



**AMARA HOLDINGS LIMITED**

**AND ITS SUBSIDIARIES**

**(Registration No. 197000732N)**

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

**30 JUNE 2021**

## Table of Contents

	<u>PAGE</u>
A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
B. Condensed Interim Statements of Financial Position	2
C. Condensed Interim Statements of Changes in Equity	3 – 4
D. Condensed Interim Consolidated Statement of Cash Flows	5
E. Notes to Condensed Interim Consolidated Financial Statements	6 – 17
F. Other Information Required by Listing Rule Appendix 7.2	18 – 19

# AMARA HOLDINGS LIMITED

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

	Notes	<b>Group</b>		
		<b>Six months ended</b>		
		<b>30/06/2021</b>	30/06/2020	Change
		<b>\$'000</b>	\$'000	%
<b>Revenue</b>	4	<b>31,840</b>	27,884	14
Other income		<b>541</b>	390	39
Changes in inventories of finished goods		<b>(14)</b>	(100)	(86)
Cost of properties sold/consumables used		<b>(2,809)</b>	(1,949)	44
Staff costs		<b>(6,795)</b>	(8,347)	(19)
Depreciation		<b>(5,121)</b>	(5,594)	(8)
Finance costs		<b>(3,974)</b>	(5,232)	(24)
Other expenses		<b>(9,678)</b>	(9,764)	(1)
Share of results of a jointly-controlled entity, net of tax		<b>1</b>	(29)	NM
<b>Profit/(Loss) before tax</b>	6	<b>3,991</b>	(2,741)	NM
Income tax expense	7	<b>(1,115)</b>	(893)	25
<b>Profit/(Loss) for the period</b>		<b>2,876</b>	(3,634)	NM
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations, representing total other comprehensive income for the period		<b>3,895</b>	2,655	47
<b>Total comprehensive income/(loss) for the period</b>		<b>6,771</b>	(979)	NM
<b>Profit/(Loss) attributable to:</b>				
Owners of the company		<b>2,876</b>	(3,634)	NM
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the company		<b>6,771</b>	(979)	NM
<b>Earnings/(Loss) per share for profit/(loss) for the period attributable to the owners of the company during the year:</b>				
Basic and diluted (cents)		<b>0.50</b>	(0.63)	NM

NM: Not meaningful

# AMARA HOLDINGS LIMITED

## B. Condensed Interim Statements of Financial Position

Notes	<u>Group</u>		<u>Company</u>	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	13,051	11,646	14	31
Trade and other receivables	11,621	10,730	60,827	61,083
Inventories	434	448	-	-
Development properties	10 109,526	107,186	-	-
Contract assets	4,208	2,432	-	-
Total current assets	138,840	132,442	60,841	61,114
<b>Non-current assets</b>				
Trade and other receivables	7,408	243	-	-
Financial assets at fair value through profit or loss ("FVTPL")	11 897	867	165	167
Intangible assets	12 1,178	1,178	-	-
Investment in jointly-controlled entities	541	540	-	-
Investment in subsidiaries	-	-	40,087	40,087
Investment properties	13 406,742	404,679	-	-
Property, plant and equipment	14 256,640	261,339	-	-
Other asset	5,768	5,822	-	-
Deferred tax assets	641	606	-	-
Total non-current assets	679,815	675,274	40,252	40,254
<b>Total assets</b>	<b>818,655</b>	<b>807,716</b>	<b>101,093</b>	<b>101,368</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Trade and other payables	20,129	18,568	225	348
Income tax payable	1,974	2,761	-	-
Bank loans	15 40,177	2,346	-	-
Lease liabilities	15 2,843	3,184	-	-
Total current liabilities	65,123	26,859	225	348
<b>Non-current liabilities</b>				
Trade and other payables	3,829	5,150	-	-
Bank loans	15 302,865	334,939	-	-
Lease liabilities	15 38,143	39,152	-	-
Deferred tax liabilities	14,088	13,780	-	-
Total non-current liabilities	358,925	393,021	-	-
<b>Capital and reserves</b>				
Share capital	16 125,646	125,646	125,646	125,646
Treasury shares	(996)	(996)	(996)	(996)
Reserves	269,957	263,186	(23,782)	(23,630)
Total equity	394,607	387,836	100,868	101,020
<b>Total liabilities and equity</b>	<b>818,655</b>	<b>807,716</b>	<b>101,093</b>	<b>101,368</b>

