanging environment.

GOVERNANCE

Amara is committed to uphold high standards of ethics and business conduct in our business operations. We also keep ourselves up-to-date with the latest changes in regulatory requirements to ensure compliance at all times.

ETHICS AND REGULATORY COMPLIANCE

Ethics and Business Conduct

Amara places utmost importance on ethics and integrity. We have zero tolerance towards corruption, fraud, money-laundering and other financial crimes. Employees are expected to display honest and professional behaviours in performing job roles and responsibilities and dealing with internal and external stakeholders.

We have established internal controls and written policies on areas of Employee Code of Conduct, Conflict of Interest, Whistle-blowing and Anti-corruption to provide guidance to our employees in their business conduct. All new employees are provided with a copy of these policies upon the signing of letter of appointment.

In 2020, there were two whistle-blowing reports received by the Group. They were not related to corruption, fraud or money laundering matters, and have been investigated and resolved by the Group.

Perpetual Target	Performance in FY2020
Zero confirmed cases which are unethical, fraudulent, or corrupt in nature	Zero incidents of corruption, fraud or other financial crimes

Regulatory Compliance

Amara is also aware that regulatory compliance is critical to protect our brand and foster our trust with the stakeholders. We have instituted processes in keeping abreast of any changes in the existing regulatory requirements.

In 2020, we continue to adhere to the laws and regulations in the jurisdiction that our businesses operate in (i.e., Singapore, Bangkok and Shanghai). Some examples of the laws and regulations that we need to comply with are as follows:

- 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 administrated 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

Perpetual Target	Performance in FY2020
Zero reported case 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

GOVERNANCE

Personal Data Protection
Data digitalisation and the large volume of personal data collected in our business activities make Amara vulnerable to data leakage due to factors such as external cyber-attacks. Any breach in Singapore's Personal Data Protection Act 2012 ("PDPA") will receive investigation and financial penalties from the Singapore Personal Data Protection Commission (PDPC).

We have 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 for queries on data protection matters and requests to update, access or withdraw consent on their personal data maintained by Amara.

Perpetual Target	Performance in FY2020
Zero incidents of data security breaches	Zero reported incidents of data security breaches

MOVING FORWARD

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

ECONOMIC

The unprecedented COVID-19 pandemic in 2020 has brought devastating effects on the tourism industry and F&B businesses. Amara's financial performance for 2020 has been severely impacted, but we remain optimistic of the hotel industry's prospects in the long term.

ECONOMIC PERFORMANCE AND BUSINESS RECOVERY

Given the continuously evolving COVID-19 situation and uncertainty of when this pandemic may be effectively contained, Amara has activated its business continuity plan at all its business units, put in place cost containment measures and brought forth revenue enhancement initiatives to recover the business operations and financial performance.

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

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

- Offering hotel accommodation for government and business chamber sectors;
- Creating special prices for corporate booking packages;
- Launching new room packages with dinner/lunch sets at the restaurants;
- Offering special room promotion on the business partners' online booking channels;
- Collaborating with e-commerce platforms for takeaway and delivery options at the restaurants; and
- Driving other source of revenue with the absence of tourists, such as upping our ante with creative menu adjustments to attract local consumers.

Amara's supply chain for operational items in F&B and hotels were manageable during the COVID-19 lockdown periods, mainly due to reduced level of demand. Pandemic supplies such as masks, gloves, disinfection chemicals, hand soaps and sanitisers were out-of-stock from the usual suppliers in first quarter of 2020, but we managed to source for new suppliers and purchased sufficient stocks for employees and customers' usage.

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

MOVING FORWARD

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

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 101: Foundation 2016			
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	**Organisational Profile**		
	102-1	Name of the organization	Amara Holdings Limited
	102-2	Activities, brands, products, and services	Annual Report: Amara Vision and Brand (Pgs 2 - 3)
	102-3	Location of headquarters	Annual Report: Corporate Data (Pg 142)
	102-4	Location of operations	Annual Report: Our Business Portfolio (Pgs 10 - 13)
	102-5	Ownership and legal form	Annual Report: Statistics of Shareholdings (Pgs 143 - 144)
	102-6	Markets served	Annual Report: Our Business Portfolio (Pgs 10 - 13)
	102-7	Scale of the organization	Sustainability Report Annual Report
	102-8	Information on employees and other workers	Sustainability Report: Talent Retention (Pg 47)
	102-9	Supply chain	Amara does not specifically disclose its supply chain
	102-10	Significant changes to the organization and its supply chain	No significant changes to the organization and its supply chain
	102-11	Precautionary Principle or approach	Amara does not specifically apply the precautionary approach when managing risk
	102-12	External initiatives	Not applicable
	102-13	Membership of associations	Amara has memberships and association with relevant organisations
	Strategy		
	102-14	Statement from senior decision-maker	Sustainability Report: Board Statement (Pg 38)
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Annual Report: Amara Vision and Brand (Pgs 2 - 3)
	Governance		
	102-18	Governance structure	Sustainability Report: Sustainability Governance and Report Development (Pg 39)

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 102: General Disclosures 2016	**Stakeholder Engagement**		
	102-40	List of stakeholder groups	Sustainability Report: Stakeholder Engagement (Pg 40)
	102-41	Collective bargaining agreements	Amara's employees are free to join or not join recognised labour unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices
	102-42	Identifying and selecting stakeholders	Sustainability Report: Stakeholder Engagement (Pg 40)
	102-43	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 40)
	102-44	Key topics and concerns raised	Sustainability Report: Stakeholder Engagement (Pg 40)
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Annual Report: Financial Statements (Pgs 75 - 141)
	102-46	Defining report content and topic Boundaries	Sustainability Report: About The Report (Pg 39)
	102-47	List of material topics	Sustainability Report: Materiality Assessment (Pg 41)
	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	Inclusion of Shanghai business activities for the reporting of material topics in this Report
	102-50	Reporting period	1 January 2020 – 31 December 2020
	102-51	Date of most recent report	31 December 2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Sustainability Report: About The Report (Pg 39)
	102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report: About The Report (Pg 39)
	102-55	GRI content index	Sustainability Report: GRI Content Index (Pgs 54 - 58)
	102-56	External assurance	Amara has not sought external assurance for this reporting period, and may consider it in the future

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	The material factor boundaries are defined as where Amara has significant impacts and has caused or contributed to the impacts through its business relationships. Material factors with internal boundaries: • Economic Performance and Business Recovery • Talent Retention Material factors with internal and external boundaries: • Energy and Emissions • Water • Effluents and Waste • Occupational Health and Safety • Customer Health and Safety • Ethics and Regulatory Compliance
ECONOMIC PERFORMANCE AND BUSINESS RECOVERY			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Annual Report: Financial Statements (Pgs 75 - 141) Sustainability Report: Economic Performance and Business Recovery (Pg 53)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
ETHICS AND REGULATORY COMPLIANCE			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Ethics and Regulatory Compliance (Pg 51)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	
GRI 419: Socio-economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
ENERGY AND EMISSIONS			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Energy and Emissions (Pgs 43 - 45)
	103-3	Evaluation of the management approach	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
WATER			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Water (Pg 45)
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents 2018	303-5	Water consumption	
EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Effluents and Waste (Pg 46)
	103-3	Evaluation of the management approach	
GRI 306: Waste 2020	306-3	Waste generated	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Occupational Health and Safety (Pg 48)
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
TALENT RETENTION			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Talent Retention (Pg 47)
	103-3	Evaluation of the management approach	
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	
CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-2	The management approach and its components	Sustainability Report: Customer Health and Safety (Pgs 49 - 50)
	103-3	Evaluation of the management approach	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

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

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

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

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1
Directors as Fiduciaries

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

Provision 1.2
Directors' Duties and Responsibilities

Board's Role

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

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

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

Compliance with Regulatory Requirements

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

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Continuous Training and Development of Directors

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

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

Briefings and updates provided for Directors in FY 2020 included the following:

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

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

Provision 1.3
Internal Guidelines on Matters Requiring Board Approval

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

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

Provision 1.4
Delegation of Authority to Board Committees

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

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

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

Provision 1.5
Meetings of Board and Board Committees

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

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

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

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

Provision 1.6
Board's Access to Information

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Provision 1.7
Board's Access to Management, Company Secretaries and External Advisers

The Board has separate and independent access to the Management and the Company Secretaries at all times. The role of the Company Secretaries includes, inter alia, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, Cap. 50 ("Companies Act") and the Listing Rules. At least one of the Company Secretaries is present at all formal Board meetings to respond to the queries of any Director and to assist in ensuring that Board procedures as well as applicable rules and regulations are followed. The appointment and the removal of a Company Secretary are subject to the Board's approval.

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

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1
Independence of Directors

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

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

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

Provisions 2.2 and 2.3
Composition of Independent Directors and Non-Executive Directors on the Board

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

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

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Provision 2.4
Composition and Size of the Board

The Board is of the view that the current Board comprises members whose diverse skills, experience and attributes provide effective direction for the Group. The Board will constantly examine 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.

The Board recognises the importance and value of gender diversity and it presently includes a female Director.