# AMARA HOLDINGS LIMITED

## C. Condensed Interim Statements of Changes in Equity

<b>Group</b>	<b>Note</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Retained earnings and other reserve* \$'000</b>	<b>Total reserves \$'000</b>	<b>Equity attributable to owners of the company \$'000</b>
Balance at 1 January 2021		125,646	(996)	(3,342)	266,528	263,186	387,836
Total comprehensive income for the period:							
Profit for the period		-	-	-	2,876	2,876	2,876
Other comprehensive income		-	-	3,895	-	3,895	3,895
Total		-	-	3,895	2,876	6,771	6,771
<b>Balance at 30 June 2021</b>		<b>125,646</b>	<b>(996)</b>	<b>553</b>	<b>269,404</b>	<b>269,957</b>	<b>394,607</b>
Balance at 1 January 2020		125,646	(996)	(10,226)	289,472	279,246	403,896
Total comprehensive (loss)/income for the period:							
Loss for the period		-	-	-	(3,634)	(3,634)	(3,634)
Other comprehensive income		-	-	2,655	-	2,655	2,655
Total		-	-	2,655	(3,634)	(979)	(979)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2019, representing total transactions with owners, recognised directly in equity	8	-	-	-	(11,499)	(11,499)	(11,499)
<b>Balance at 30 June 2020</b>		<b>125,646</b>	<b>(996)</b>	<b>(7,571)</b>	<b>274,339</b>	<b>266,768</b>	<b>391,418</b>

\* Includes other reserves of \$112,000 as at 30 June 2021 (30 June 2020: \$112,000).

# AMARA HOLDINGS LIMITED

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

<u>Company</u>	<u>Note</u>	<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Other reserves</u> \$'000	<u>Total reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2021		125,646	(996)	(24,556)	926	(23,630)	101,020
Loss for the period, representing total comprehensive loss for the period		-	-	(152)	-	(152)	(152)
<b>Balance at 30 June 2021</b>		<b>125,646</b>	<b>(996)</b>	<b>(24,708)</b>	<b>926</b>	<b>(23,782)</b>	<b>100,868</b>
Balance at 1 January 2020		125,646	(996)	(11,739)	926	(10,813)	113,837
Loss for the period, representing total comprehensive loss for the period		-	-	(245)	-	(245)	(245)
Dividends paid relating to 2019, representing total transactions with owners recognised directly in equity	8	-	-	(11,499)	-	(11,499)	(11,499)
<b>Balance at 30 June 2020</b>		<b>125,646</b>	<b>(996)</b>	<b>(23,483)</b>	<b>926</b>	<b>(22,557)</b>	<b>102,093</b>

# AMARA HOLDINGS LIMITED

## D. Condensed Interim Consolidated Statement of Cash Flows

	Notes	<b>Group</b>	
		<b>Six months ended</b>	
		<b>30/06/2021</b>	<b>30/06/2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>			
Profit/(Loss) before tax		<b>3,991</b>	(2,741)
Adjustments for:			
Amortisation of other asset	6	<b>54</b>	56
Depreciation of property, plant and equipment		<b>5,121</b>	5,594
(Profit)/Loss on disposal of property, plant and equipment	6	<b>(34)</b>	9
Dividend income from financial assets at FVTPL	6	<b>(8)</b>	(14)
Gain on disposal of financial assets at FVTPL	6	<b>-*</b>	-
(Gain)/Loss on fair value adjustment of financial assets at FVTPL	6	<b>(47)</b>	150
Interest income - fixed deposits	6	<b>(10)</b>	(8)
Interest expense		<b>3,974</b>	5,232
Share of results of a jointly-controlled entity, net of tax		<b>(1)</b>	29
Exchange differences		<b>160</b>	(164)
Operating cash flows before movements in working capital		<b>13,200</b>	8,143
Inventories		<b>14</b>	100
Trade and other receivables		<b>(829)</b>	236
Trade and other payables		<b>205</b>	(2,154)
Contract assets		<b>(1,776)</b>	472
Development properties		<b>(2,340)</b>	(755)
Cash generated from operations		<b>8,474</b>	6,042
Income tax paid		<b>(1,835)</b>	(573)
Net cash from operating activities		<b>6,639</b>	5,469
<b>Investing activities</b>			
Advances to a jointly-controlled entity		<b>(7,227)</b>	-
Investment in a jointly-controlled entity		<b>-*</b>	-
Proceeds on disposal of financial assets at FVTPL		<b>18</b>	-
Proceeds on disposal of property, plant and equipment		<b>180</b>	-
Payments for property, plant and equipment		<b>(113)</b>	(208)
Dividend received from financial assets at FVTPL		<b>8</b>	14
Interest received		<b>10</b>	8
Net cash (used in)/from investing activities		<b>(7,124)</b>	(186)
<b>Financing activities</b>			
Interest paid		<b>(3,974)</b>	(5,232)
Payment of dividends on ordinary shares		<b>-</b>	(11,499)
Repayment of lease liabilities		<b>(851)</b>	(326)
Repayment of bank borrowings		<b>(3,357)</b>	(37,870)
Proceeds from bank borrowings		<b>9,914</b>	46,233
Net cash from/(used in) financing activities		<b>1,732</b>	(8,694)
Net increase/(decrease) in cash and cash equivalents		<b>1,247</b>	(3,411)
Cash and cash equivalents at beginning of period		<b>11,646</b>	10,211
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		<b>158</b>	(7)
<b>Cash and cash equivalents at end of period</b>		<b>13,051</b>	6,793