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

Provision 2.5
Role of Non-Executive Directors

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Provisions 3.1 and 3.2
- Separate role of Chairman and CEO
- Role of the Chairman

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

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

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

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

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

Provision 3.3
Lead Independent Director

Mr Foo Ko Hing is the Lead Independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and CEO or Financial Controller are inappropriate or inadequate.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises:

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

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

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

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

Provision 4.3
Process for the Selection and Appointment of New Directors

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

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

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

The Directors due to retire at the forthcoming AGM pursuant to the Constitution are Mr Albert Teo Hock Chuan and Mr Lawrence Mok Kwok Wah. In accordance with the Listing Rules, their particulars as set out in accordance with Appendix 7.4.1 of the Listing Manual are provided under the "Additional Information on Directors Seeking Re-Election" section of this Annual Report.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP (CONTINUED)

Provision 4.4
Determining Directors' Independence

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

Provision 4.5
Multiple Board Representations

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

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

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2
Conduct of Board Performance

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

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

REMUNERATION MATTERS

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

Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises:

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

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

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

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

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

Provision 6.3
Review of Remuneration

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

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

Provision 6.4
Engagement of Remuneration Consultants

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

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1
Remuneration of Executive Directors and Key Management Personnel

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

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

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

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

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION (CONTINUED)

Provision 7.2
Remuneration of Non-Executive Directors

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

Provision 7.3
Remuneration Framework

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

DISCLOSURE ON REMUNERATION

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

Provision 8.1
Remuneration Report

Directors

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

	No. of Directors	
Remuneration Band	**2020**	**2019**
S$750,000 to below S$1,000,000	-	1
S$500,000 to below S$750,000	1	1
S$250,000 to below S$500,000	1	-
Below S$250,000	4	4
Total	6	6

Key Management Personnel of the Group

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

Provision 8.2
Remuneration of Employees who are Substantial Shareholders, or are Immediate Family Members of a Director, CEO or Substantial Shareholder of the Company

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

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

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

CORPORATE GOVERNANCE REPORT

DISCLOSURE OF REMUNERATION (CONTINUED)

Provision 8.3
Employee Share Scheme

Amara Performance Share Plan ("Plan")

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

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

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

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

The aggregate number of shares available to eligible controlling shareholders and their associates under the Plan shall not exceed twenty-five 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 has consulted with a reputable risk consulting firm to assist with formalising an ERM Programme and documenting an ERM Framework Manual to ensure consistency in application across the Group and sustainability of the programme.

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

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

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

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

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Provision 9.2
Assurances to the Board

The Board has received the following assurances for FY 2020:

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

Board's Comment on Adequacy and Effectiveness of Internal Controls

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

AUDIT COMMITTEE

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

Provisions 10.1 and 10.2
Audit Committee Membership and Duties

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

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

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

Roles, Responsibilities and Authorities of Audit Committee

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

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

- reviews with the External Auditors, the audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of Management, where necessary);
- reviews with the Internal Auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;
- reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- reviews any significant findings of internal investigations and Management's response;
- reviews the independence of the External and Internal Auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- makes recommendations to the Board on the appointment of External Auditors, the audit fee and any matters of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the Internal Auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of Management integrity;

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (CONTINUED)

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

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

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

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

Whistleblowing Policy

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

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

Provision 10.3
Restriction on Acting as Audit Committee Member

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

Provision 10.4
Internal Audit Function

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

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

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (CONTINUED)

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

Provision 10.5
Meeting with External Auditors and Internal Auditors

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

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

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

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

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

In view of the COVID-19 situation, the Company's forthcoming AGM in respect of FY2020 ("2021 AGM") will be held through electronic means. Although shareholders will not be able to ask questions during the meeting's live webcast, they are able to register and submit their questions in advance of the 2021 AGM. The Company will provide answers to the shareholders' substantive and relevant questions received by the Company.

While shareholders will not be able to attend the 2021 AGM in person, alternative arrangements have been put in place to allow shareholders to participate in the 2021 AGM by:

(a) watching or listening to the live meeting webcast proceedings;
(b) submitting questions in advance of the meeting; and/or
(c) appointing the Chairman of the 2021 AGM as proxy to attend and vote on their behalf at the 2021 AGM.

Provision 11.2

Separate Resolutions at General Meetings

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

Provision 11.3
Attendance of Directors and Auditors at General Meetings

The Board, together with the Management and the External Auditors, are normally present at the AGM to address shareholders' queries, if any. In 2020, the Company held its annual general meeting by way of electronic means which was attended by all the Directors and auditors physically or remotely.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONTINUED)

Provision 11.4
Absentia Voting

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

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.

Provision 11.6
Dividend Policy

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

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

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1
Avenues for Communication between the Board and Shareholders

The Company strives for transparency in its disclosures to the shareholders and the public. This is done through the timely release of information through SGXNet. However, the Company does not practise selective disclosure as all price-sensitive and/or trade-sensitive information is released through SGXNet. The Company also maintains a website at www.amaraholdings.com, 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.

Following the amendments to Rule 705(2) of the Listing Manual of the SGX-ST which took effect from 7 February 2020, the Company announced it would change to semi-annual reporting. For FY 2020, financial results of the Group were 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 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.

CORPORATE GOVERNANCE REPORT

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 which shareholders and other stakeholders can access information on the Group. The website provides, inter alia, corporate announcements, press releases and profiles of the Group. Shareholders and other stakeholders are provided with investor relations contacts at the "Corporate Data" section of this Annual Report to contact the Company.

OTHER CORPORATE GOVERNANCE MATTERS
INTERESTED PERSON TRANSACTIONS

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

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

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

DEALINGS IN SECURITIES

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

Under the Internal Code and with the adoption of semi-annual reporting of the financial statements from FY 2020, 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.

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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 2020.

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 84 to 141 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 2020, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1. DIRECTORS

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

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

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

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 except as follows:

	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	At beginning of year	At end of year	At 21 January 2021	At beginning of year	At end of year	At 21 January 2021
Amara Holdings Limited (Ordinary shares)						
Albert Teo Hock Chuan	35,291,404	35,291,404	35,291,404	153,968,290	153,968,290	153,968,290
Susan Teo Geok Tin	35,162,232	35,162,232	35,162,232	152,987,990	152,987,990	152,987,990
Lawrence Mok Kwok Wah	710,030	710,030	710,030	35,441,205*	35,441,205*	35,441,205*

* 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)

	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	At beginning of year	At end of year	At 21 January 2021	At beginning of year	At end of year	At 21 January 2021
Immediate and ultimate holding company						
First Security Pte Ltd (Ordinary shares)						
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	-	-	-
Related company						
Amara Ventures Pte Ltd (Ordinary shares)						
Albert Teo Hock Chuan	882	882	882	6,114	6,114	6,114
Susan Teo Geok Tin	797	797	797	6,114	6,114	6,114
Lawrence Mok Kwok Wah	-	-	-	797	797	797

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

4. SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE

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

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

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

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

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

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, and the Code of Corporate Governance 2018, including the following:

i) reviews with the external auditors, the audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of Management, where necessary);

ii) reviews with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;

iii) reviews any significant findings of internal investigations and Management's response;

iv) reviews the independence of the external and internal auditors and the adequacy and effectiveness of the external audit and the internal audit functions;

v) makes recommendations to the Board on the appointment of external auditors, the audit fee and matters of their resignation or dismissal;

vi) reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;

vii) 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;

viii) reviews the assurance from the Chief Executive Officer and the Financial Controller on the financial records and financial statements;

ix) 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.

x) reviews arrangements by which the staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting and any other matters to be independently investigated and appropriately followed up on.

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE (CONTINUED)

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

i) the co-operation given by the company's officers and whether the external auditors in the course of carrying out their duties, were obstructed or impeded by Management;

ii) the adequacy of the group's internal accounting control system and its internal control procedures relating to interested person transactions;

iii) compliance with legal and other regulatory requirements; and

iv) any other matter which in the Audit Committee's opinion, should be brought to the attention of the Board.

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

6. AUDITORS

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

ON BEHALF OF THE DIRECTORS

Albert Teo Hock Chuan
Director

Foo Ko Hing
Director

25 March 2021

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 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 141.

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 Companies Act, Chapter 50 (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 2020 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 $404.7 million and accounted for 50% of the group's total assets as at 31 December 2020. These investment properties are stated at fair values based on valuations carried out by independent valuers. The valuation involves the application of judgement in selecting an appropriate valuation methodology and estimates which are used in underlying assumptions. These estimates include rate of capitalisation, discount rates and adjustments made for differences between the subject properties and comparables taking into consideration differences such as location, size and tenure.

Our audit performed and responses thereon

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

With the involvement of the internal specialist, we considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account 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 by reference to externally published benchmarks where available and considered whether their assumptions are consistent with current market environment.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Our audit performed and responses thereon (continued)

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

The external valuers highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty and higher degree of caution should be attached to their valuation than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review. This is cautionary and does not invalidate the valuation.

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 development and completed properties held for sale

The group has development properties under development and completed residential properties held for sale in Singapore. These are stated at the lower of cost and their net realisable value, amounting to $107.2 million as at 31 December 2020. Management estimates the net realisable value based on valuations carried out by independent valuers, recent transacted sales of the existing units as well as similar properties in the surrounding location.

Our audit performed and responses thereon

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

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

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

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.

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

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.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2021

STATEMENTS OF FINANCIAL POSITION

31 December 2020

	Notes	Group		Company	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
Assets					
Current assets					
Cash and cash equivalents	7	11,646	10,211	31	39
Trade and other receivables	8	10,730	14,357	61,083	73,017
Inventories	9	448	538	-	-
Development properties	10	107,186	104,250	-	-
Contract assets	11	2,432	2,354	-	-
Total current assets		132,442	131,710	61,114	73,056
Non-current assets					
Trade and other receivables	8	243	355	-	-
Financial assets at fair value through profit or loss ("FVTPL")	12	867	966	167	167
Intangible assets	13	1,178	1,178	-	-
Investment in a jointly-controlled entity	14	540	474	-	-
Investment in subsidiaries	15	-	-	40,087	40,987
Investment properties	16	404,679	417,477	-	-
Property, plant and equipment	17	261,339	262,751	-	-
Other asset	18	5,822	6,132	-	-
Deferred tax assets	19	606	648	-	-
Total non-current assets		675,274	689,981	40,254	41,154
Total assets		807,716	821,691	101,368	114,210
Liabilities and Equity					
Current liabilities					
Trade and other payables	20	18,568	20,105	348	373
Income tax payable		2,761	4,238	-	-
Bank loans	21	2,346	38,400	-	-
Lease liabilities	22	3,184	2,259	-	-
Total current liabilities		26,859	65,002	348	373
Non-current liabilities					
Trade and other payables	20	5,150	4,514	-	-
Bank loans	21	334,939	297,208	-	-
Lease liabilities	22	39,152	36,485	-	-
Deferred tax liabilities	19	13,780	14,586	-	-
Total non-current liabilities		393,021	352,793	-	-
Capital and reserves					
Share capital	23	125,646	125,646	125,646	125,646
Treasury shares	24	(996)	(996)	(996)	(996)
Reserves	25	263,186	279,246	(23,630)	(10,813)
Total equity		387,836	403,896	101,020	113,837
Total liabilities and equity		807,716	821,691	101,368	114,210

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

		Group	
		2020	2019
	Notes	**$'000**	$'000
Revenue	26	61,053	105,295
Fair value (losses)/gains of investment properties	16	(16,492)	20,385
Other income	27	3,556	2,172
Changes in inventories of finished goods		(96)	(49)
Cost of properties sold/consumables used		(3,773)	(8,924)
Staff costs	28	(14,313)	(28,603)
Depreciation		(10,391)	(11,059)
Finance costs	29	(10,740)	(12,574)
Other expenses	31	(19,970)	(31,782)
Share of results of a jointly-controlled entity, net of tax	14	66	(17)
(Loss)/Profit before tax		(11,100)	34,844
Income tax expense	30	(345)	(6,666)
(Loss)/Profit for the year	31	(11,445)	28,178
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, representing total other comprehensive income/(loss) for the year		6,884	(3,715)
Total comprehensive (loss)/income for the year		(4,561)	24,463
(Loss)/Profit attributable to:			
Owners of the company		(11,445)	28,178
		(11,445)	28,178
Total comprehensive (loss)/income attributable to:			
Owners of the company		(4,561)	24,463
		(4,561)	24,463
(Loss)/Earnings per share:			
Basic and diluted (cents)	33	(1.99)	4.90

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

	Notes	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Retained earnings and other reserve* $'000	Total reserves $'000	Equity attributable to owners of the company $'000
Group							
Balance at 1 January 2019		125,646	(996)	(6,511)	272,793	266,282	390,932
Total comprehensive income/(loss) for the year:							
Profit for the year		-	-	-	28,178	28,178	28,178
Other comprehensive loss		-	-	(3,715)	-	(3,715)	(3,715)
Total		-	-	(3,715)	28,178	24,463	24,463
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2018, representing total transactions with owners, recognised directly in equity	32	-	-	-	(11,499)	(11,499)	(11,499)
Balance at 31 December 2019		125,646	(996)	(10,226)	289,472	279,246	403,896
Total comprehensive (loss)/income for the year:							
Loss for the year		-	-	-	(11,445)	(11,445)	(11,445)
Other comprehensive income		-	-	6,884	-	6,884	6,884
Total		-	-	6,884	(11,445)	(4,561)	(4,561)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2019, representing total transactions with owners, recognised directly in equity	32	-	-	-	(11,499)	(11,499)	(11,499)
Balance at 31 December 2020		125,646	(996)	(3,342)	266,528	263,186	387,836

* Includes other reserves of $112,000 as at 31 December 2020 (2019 : $112,000).

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2020

	Notes	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Other reserves $'000	Total reserves $'000	Total $'000
Company							
Balance at 1 January 2019		125,646	(996)	(12,060)	926	(11,134)	113,516
Profit for the year, representing total comprehensive income for the year		-	-	11,820	-	11,820	11,820
Dividends paid relating to 2018, representing total transactions with owners recognised directly in equity	32	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 31 December 2019		125,646	(996)	(11,739)	926	(10,813)	113,837
Loss for the year, representing total comprehensive loss for the year		-	-	(1,318)	-	(1,318)	(1,318)
Dividends paid relating to 2019, representing total transactions with owners recognised directly in equity	32	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 31 December 2020		125,646	(996)	(24,556)	926	(23,630)	101,020

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	Group 2020 $'000	Group 2019 $'000
Operating activities			
(Loss)/Profit before tax		(11,100)	34,844
Adjustments for:			
Fair value losses/(gains) of investment properties	16	16,492	(20,385)
Amortisation of other asset	18	310	111
Depreciation of property, plant and equipment	17	10,391	11,059
Property, plant and equipment written off	31	75	109
Gain on disposal of property, plant and equipment	27	(2,785)	(38)
Dividend income from financial assets at FVTPL	27	(29)	(156)
Gain on disposal of financial assets at FVTPL	27	-*	-
Loss on fair value adjustment of financial assets at FVTPL	27	7	83
Interest income - fixed deposits	27	(14)	(23)
Interest expense	29	10,740	12,574
Loss allowance	8	338	-
Share of results of a jointly-controlled entity, net of tax	14	(66)	17
Exchange differences		(518)	688
Operating cash flows before movements in working capital		23,841	38,883
Inventories		90	49
Trade and other receivables		1,204	(1,202)
Trade and other payables		(903)	(9,382)
Contract assets/liabilities		(78)	(10,015)
Development properties		(2,936)	5,553
Cash generated from operations		21,218	23,886
Income tax paid		(2,981)	(3,803)
Net cash from operating activities		18,237	20,083
Investing activities			
Proceeds on disposal of financial assets at FVTPL		92	-
Proceeds on disposal of property, plant and equipment		3,050	50
Payments for property, plant and equipment (Note A)	17	(465)	(5,162)
Additional costs incurred on investment properties	16	-	(528)
Dividend received from financial assets at FVTPL	27	29	156
Interest received	27	14	23
Dividend received from a jointly-controlled entity		-	1,200
Net cash from/(used in) investing activities		2,720	(4,261)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2020

		Group	
		2020	2019
	Notes	**$'000**	$'000
Financing activities			
Interest paid		(9,036)	(12,574)
Payment of dividends on ordinary shares	32	(11,499)	(11,499)
Repayment of lease liabilities	21	(939)	(1,145)
Repayment of bank borrowings		(51,306)	(187,648)
Proceeds from bank borrowings		53,138	192,264
Net cash used in financing activities		(19,642)	(20,602)
Net increase/(decrease) in cash and cash equivalents		1,315	(4,780)
Cash and cash equivalents at beginning of year		10,211	14,976
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		120	15
Cash and cash equivalents at end of year	7	11,646	10,211

Note A:

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $5,462,000 (2019 : $5,162,000) of which $4,997,000 (2019 : $Nil) was financed by means of leases. Cash payment of $465,000 (2019 : $5,162,000) was made to purchase property, plant and equipment.

* Amount less than $1,000

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

1. GENERAL

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

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

COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally had impacted the group's business due to travel restrictions and social distancing measures implemented. The economic uncertainties have also created uncertainties relating to the valuation of assets (including valuation of investment properties) (see Note 3).

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 25 March 2021.

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 Act 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 2020, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

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.

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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 aforegoing, 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.

Amortised cost and effective interest method

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Amortised cost and effective interest method (continued)

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).

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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.

Despite the aforegoing, 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Significant increase in credit risk (continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Measurement and recognition of expected credit losses (continued)

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities subsequently measured at amortised cost

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

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (continued)

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

Leases

The group as lessee

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The group as lessee (continued)

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The group as lessor

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

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

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

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

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

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

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

Inventories

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

Development properties

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

Investment property

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Club memberships

Club memberships are held on a long-term basis and are stated at cost less accumulated impairment losses, if any.

Goodwill

Goodwill is initially recognised and measured as set out in the business combinations accounting policy.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or group's of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group's policy for goodwill arising on the acquisition of an associate is described in the associates and joint venture accounting policy.

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Revenue recognition

The group recognises revenue from the following major sources:

- Hotel operations, restaurant operations and other related services rendered
- Rental from leases of investment properties
- Sales of development properties
- Dividend income
- Interest income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Hotel operations, restaurant operations and other related services rendered

Revenue for hotel operations, restaurant operations and other related services rendered is recognised as performance obligation is satisfied at point in time when control of the goods and services are transferred to the customer.

Rental from leases of investment properties

The group's policy for recognition of revenue from operating leases is described in lease accounting policy.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Sales of development properties

The group constructs and sells development properties under long-term contracts with customers. Such contracts are entered into before and during construction of the residential properties. Under the terms of the contracts for sales of residential properties in Singapore, the group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for performance completed to date. Revenue from sales of development properties is therefore recognised over time based on percentage of completion, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total construction costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

The group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will have previously recognised a contract asset for any performance completed to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the percentage of completion method, then the group recognises a contract liability for the difference. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion method and the milestone payment is always less than one year.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

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 2020

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 2020

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 and terminal 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 external valuers highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty and higher degree of caution should be attached to their valuation than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review. This is cautionary and does not invalidate the valuation.