\* Amount less than \$1,000

## **E. Notes to Condensed Interim Consolidated Financial Statements**

### **1 Corporate information**

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

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

The principal activities of the subsidiaries are:

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

### **2 Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

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

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

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

#### **2.2 Use of judgements and estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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



## 2 Basis of Preparation (cont'd)

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

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates which are dealt with below.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Valuation for investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine the investment properties' fair values. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield 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 13.

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 13.

#### 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.

# AMARA HOLDINGS LIMITED

## 2 Basis of Preparation (cont'd)

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

#### 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 \$2,179,000 (30 June 2020: \$1,173,000).

## 3 Seasonal operations

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

## 4 Segment and revenue information

For management purposes, the Group is organised into business segments based on their products and services and the Group has three reportable operating segments as follows:

- Hotel investment and management
- Property investment and development
- Specialty restaurants and food services

Another area of the Group's business comprises investment holding which does not constitute a separate reportable segment.

Management monitors the operating results of its business segments separately for the purpose of making decisions about allocation of resources and assessment of performance of each segment.

### **Segment results**

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit before tax in the consolidated financial statements. Interest income and finance expenses are not allocated to segments as financing is managed on a Group basis.

### **Segment assets**

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than investments, deferred income tax assets and interest bearing receivables which are classified as unallocated assets.

**4. Segment and revenue information (cont'd)**

**Segment liabilities**

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than taxation, deferred income tax liabilities and corporate borrowings. These liabilities are classified as unallocated liabilities.

**Geographical segments**

The Group operates in three main geographical areas, namely Singapore, the People's Republic of China ("PRC") and Thailand.

The main areas of operations undertaken by the Group in each country are as follows:

- Singapore - hotel investment and management, property investment and development, specialty restaurants and food services
- PRC - hotel investment and management and property investment
- Thailand - hotel investment and management

# AMARA HOLDINGS LIMITED

## 4.1 Reportable segments

	Hotel investment and management	Property investment and development	Specialty restaurants and food services	Others	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Six months ended 30 June 2021</b>						
Segment revenue						
Sales to external customers	19,967	11,417	455	1	-	31,840
Intersegment sales/income	564	84	-	-	(648)	-
Total revenue	<u>20,531</u>	<u>11,501</u>	<u>455</u>	<u>1</u>	<u>(648)</u>	<u>31,840</u>
Depreciation and amortisation	(5,144)	-	(31)	-	-	(5,175)
Share of results of a jointly- controlled entity	-	1	-	-	-	1
Segment profit/(loss)	1,610	6,447	(10)	57	-	8,104
Interest income						10
Interest expense on borrowings						(3,974)
Unallocated corporate expenses						(149)
Profit before tax						3,991
Taxation						(1,115)
Profit for the period						<u>2,876</u>
Segment assets	267,931	548,408	758	917	-	818,014
Deferred tax assets						641
Total assets						<u>818,655</u>
<i>Segment assets include:</i>						
Investment in a jointly-controlled entity	-	541	-	-	-	541
Additions to - Property, plant and equipment	111	-	2	-	-	113
Segment liabilities	(11,654)	(11,857)	(222)	(225)	-	(23,958)
Income tax payable						(1,974)
Deferred tax liabilities						(14,088)
Corporate borrowings						(384,028)
Total liabilities						<u>(424,048)</u>