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 development and completed properties for sale

Development properties are stated at cost less allowance for impairment in value or at the lower of cost and net realisable values.

When it is probable that the total project costs will exceed the total projected revenue net of selling expenses, i.e. net realisable value, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value for each property is subject to Management's judgement and the effect of assumptions in respect of development plans, timing of sale, the prevailing market conditions and based on recent transacted sales of the existing units as well as similar properties in the surrounding location. Management performs cost studies for each project, taking into account the costs incurred to date, the development status and costs to complete each development project. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

The carrying amount of the group's development properties at the end of the reporting period is disclosed in Note 10 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Key sources of estimation uncertainties (continued)

Revenue recognition for sales of properties under development

Revenue and costs arising from contracts are recognised using the percentage of completion method determined by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total construction costs at the end of each reporting period. Management exercises considerable judgement in estimating the projected total costs to completion, including the likely amounts at which additional claims from the contractors would eventually be settled. Total revenue recognised based on percentage of completion amounted to $1,821,000 (2019 : $3,241,000).

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Financial assets				
At amortised cost	16,711	17,359	61,105	73,046
At FVTPL	867	966	167	167
	17,578	18,325	61,272	73,213
Financial liabilities				
Financial liabilities at amortised cost	355,372	358,659	348	373
Lease liabilities	42,336	38,744	-	-
	397,708	397,403	348	373

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 2020

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
United States Dollar	61,634	61,747	63,174	61,426
Singapore Dollar	70	445	-	-

Sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss and equity are considered not significant if USD changes against the SGD by 3% (2019 : 3%) with all other variables including tax rate being held constant.

The company transacts mainly in Singapore Dollar and therefore is not exposed to foreign exchange risk.

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the group's financial instruments will fluctuate because of changes in market interest rates. The company obtains financing through bank loans and finance lease facilities. The company's policy is to obtain the most favourable interest rates available without increasing its interest rate risk exposure.

To manage interest rate risk, the group, where appropriate, uses interest rate swaps.

As at 31 December 2020, the group entered into interest rate swaps and interest rate caps at nominal amounts of $73,040,000 (2019 : $73,040,000).

The fair value of the interest rate swaps and interest rate caps are not considered significant.

The interest rates and terms of repayment for bank loans and leases of the group are disclosed in Notes 21 and 22 to the financial statements.

The interest rates and repricing period for fixed deposits are disclosed in Note 7 to the financial statements.

At the end of the reporting period, if SGD interest rates had been 25 (2019 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been $697,000 (2019 : $704,000) 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (continued)

(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% (2019 : 5%) higher or lower with all other variables including tax rate being held constant.

(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 2020

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
Group						
31 December 2020						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	4,761	(376)	4,385
Other receivables	8	Performing	12-month ECL	680	-	680
Other receivables	8	In default	Lifetime ECL	5,366	(5,366)	-
Contract assets	11	(i)	Lifetime ECL (simplified approach)	2,432	-	2,432
					(5,742)	
31 December 2019						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	3,894	(38)	3,856
Other receivables	8	Performing	12-month ECL	3,292	-	3,292
Other receivables	8	In default	Lifetime ECL	5,366	(5,366)	-
Contract assets	11	(i)	Lifetime ECL (simplified approach)	2,354	-	2,354
					(5,404)	
Company						
31 December 2020						
Other receivables	8	Performing	12-month ECL	61,074	-	61,074
31 December 2019						
Other receivables	8	Performing	12-month ECL	73,007	-	73,007

(i) For trade receivables and contract assets, the group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The group determines the expected credit losses on these items based on historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Notes 8 and 11 includes further details on the loss allowance for these assets respectively.

The carrying amount of the group's financial assets at FVTPL as disclosed in Note 4(c)(v) best represents their respective maximum exposure to credit risk. The group holds no collateral over any of these balances.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (continued)

(iv) Credit risk management (continued)

Overview of the group's exposure to credit risk (continued)

In order to minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The group uses publicly available financial information and its own trading records to rate its major customers to assess the credit ratings of its counterparties. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, Management considers that the group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

At 31 December 2020 and 2019, 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 migitated 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 2020

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
Group						
31 December 2020						
Non-interest bearing	-	14,275	3,812	-	-	18,087
Lease liabilities (fixed rate)	7.35	3,502	8,119	135,350	(104,635)	42,336
Variable interest rate instruments	2.10	2,395	345,930	10,768	(21,808)	337,285
		20,172	357,861	146,118	(126,443)	397,708
31 December 2019						
Non-interest bearing	-	18,537	4,514	-	-	23,051
Lease liabilities (fixed rate)	6.45	3,153	9,422	82,180	(56,011)	38,744
Variable interest rate instruments	2.93	39,525	306,709	11,701	(22,327)	335,608
		61,215	320,645	93,881	(78,338)	397,403

The company's financial liabilities as at 31 December 2019 and 2020 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 2020

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
Group				
31 December 2020				
Non-interest bearing	-	16,710	-	16,710
Fixed interest rate instrument	0.25	1	-*	1
		16,711	-	16,711
31 December 2019				
Non-interest bearing	-	15,543	-	15,543
Fixed interest rate instrument	0.75 to 0.95	1,834	(18)	1,816
		17,377	(18)	17,359

* Amount less than $1,000

The company's financial assets as at 31 December 2019 and 2020 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).

	Fair value as at ($'000)			
Financial assets/ financial liabilities	**2020 Assets**	2019 Assets	Fair value hierarchy	Valuation technique(s) and key input(s)
Group				
Financial assets at FTVPL (Note 12)	867	966	Level 1	Quoted prices in an active market
Company				
Financial assets at FTVPL (Note 12)	167	167	Level 1	Quoted prices in an active market

NOTES TO FINANCIAL STATEMENTS

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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.

The fair value of non-current trade and other payables are $3,657,000 (2019 : $4,323,000) based on a discount rate of 2.10% (2019 : 2.93%) per annum, which is the lending rate that the directors expect would be available to the group at 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 2020 and 2019.

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 2020 and 2019.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

At the end of the reporting period, the company's immediate and ultimate holding company is First Security Pte Ltd, a company incorporated in Singapore. Related companies in the financial statements refer to members of the holding company's group of companies.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

	Group	
	2020	2019
	$'000	$'000
Dividend paid to holding company	3,060	3,060

NOTES TO FINANCIAL STATEMENTS

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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	
	2020	2019
	$'000	$'000
Short-term benefits	1,662	2,575
Post-employment benefits	54	53
	1,716	2,628

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 $815,000 (2019 : $1,452,000), excluding directors' fee which is disclosed in Note 31 to the financial statements.

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	11,645	8,395	31	39
Fixed deposits	1	1,816	-	-
	11,646	10,211	31	39

Included in the above is an amount of $1,479,000 (2019 : $1,201,000) 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 banks mature within 1 month (2019 : varying dates from 1 to 3 months) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2020 : 0.25% (2019 : ranges from 0.75% to 0.95%) per annum.

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8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade receivables	7,612	8,953	3	5
Non-trade receivables due from third parties	5,796	7,374	-	-
Non-trade receivables due from subsidiaries	-	-	61,074	73,007
Other receivables	35	487	-	-
Grant receivable [(a)]	1,371	-	-	-
Deposit	215	797	-	-
Prepayments	1,686	2,505	6	5
	16,715	20,116	61,083	73,017
Less: Loss allowance	(5,742)	(5,404)	-	-
	10,973	14,712	61,083	73,017
Less: Amount receivable after 12 months	(243)	(355)	-	-
Amount receivable within 12 months	10,730	14,357	61,083	73,017

[(a)] 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 (2019 : 0 to 60 days). Trade and other receivables are unsecured and interest-free.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables from contracts with customers based on the group's provision matrix. As the group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the group's different customer base.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group				
	Trade receivables – days past due				
	Not past due $'000	<30 days $'000	31 – 90 days $'000	> 90 days $'000	Total $'000
31 December 2020					
Estimated total gross carrying amount at default	5,897	272	362	1,081	7,612
Lifetime ECL	-	-	-	(376)	(376)
					7,236
31 December 2019					
Estimated total gross carrying amount at default	7,948	677	128	200	8,953
Lifetime ECL	-	-	-	(38)	(38)
					8,915

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
Group	
Balance as at 1 January 2019	110
Amounts written off	(72)
Balance as at 31 December 2019	38
Change in loss allowance	338
Balance as at 31 December 2020	376

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, Management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Accordingly, Management has determined the ECL to be insignificant.

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.

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9. INVENTORIES

	Group	
	2020	2019
	$'000	$'000
Food and beverage	192	243
Other hotel and catering supplies	256	295
	448	538

10. DEVELOPMENT PROPERTIES

	Group	
	2020	2019
	$'000	$'000
Properties under development	79,628	102,077
Completed properties held for sale	27,558	2,173
	107,186	104,250

The group's development properties as at 31 December 2019 and 2020 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description
(i)	9 Devonshire Road, Singapore	Freehold	Completed	234	Residential apartment
(ii)	5 Jalan Mutiara, Singapore	Freehold	Completed	2,345	Residential development of 1 block of 12 storey apartments
(iii)	10 Evelyn Road, Singapore	Freehold	Under development/ 2021	3,941	Proposed residential development
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2021	1,076	Proposed residential development

Certain development properties of the group with carrying amount of $64,939,000 (2019 : $87,797,000) (Note 21) are pledged as security for banking facilities at the end of the financial year.

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11. CONTRACT ASSETS

	Group	
	2020	2019
	$'000	$'000
Amount related to construction contracts	2,432	2,354
Analysed as:		
Current	2,432	2,354

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Quoted equity shares at fair value through profit or loss	867	966	167	167

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 year. Changes in fair value are recognised in profit or loss "other income" line item (Note 27).

13. INTANGIBLE ASSETS

	Group	
	2020	2019
	$'000	$'000
Club memberships	564	564
Less: Impairment loss	(175)	(175)
	389	389
Goodwill	789	789
	1,178	1,178

The group tests for impairment annually or more frequently if there are indicators that the intangible asset might be impaired. The recoverable amount of intangible asset is determined from market value of comparable club memberships.

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of the goodwill (net of impairment) relates to the hotel investment and management segment in the People's Republic of China.

NOTES TO FINANCIAL STATEMENTS

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14. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	Group	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	400	400
Share of accumulated profits, net of tax	140	74
	540	474

The investment in unquoted equity shares represents 40% equity interest in a jointly-controlled entity that is engaged in real estate development. There is no active market for the unquoted equity investment.

Details of the group's jointly-controlled entity 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	
		2020	2019
		%	%
Held by Creative Investments Pte Ltd			
Tampines EC Pte. Ltd.	Property development and ownership/ Singapore	40	40

The above jointly-controlled entity is accounted for using the equity method in these consolidated financial statements and is audited by Moore Stephens LLP Singapore.

Summarised financial information of the group's jointly-controlled entity is set out below.

	Group	
	2020	2019
	$'000	$'000
Current assets	6,239	6,336
Current liabilities	(4,757)	(5,018)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	6,239	6,254
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	-	-
Profit/(Loss) for the year	165	(42)
Total comprehensive income/(loss) for the year	165	(42)
Dividend paid	-	3,000
The above profit/(loss) for the year includes the following:		
Interest income	-	1
Income tax expense	-	-

NOTES TO FINANCIAL STATEMENTS

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15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000
Unquoted equity investment, at cost	50,816	50,816
Less: Impairment loss	(10,729)	(9,829)
	40,087	40,987

	2020	2019
Movement in unquoted equity investment, at cost:	**$'000**	$'000
At beginning of year	50,816	51,816
Liquidation of subsidiary	-	(1,000)
At end of year	50,816	50,816

During the year ended 31 December 2019, one of the company's wholly-owned subsidiaries has been liquidated. Accordingly, the allowance for impairment loss has been written off.

Allowance for impairment loss balance is as follows:

	Company	
	2020	2019
	$'000	$'000
At beginning of year	9,829	10,829
Charge to profit or loss	900	-
Written off	-	(1,000)
At end of year	10,729	9,829

During the year ended 31 December 2020, the company recorded an impairment loss of $900,000 (2019 : $Nil) in invesment of one of its subsidiaries.

NOTES TO FINANCIAL STATEMENTS

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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	
			2020	2019	**2020**	2019
			%	%	**$'000**	$'000
Held by the company						
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

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15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			2020 %	2019 %
Held by PCS Restaurants Pte Ltd				
Julius Estates Pte. Ltd.	Property investment and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte. Ltd.	Restaurateur	Singapore	100	100
Held by Amara Hospitality Capital Pte. Ltd.				
Amara Hospitality (Thailand) Co., Ltd. [b]	Hotel development and ownership	Thailand	100	100
Amara Investments (Europe) Pte. Ltd. (Formerly known as Myanmar Central Investment Pte. Ltd.) [c]	Dormant	Singapore	100	100
Held by Amara China Investments Pte Ltd				
Amara Shanghai Pte. Ltd.	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. [b]	Hotel development and ownership	The People's Republic of China	5	5
Held by Amara Shanghai Pte. Ltd.				
Shanghai Amara Hotel Co., Ltd. [b]	Hotel development and ownership	The People's Republic of China	95	95

[a] Cost of investment less than $1,000.
[b] Audited by member firms of Deloitte Touche Tohmatsu Limited.
[c] No audit required as dormant.

Subsidiaries incorporated and operating their business in Singapore are audited by Deloitte & Touche LLP, Singapore.

NOTES TO FINANCIAL STATEMENTS

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16. INVESTMENT PROPERTIES

	Group	
	2020	2019
	$'000	$'000
At beginning of year	417,477	398,085
Additions through subsequent expenditure	-	528
(Loss)/Gain from fair value adjustments included in profit or loss	(16,492)	20,385
Currency realignment	3,694	(1,521)
At end of year	404,679	417,477

The group's investment properties as at 31 December 2019 and 2020 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 $18,456,000 (2019 : $18,902,000) was generated from investment properties, and direct operating expenses include $4,510,000 (2019 : $4,390,000) 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 $389,679,000 (2019 : $402,477,000) was mortgaged as security to banks for bank loans and bank facilities for the group (Note 21).

NOTES TO FINANCIAL STATEMENTS

31 December 2020

16. INVESTMENT PROPERTIES (CONTINUED)

Investment properties are stated at fair value based on independent professional valuation. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield and terminal yield. In relying on the valuation reports, Management has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the capitalisation approach and direct comparison approach in arriving at the open market value at the end of the reporting period (2019 : capitalisation approach and direct comparison approach). The direct comparison approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using the revenue multipliers or single-year capitalisation rates. The highest and best use of the properties is their current use.

Details of the group's investment properties and information about the fair value hierarchy as at 31 December are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
As at 31 December 2020	-	-	404,679	404,679
As at 31 December 2019	-	-	417,477	417,477

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: 3.50% to 4.50% (2019 : 3.50% to 4.50%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: $1,545 to $5,641 per sq ft (2019 : $2,435 to $7,368 per sq ft)	The estimated fair value increases with higher comparable price.
The People's Republic of China	Capitalisation approach	Capitalisation rate: 4% (2019 : 3.25% to 4.20%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: $409 to $2,215 per sq ft (2019 : $Nil)	The estimated fair value increases with higher comparable price.

A combination of capitalisation approach and direct comparison approach was used by the valuer for investment property in The People's Republic of China in the current year to reflect market sentiment in view of the current situation arising from the pandemic.

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17. PROPERTY, PLANT AND EQUIPMENT

	Freehold property $'000	Leasehold land and buildings $'000	Plant and machinery, furniture, fixtures and equipment $'000	Motor vehicles $'000	Renovations $'000	Land use rights $'000	Operating supplies $'000	Capital project in progress $'000	Total $'000
Group									
Cost									
At 1 January 2019	491	298,184	36,743	1,852	8,879	11,100	3,217	2,542	363,008
Currency realignment	-	(672)	(18)	7	7	(304)	21	-	(959)
Additions	-	151	3,633	439	718	29	40	152	5,162
Transfer upon completion	-	-	-	-	2,343	-	-	(2,343)	-
Disposals/Write off	-	(2)	(1,015)	(331)	(87)	-	(102)	-	(1,537)
At 31 December 2019	491	297,661	39,343	1,967	11,860	10,825	3,176	351	365,674
Currency realignment	-	3,517	320	3	5	504	24	-	4,373
Additions	-	5,139	235	31	57	-	-	-	5,462
Transfer upon completion	-	139	-	-	60	-	-	(199)	-
Disposals/Write off	(491)	-	(372)	-	(126)	-	(77)	-	(1,066)
At 31 December 2020	-	306,456	39,526	2,001	11,856	11,329	3,123	152	374,443
Accumulated depreciation									
At 1 January 2019	218	58,621	23,069	1,306	5,442	4,482	-	-	93,138
Currency realignment	-	154	114	8	7	(141)	-	-	142
Depreciation	10	6,963	2,665	290	848	283	-	-	11,059
Disposals/Write off	-	(1)	(997)	(331)	(87)	-	-	-	(1,416)
At 31 December 2019	228	65,737	24,851	1,273	6,210	4,624	-	-	102,923
Currency realignment	-	229	67	-	-	220	-	-	516
Depreciation	9	6,422	2,421	252	1,002	285	-	-	10,391
Disposals/Write off	(237)	-	(363)	-	(126)	-	-	-	(726)
At 31 December 2020	-	72,388	26,976	1,525	7,086	5,129	-	-	113,104
Carrying amount									
At 31 December 2020	-	234,068	12,550	476	4,770	6,200	3,123	152	261,339
At 31 December 2019	263	231,924	14,492	694	5,650	6,201	3,176	351	262,751

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

	Group	
	2020 $'000	2019 $'000
Leasehold land and building	73,153	69,776
Plant and machinery, furniture, fixtures and equipment	3,566	4,078
Motor vehicles	92	221
Land use rights	6,200	6,201
	83,011	80,276

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

	Group	
	2020 $'000	2019 $'000
Leasehold land and building	852	1,435
Plant and machinery, furniture, fixtures and equipment	689	687
Motor vehicles	129	129
Land use rights	285	283
	1,955	2,534

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31 December 2020

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Additions to ROU assets amounted to $4,997,000 (2019: $29,000) for the year ended 31 December 2020.

At the end of the reporting period, the net carrying amount of certain leasehold land and buildings and renovations of the group amounted to $180,369,000 (2019 : $143,382,000) were mortgaged as security to banks for borrowings (Note 21).

The group's properties as at 31 December 2020 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)	23, Surawong Road, 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	
	2020	2019
	$'000	$'000
At beginning of year	6,132	6,243
Amortisation	(310)	(111)
At end of year	5,822	6,132

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

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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

	Group
	$'000
Tax losses:	
At 1 January 2019	(738)
Charge to profit or loss	90
At 31 December 2019	(648)
Charge to profit or loss	42
At 31 December 2020	(606)

Deferred tax liabilities

	Accelerated tax depreciation $'000	Unremitted foreign sourced income $'000	Revaluation of investment properties $'000	Total $'000
Group				
At 1 January 2019	4,470	864	6,980	12,314
Under provision in prior year	-	-	185	185
(Credit)/Charge to profit or loss	(76)	334	2,087	2,345
Currency realignment	-	-	(258)	(258)
At 31 December 2019	4,394	1,198	8,994	14,586
Charge/(Credit) to profit or loss	35	253	(1,489)	(1,201)
Currency realignment	-	-	395	395
At 31 December 2020	4,429	1,451	7,900	13,780

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group	
	2020	2019
	$'000	$'000
Deferred tax assets	(606)	(648)
Deferred tax liabilities	13,780	14,586
	13,174	13,938

The group has unrecognised tax losses of $22,412,000 (2019 : $18,495,000) 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 $5,233,000 (2019 : $4,463,000) 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 2020

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Trade payables	3,797	4,554	-	-
Other payables	920	1,555	64	89
Deferred grant income [(b)]	3,674	-	-	-
Deferred revenue	106	-	-	-
Due to related party	20	25	-	-
Accrued operating expenses	5,313	8,298	284	284
Accrued construction costs	3,870	3,542	-	-
Deposits received [(a)]	6,018	6,521	-	-
Retention sum payable to contractor	-	124	-	-
Total	23,718	24,619	348	373
Less: Amount due for settlement after 12 months	(5,150)	(4,514)	-	-
Amount due for settlement within 12 months	18,568	20,105	348	373

The average credit period on purchase of goods is 30 days (2019 : 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).

[(a)] Included in the deposits received are deposits received in advance for banquets sales. As of 31 December 2020, the group has the right to invoice the customers based on services rendered.

[(b)] Included in the deferred grant income are deferred grant income arising from the Jobs Support Scheme announced by the government (Note 28).

21. BANK LOANS

	Group	
	2020	2019
	$'000	$'000
Bank loans, secured	337,285	335,608
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,346)	(38,400)
Amount due for settlement after 12 months	334,939	297,208

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	
	2020	2019
	$'000	$'000
Development properties	64,939	87,797
Investment properties	389,679	402,477
Hotel properties	180,369	143,382
	634,987	633,656

The weighted average effective interest rates for the bank loans is 2.10% (2019 : 2.93%) for the group per annum. These loans have maturity dates ranging from March 2021 to July 2026 (2019 : June 2020 to July 2026) and are based on floating rates.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

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.

			Non-cash changes		
	1 January 2020 $'000	Financing cash flows[i] $'000	New leases $'000	Foreign exchange movement $'000	**31 December 2020 $'000**
Bank loans (Note 21)	335,608	1,832	-	(155)	337,285
Lease liabilities (Note 22)	38,744	(939)	4,997	(466)	42,336
	374,352	893	4,997	(621)	379,621

					Non-cash changes	
	31 December 2018 $'000	Adoption of SFRS(I) 16 $'000	1 January 2019 $'000	Financing cash flows[i] $'000	Foreign exchange movement $'000	**31 December 2019 $'000**
Bank loans (Note 21)	329,601	-	329,601	4,616	1,391	335,608
Lease liabilities (Note 22)	-	39,484	39,484	(1,145)	405	38,744
Finance lease liabilities	5,472	(5,472)	-	-	-	-
	335,073	34,012	369,085	3,471	1,796	374,352

[i] 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	
	2020 $'000	2019 $'000
Maturity analysis:		
Year 1	3,502	3,153
Year 2	3,239	3,129
Year 3	1,592	3,104
Year 4	1,637	1,603
Year 5	1,651	1,586
Year 6 onwards	135,350	82,180
	146,971	94,755
Less: Unearned interest	(104,635)	(56,011)
	42,336	38,744
Analysed as:		
Current	3,184	2,259
Non-current	39,152	36,485
	42,336	38,744

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

As at 31 December 2020, 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 2020 is disclosed in Note 4(c)(v).

NOTES TO FINANCIAL STATEMENTS

31 December 2020

23. SHARE CAPITAL

	Group and Company			
	2020	2019	**2020**	2019
	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			
	2020	2019	**2020**	2019
	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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve	(3,342)	(10,226)	-	-
Retained earnings/(Accumulated losses)	266,416	289,360	(24,556)	(11,739)
Other reserves	112	112	926	926
	263,186	279,246	(23,630)	(10,813)

NOTES TO FINANCIAL STATEMENTS

31 December 2020

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	**2020**	2019
		$'000	$'000
Hotel investment and management	At a point in time	39,966	81,806
Property investment and development			
Sale of development properties under construction	Over time	1,821	3,241
Rental income of investment properties		18,456	18,902
		20,277	22,143
Specialty restaurant and food service			
Food and beverage revenue	At a point in time	806	1,337
Others	At a point in time	4	9
		61,053	105,295

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sale of development properties as at the end of the reporting period is $2,970,000 (2019 : $3,513,000). Management expects that 100% (2019 : 90% to 95%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue during the next reporting period.

In 2020, the group received property tax rebate and cash grant from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. The group is required to fully pass on the property tax rebate received from the Government to the tenants in the form of waiver of contractual rent and a government grant income of $1,781,000 has been deducted in the reporting of the grant expense.

The group is required to waive up to two months of contractual rent for eligible tenants of its properties under the Rental Relief Framework as mandated by the Government. Consequently, the group recognised variable lease payment of $1,532,000 as a reduction to lease income in profit or loss during the year and offset the obligation for rental reliefs against the lease receivable.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

27. OTHER INCOME

	Group	
	2020	2019
	$'000	$'000
Gain on disposal of financial assets at FVTPL	-*	-
Gain on disposal of property, plant and equipment	2,785	38
Dividend income from financial assets at FVTPL	29	156
Interest income - fixed deposits	14	23
Foreign exchange gain, net	421	-
Income arising from call on performance bond	-	1,619
Others	314	419
Loss on fair value adjustment of financial assets at FVTPL	(7)	(83)
	3,556	2,172

* Amount less that S$1,000

28. STAFF COSTS

	Group	
	2020	2019
	$'000	$'000
Wages and salaries	11,563	23,359
Defined contribution plans	1,528	2,497
Other benefits	1,222	2,747
	14,313	28,603

In 2020, 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 17 months commencing from April 2020. Government grant income of $4,705,000 was offset against staff costs during the year.

29. FINANCE COSTS

	Group	
	2020	2019
	$'000	$'000
Interest expense:		
- Lease liabilities	3,663	2,044
- Bank loans and overdraft	7,077	10,530
	10,740	12,574

30. INCOME TAX EXPENSE

	Group	
	2020	2019
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax	1,668	3,582
Deferred income tax	(1,159)	2,435
	509	6,017
(Over)/Under provision in preceding financial years:		
- Current income tax	(164)	464
- Deferred income tax	-	185
	345	6,666

NOTES TO FINANCIAL STATEMENTS

31 December 2020

30. INCOME TAX EXPENSE (CONTINUED)

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

	Group	
	2020	2019
	$'000	$'000
(Loss)/Profit before income tax	(11,100)	34,844
Share of results of a jointly-controlled entity, net of tax	(66)	17
(Loss)/Profit before tax and share of results of a jointly-controlled entity	(11,166)	34,861
Tax calculated at a tax rate of 17%	(1,898)	5,926
Singapore statutory stepped income exemption	(42)	(70)
Effect of different tax rates in other countries	(697)	281
Expenses not deductible for tax purposes	3,351	1,268
Income not taxable	(975)	(2,578)
Corporate income tax rebate and tax incentives	-	(56)
Deferred tax assets not recognised	770	1,246
(Over)/Under provision of prior years' current income tax	(164)	464
Underprovision of prior years' deferred income tax	-	185
	345	6,666

31. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year has been arrived at after charging:

	Group	
	2020	2019
	$'000	$'000
Audit fees:		
- paid to auditors of the company	141	164
- paid to other auditors	76	104
	217	268
Non-audit fees:		
- paid to auditors of the company	15	15
- paid to other auditors	27	29
	42	44
Directors' fees	147	167
Other expenses include:		
Advertising and marketing expenses	957	2,578
Cleaning expenses	2,037	3,871
Commission charges	1,783	3,803
Property, plant and equipment written off	75	109
Foreign exchange loss, net	-	204
Operating supplies	674	1,076
Property tax	1,685	3,900
Expense relating to short-term leases and leases of low value assets	239	207
Expense relating to variable lease payments not included in the measurement of the lease liabilities	97	380
Repair and maintenance	2,903	3,477
Utilities expenses	3,610	4,682

NOTES TO FINANCIAL STATEMENTS

31 December 2020

32. DIVIDENDS

	Group and Company	
	2020	2019
	$'000	$'000
Ordinary dividends		
Final tax exempt dividend of 1 cent per share (2019 : 1 cent per share) in respect of previous financial year	5,750	5,750
Special tax exempt dividend of 1 cent per share (2019 : 1 cent per share) in respect of previous financial year	5,749	5,749
	11,499	11,499

Subsequent to 31 December 2020, no dividend has been recommended for the financial year ended 31 December 2020.

33. (LOSS)/EARNINGS PER SHARE

	Group	
	2020	2019
(Loss)/Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	(11,445)	28,178
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	574,968	574,968
Basic and diluted (loss)/earnings per ordinary share (cents)	(1.99)	4.90

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 2020

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
31 December 2020						
Segment revenue						
Sales to external customers	39,966	20,277	806	4	-	61,053
Intersegment sales/income	1,338	148	-	-	(1,486)	-
Total revenue	41,304	20,425	806	4	(1,486)	61,053
Segment profit	6,171	(6,050)	(115)	22	-	28
Depreciation and amortisation	10,636	-	65	-	-	10,701
Share of results of a jointly-controlled entity	-	66	-	-	-	66
Other significant non-cash expenses	231	187	-	-	-	418
Segment assets	281,025	524,332	843	908	-	807,108
Unallocated assets						608
Total assets						807,716
Segment assets include:						
Investment in a jointly-controlled entity	-	540	-	-	-	540
Additions to						
- Property, plant and equipment	5,431	-	31	-	-	5,462
Segment liabilities	(11,506)	(11,586)	(275)	(351)	-	(23,718)
Unallocated liabilities						(396,162)
Total liabilities						(419,880)
31 December 2019						
Segment revenue						
Sales to external customers	81,806	22,143	1,337	9	-	105,295
Intersegment sales/income	4,446	94	-	11,000	(15,540)	-
Total revenue	86,252	22,237	1,337	11,009	(15,540)	105,295
Segment profit	18,263	29,439	69	66	-	47,837
Depreciation and amortisation	11,156	-	14	-	-	11,170
Share of results of a jointly-controlled entity	-	(17)	-	-	-	(17)
Other significant non-cash expenses	109	80	-	-	-	189

NOTES TO FINANCIAL STATEMENTS

31 December 2020

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
31 December 2019 (continued)						
Segment assets	286,870	531,101	799	2,273	-	821,043
Unallocated assets						648
Total assets						821,691
Segment assets include:						
Investment in a jointly-controlled entity	-	474	-	-	-	474
Additions to						
- Property, plant and equipment	4,752	-	381	-	-	5,133
- Investment properties	-	528	-	-	-	528
Segment liabilities	(14,402)	(9,495)	(337)	(385)	-	(24,619)
Unallocated liabilities						(393,176)
Total liabilities						(417,795)

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.

A reconciliation of segment profit to the consolidated (loss)/profit before tax is as follows:

	Group	
	2020 $'000	2019 $'000
Segment profit	28	47,837
Interest income	14	23
Interest expense on borrowings	(10,740)	(12,574)
Unallocated corporate expenses	(402)	(442)
(Loss)/Profit before tax	(11,100)	34,844

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2020

34. SEGMENT INFORMATION (CONTINUED)

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	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Singapore	44,180	74,882	439,765	452,832
PRC	13,936	19,193	180,650	185,165
Thailand	2,937	11,220	53,386	50,370
	61,053	105,295	673,801	688,367

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

There was no single external customer that had contributed more than 10 percent to the revenue of the group.

35. OPERATING LEASE ARRANGEMENTS

The group as lessee

At 31 December 2020, the group is committed to $40,000 (2019: $46,000) 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	
	2020	2019
	$'000	$'000
Year 1	15,693	17,505
Year 2	11,253	14,730
Year 3	6,884	10,195
Year 4	3,791	6,184
Year 5	2,362	3,809
Year 6 and onwards	6,208	9,591
Total	46,191	62,014

NOTES TO FINANCIAL STATEMENTS

31 December 2020

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:

Effective for annual periods beginning on or after 1 January 2021

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption.

37. SUBSEQUENT EVENTS

On 16 February 2021, the Government has announced in Budget 2021 to extend JSS for firms in Tier 1 and 2 sectors by up to six months, covering wages paid up to September 2021. The group expects to receive the extended JSS support.

On 4 March 2021, Creative Investments Pte Ltd, a wholly-owned subsidiary of the company, together with Santarli Capital Venture Pte. Ltd. and Kay Lim Realty Pte. Ltd., entered into a joint venture in the proportionate shareholding of 40:30:30 respectively in ASK Development Pte. Ltd (ASKDPL). ASKDPL had entered into an agreement to acquire a freehold residential site known as "Surrey Point" at 2 Surrey Road, Singapore 307742 at a purchase price of $47,800,000.

CORPORATE DATA

BOARD OF DIRECTORS

Albert Teo Hock Chuan
Chief Executive Officer

Susan Teo Geok Tin
Lawrence Mok Kwok Wah
Foo Ko Hing
Lead Independent Director
Chia Kwok Ping
Tan Tiong Cheng

COMPANY SECRETARIES

Susan Teo Geok Tin
Foo Soon Soo

AUDIT COMMITTEE

Foo Ko Hing
Chairman

Lawrence Mok Kwok Wah
Chia Kwok Ping
Tan Tiong Cheng

NOMINATING COMMITTEE

Chia Kwok Ping
Chairman

Albert Teo Hock Chuan
Foo Ko Hing

REMUNERATION COMMITTEE

Tan Tiong Cheng
Chairman

Chia Kwok Ping
Lawrence Mok Kwok Wah
Foo Ko Hing

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.

SHARE REGISTRAR

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Executive Director
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AUDITOR

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

Lee Boon Teck
Partner-in-charge
(Appointed in the financial year ended 31 December 2017)

STATISTICS OF SHAREHOLDINGS

As at 12 March 2021

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	5,027
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)	%[1]
1 - 99	-	-	-	-
100 - 1,000	499	9.93	475,500	0.08
1,001 - 10,000	3,134	62.34	16,550,900	2.88
10,001 - 1,000,000	1,364	27.13	68,583,830	11.93
1,000,001 AND ABOVE	30	0.60	489,357,970	85.11
TOTAL	5,027	100.00	574,968,200	100.00

Based on information available to the Company on 12 March 2021, 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	%[1]
1	FIRST SECURITY PTE LTD	92,987,990	16.17
2	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	65,997,000	11.48
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	TEO HOCK CHUAN	30,071,404	5.23
9	DBS NOMINEES (PRIVATE) LIMITED	15,099,510	2.63
10	MORPH INVESTMENTS LTD	14,502,000	2.52
11	CITIBANK NOMINEES SINGAPORE PTE LTD	12,638,700	2.20
12	IFAST FINANCIAL PTE. LTD.	12,349,400	2.15
13	TEO HWEE YEE	12,282,405	2.14
14	TEO ENG KEONG (ZHANG YONGQIANG)	12,282,400	2.14
15	ONG KIAN KOK	8,300,000	1.44
16	TEO DENG JIE (ZHANG DENG JIE)	5,000,000	0.87
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,314,400	0.58
18	TEO GUAN HOON	3,238,000	0.56
19	POH LAY ENG	3,153,493	0.55
20	RONNIE POH TIAN PENG	2,900,000	0.50
	TOTAL	474,948,870	82.61

Note:

[1] 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 12 March 2021

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	%[4]
Albert Teo Hock Chuan	35,291,404	153,958,290[1],[2]	189,249,694	32.92
Susan Teo Geok Tin	35,162,232	152,987,990[1]	188,150,222	32.72
Teo Kwee Chuan	35,099,234	152,987,990[1]	188,087,224	32.71
Corinne Teo Siew Bee	35,441,205	-	35,441,205	6.16
First Security Pte Ltd	152,987,990	-	152,987,990	26.61
Teo Chew Chuan	42,578,500	3,153,493[3]	45,731,993	7.95
Teo Hin Chuan	32,580,997	-	32,580,997	5.67

Notes:

(1) 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.

(2) In addition to (1), Albert Teo Hock Chuan is deemed to have an interest in the 970,300 shares in which Albertsons Capital Pte. Ltd. is interested in as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Albertsons Capital Pte. Ltd.

(3) Teo Chew Chuan is deemed interested in 3,153,493 shares held by his spouse.

(4) The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be convened and held by way of electronic means on Monday, 26 April 2021 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. A printed copy of this Notice will not be despatched to members.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2020 together with the Directors' Statement and Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Regulation 87 of the Constitution of the Company[(1)]. **(Resolution 2)**

3. To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company[(1)]. **(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 approve payment of Directors' Fees of $147,078 for the year ended 31 December 2020 (2019: $167,134). **(Resolution 4)**

5. To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

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

6. Authority to allot and issue shares

   (a) That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("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,

(1) 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 2020 of the Company.

NOTICE OF ANNUAL GENERAL MEETING

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings shall be the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

(aa) new shares arising from the conversion or exercise of convertible securities;

(bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

and adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(ii) in this resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual; and

(iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)
(See Explanatory Note 1)

7. 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 7)
(See Explanatory Note 2)

8. Renewal of Share Purchase Mandate

That:

(a) For the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) off-market purchases (each an "Off-Market Share Purchase") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act; and/or

(ii) on-market purchases (each an "On-Market Share Purchase") on the SGX-ST, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable,

be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate").

NOTICE OF ANNUAL GENERAL MEETING

(b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law or the Constitution of the Company to be held; or

(ii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

(c) In this Ordinary Resolution:

"Prescribed Limit" means 10% of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares); and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:
"Average Closing Price" means the average of the closing market prices of a Share over the last 5 Market Days ("Market Day" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the date of making the On-Market Share Purchase, or as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for an Off-Market Share Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

(d) The Directors and/or each and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. **(Resolution 8)**

(See Explanatory Note 3)

AS OTHER BUSINESS

9. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo
Company Secretaries

Singapore
9 April 2021

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE 1:

The Ordinary Resolution in item 6, 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 7, 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 8, 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 2020, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 9 April 2021 in relation to the proposed renewal of the Share Purchase Mandate ("Appendix to this Notice").

NOTES:

1. The above Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this Notice, the Appendix to this Notice, Proxy Form and the Annual Report 2020 will not be sent to the members. Instead they will be made available to members by electronic means via publication on the Company's website at https://www.amaraholdings.com and on the SGX website at https://www.sgx.com/securities/company-announcements.**

2. Alternative arrangements have been made for participation by members at the above Meeting by:

   (a) observing and/or listening to the above Meeting proceedings via live audio-visual webcast or live audio-only stream;

   (b) submitting questions in advance in relation to any resolution set out in this Notice, if any; and/or

   (c) appointing the Chairman of the above Meeting as proxy to vote on their behalf at the above Meeting.

   Details of the steps and deadlines for pre-registration, submission of questions in advance and voting at the above Meeting by members, including CPF and SRS investors, are set out below.

NOTICE OF ANNUAL GENERAL MEETING

ATTENDANCE OF THE ABOVE MEETING VIA ELECTRONIC MEANS

(1) Members who wish to participate in the above Meeting may observe and/or listen to the above Meeting proceedings through a live audio-visual webcast via their mobile phones, tablets or computers or through a live audio-only stream via telephone. To do this, members must pre-register at the pre-registration website at https://online.meetings.vision/amara-agm-registration by **10.30 a.m. on 23 April 2021** in order for the Company to verify their status as members.

(2) After verification, authenticated members will receive an email by 10.30 a.m. on 25 April 2021 containing access information on how to access the webcast and audio feed of the proceedings of the above Meeting. Members who have not received an email by 10.30 a.m. on 25 April 2021 may contact the Company at corporate@amaraholdings.com.

(3) Members must not disclose the aforesaid access information to persons who are not entitled to attend the above Meeting.

(4) Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including CPF and SRS investors, and who wish to participate in the above Meeting by watching the live audio-visual webcast or listening to the live audio-only stream should contact their relevant intermediaries (including, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) as soon as possible in order for the necessary arrangements to be made for their participation in the above Meeting.

QUESTIONS

(1) Members who wish to ask questions, if any, relating to the resolutions to be tabled for approval at the above Meeting may submit their questions in advance of the above Meeting via the pre-registration website at https://online.meetings.vision/amara-agm-registration by **10.30 a.m. on 21 April 2021**.

(2) The Company will endeavour to address substantial and relevant questions prior to or during the above Meeting. A summary of the questions and responses will be posted on the Company's website and on SGXNet.

VOTING BY PROXY

(1) Members who wish to exercise their voting rights at the above Meeting must appoint the Chairman of the above Meeting as their proxy to do so on their behalf. Members will not be able to vote during the live proceedings of the above Meeting.

(2) The proxy form must be duly completed, signed and submitted in the following manner:

(i) If submitted by post, be sent to Amara Holdings Limited c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962; or

(ii) If submitted electronically, be submitted by email to proxyform@trustedservices.com.sg.

in either case, by **10.30 a.m. on 23 April 2021**, being 72 hours before the time of the above Meeting.

(3) CPF or SRS investors who wish to appoint the Chairman of the above Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 14 April 2021.

Important Reminder: Due to the continuously evolving COVID-19 situation, the Company may be required to change the above Meeting arrangements at short notice. Members should check the Company's website at https://www.amaraholdings.com for the latest updates on the above Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the above Meeting as proxy to attend, speak and vote at the above Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the above Meeting (including any adjournment thereof) the processing of the pre-registration for purposes of granting access to members to the live audio-visual webcast or live audio-only streaming of the above Meeting proceedings and providing them with any technical assistance where necessary, and the preparation and compilation of the attendance lists, minutes and other documents relating to the above Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information relates to Mr Albert Teo Hock Chuan and Mr Lawrence Mok Kwok Wah, both of whom are seeking re-election as Directors in the forthcoming Annual General Meeting on 26 April 2021:

	Mr Albert Teo Hock Chuan	**Mr Lawrence Mok Kwok Wah**
First appointed	21 August 1970	26 May 1995
Last re-elected	25 April 2018	29 April 2019
Age	70+	60+
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election	The Board has considered and accepted the recommendation of the Nominating Committee to re-elect Mr Teo as Executive Director of the Company. Mr Teo's leadership, knowledge and experience will continue to contribute to the Board.	The Board has considered and accepted 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 deliberations.
Whether re-election is executive, and if so, the area of responsibility	Mr Teo is the Chief Executive Officer of the Amara Group. He is responsible for the strategic direction of the Group and manages its overall operations.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Executive Director, Chief Executive Officer and NC Member	RC Member and AC Member
Working experience and occupation(s) during the past 10 years	Chief Executive Officer of the Amara Group since 1997 Executive Director of the Amara Group since 1982	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
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	Brother of Ms Susan Teo Geok Tin, Executive Director and substantial shareholder. Brother of Mr Teo Kwee Chuan and Ms Corinne Teo Siew Bee, executive officers and substantial shareholders. Brother of Mr Teo Chew Chuan and Mr Teo Hin Chuan, substantial shareholders. Brother-in-law of Mr Lawrence Mok Kwok Wah, Non-Executive Director. Brother of Mr Teo Peng Chuan, director of a principal subsidiary.	Brother-in-law of Mr Albert Teo Hock Chuan, Chief Executive Officer, Executive Director and substantial shareholder. Spouse of Ms Corinne Teo Siew Bee, executive officer and substantial shareholder. Brother-in-law of Ms Susan Teo Geok Tin, Executive Director and substantial shareholder. Brother-in-law of Mr Teo Kwee Chuan, executive officer and substantial shareholder. Brother-in-law of Mr Teo Chew Chuan and Mr Teo Hin Chuan, substantial shareholders. Brother-in-law of Mr Teo Peng Chuan, director of a principal subsidiary.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Albert Teo Hock Chuan	Mr Lawrence Mok Kwok Wah
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
Other principal commitments including directorships		
- Past (for the last 5 years)	None	None
- Present	Director of : - Teo Teck Huat Singapore Private Limited - First Security Pte Ltd - Amara Ventures Pte Ltd - Tampines EC Pte. Ltd. - Davley Bridge Limited - Albertsons Capital Pte. Ltd.	Consultant in business operations and risk management Director of : - Amara Hotel Properties Pte Ltd - Amara Hospitality Capital Pte. Ltd. - Shanghai Amara Hotel Co., Ltd. - Neuron Biohub Pte. Ltd.
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Albert Teo Hock Chuan	Mr Lawrence Mok Kwok Wah
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she was aware) for such breach?	No	No
Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
Whether he/she has ever, to his/her knowledge, been connected with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Albert Teo Hock Chuan	Mr Lawrence Mok Kwok Wah
(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, 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 have been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Executive Director of Amara Holdings Limited since the Company was listed	Director of Amara Holdings Limited since the Company was listed

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AMARA HOLDINGS LIMITED
Registration No. 197000732N
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

This Proxy Form has been made available on the Company's website at https://www.amaraholdings.com and on the SGX website at https://www.sgx.com/securities/company-announcements. A printed copy of this Proxy Form will not be despatched to members.

IMPORTANT:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 situation in Singapore, members will not be able to attend the Annual General Meeting in person. Members (whether individuals or corporates) must appoint the Chairman of the Annual General Meeting as their proxy to attend, speak and vote on their behalf at the Annual General Meeting if such members wish to exercise their voting rights at the Annual General Meeting.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 14 April 2021.

I/We _____ (Name) _____ (NRIC/Passport/Co.Registration Number)

of _____ (Address)

being a member/members of AMARA HOLDINGS LIMITED hereby appoint the Chairman of the Annual General Meeting as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held by electronic means on Monday, 26 April 2021 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the Annual General Meeting as my/our proxy for that resolution will be treated as invalid.

(Voting will be conducted by poll. If you wish the Chairman of the Annual General Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please tick (✔) within the relevant box provided below. Alternatively, if you wish the Chairman of the Annual General Meeting as your proxy to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided below.)

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2020 together with the Directors' Statement and Independent Auditor's Report thereon.			
2.	To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Regulation 87 of the Constitution of the Company.			
3.	To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company.			
4.	To approve payment of Directors' Fees of $147,078 for the year ended 31 December 2020.			
5.	To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.			
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.			
7.	To authorise Directors to issue shares under the Amara Performance Share Plan.			
8.	To approve the renewal of the Share Purchase Mandate.			

Dated this _____ day of _____ 2021

Total number of Shares held

_____

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Please cut along dotted line

Notes for Proxy Form

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. The Chairman of the above Meeting, as proxy, need not be a member of the Company.

3. The instrument appointing the Chairman of the above Meeting as the proxy must be in writing and (in the case of an individual appointor) duly signed by the appointor or his attorney or, (if the appointor is a corporation) must be executed under its seal or signed by its attorney or duly authorised officer.

4. The instrument appointing the Chairman of the above Meeting as the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be (i) if submitted by post, sent to Amara Holdings Limited c/o Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962 or (ii) if submitted electronically, submitted via email to proxyform@trustedservices.com.sg, not less than 72 hours before the time appointed for the above Meeting, and in default the instrument of proxy shall be treated as invalid.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the above Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the above Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2021.

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