# AMARA HOLDINGS LIMITED

## 4.1 Reportable segments (cont'd)

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Eliminations \$'000	Group \$'000
<b>Six months ended 30 June 2020</b>						
Segment revenue						
Sales to external customers	17,331	10,192	361	-	-	27,884
Intersegment sales/income	592	36	-	-	(628)	-
Total revenue	<u>17,923</u>	<u>10,228</u>	<u>361</u>	<u>-</u>	<u>(628)</u>	<u>27,884</u>
Depreciation and amortisation	(5,617)	-	(33)	-	-	(5,650)
Share of results of a jointly- controlled entity	-	(29)	-	-	-	(29)
Segment (loss)/profit	(2,231)	5,162	(95)	(111)	-	2,725
Interest income						8
Interest expense on borrowings						(5,232)
Unallocated corporate expenses						(242)
Loss before tax						(2,741)
Taxation						(893)
Loss for the period						<u>(3,634)</u>
Segment assets	279,474	534,242	751	851	-	815,318
Deferred tax assets						640
Total assets						<u>815,958</u>
<i>Segment assets include:</i>						
Investment in a jointly-controlled entity	-	540	-	-	-	540
Additions to - Property, plant and equipment	207	-	1	-	-	208
Segment liabilities	(12,456)	(9,719)	(231)	(255)	-	(22,661)
Income tax payable						(4,541)
Deferred tax liabilities						(14,742)
Corporate borrowings						(382,596)
Total liabilities						<u>(424,540)</u>

# AMARA HOLDINGS LIMITED

## 4.2 Disaggregation of revenue

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Group \$'000
<b><u>Six months ended 30 June 2021</u></b>					
Types of goods or services					
Hotel investment and management	19,967	-	-	-	19,967
Sales of development properties under construction	-	2,179	-	-	2,179
Rental income of investment properties	-	9,238	-	-	9,238
Food and beverage revenue	-	-	455	-	455
Others	-	-	-	1	1
Total revenue	19,967	11,417	455	1	31,840
Timing of revenue recognition					
At point of time	19,967	-	455	1	20,423
Over time	-	11,417	-	-	11,417
Total revenue	19,967	11,417	455	1	31,840
Geographical information					
Singapore	11,917	10,053	455	1	22,426
PRC	7,282	1,364	-	-	8,646
Thailand	768	-	-	-	768
Total revenue	19,967	11,417	455	1	31,840

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Group \$'000
<b><u>Six months ended 30 June 2020</u></b>					
Types of goods or services					
Hotel investment and management	17,331	-	-	-	17,331
Sales of development properties under construction	-	1,173	-	-	1,173
Rental income of investment properties	-	9,019	-	-	9,019
Food and beverage revenue	-	-	361	-	361
Total revenue	17,331	10,192	361	-	27,884
Timing of revenue recognition					
At point of time	17,331	-	361	-	17,692
Over time	-	10,192	-	-	10,192
Total revenue	17,331	10,192	361	-	27,884
Geographical information					
Singapore	11,919	8,761	361	-	21,041
PRC	3,230	1,431	-	-	4,661
Thailand	2,182	-	-	-	2,182
Total revenue	17,331	10,192	361	-	27,884

# AMARA HOLDINGS LIMITED

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	<u>Group</u>		<u>Company</u>	
	<b>30/06/2021</b>	31/12/2020	<b>30/06/2021</b>	31/12/2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Financial assets</b>				
At amortised cost	<b>26,833</b>	16,711	<b>60,835</b>	61,105
At FVTPL	<b>897</b>	867	<b>165</b>	167
	<b>27,730</b>	17,578	<b>61,000</b>	61,272
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	<b>362,910</b>	355,372	<b>225</b>	348
Lease liabilities	<b>40,986</b>	42,336	<b>-</b>	-
	<b>403,896</b>	397,708	<b>225</b>	348

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of bank loans and lease liabilities are reasonable approximation of fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

## 6. Profit/(Loss) before tax

### 6.1 Significant items

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

	<u>Group</u>	
	<b>Six months ended</b>	
	<b>30/06/2021</b>	30/06/2020
	<b>\$'000</b>	\$'000
Amortisation of other asset	<b>(54)</b>	(56)
Gain/(Loss) on disposal of property, plant and equipment	<b>34</b>	(9)
Gain/(Loss) on fair value adjustments of financial assets at FVTPL	<b>47</b>	(150)
Dividend income from financial assets at FVTPL	<b>8</b>	14
Interest income – fixed deposits	<b>10</b>	8
Bad debts written off	<b>(3)</b>	-
Foreign exchange (loss)/gain, net	<b>(118)</b>	177
Under provision of prior year's income tax	<b>-</b>	(2)

### 6.2 Related party transactions

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

# AMARA HOLDINGS LIMITED

## 7. Taxation

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

	<b>Group</b>	
	<b>Six months ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Tax expense attributable to the results is made up of:		
Current income tax	<b>1,048</b>	874
Deferred income tax	<b>67</b>	17
	<b>1,115</b>	891
Under provision in preceding financial years:		
- Current income tax	-	2
	<b>1,115</b>	893

## 8. Dividends

	<b>Group and Company</b>	
	<b>Six months ended</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Ordinary dividends</b>		
Final tax exempt dividend of \$Nil cent per share (30 June 2020 : 1 cent per share) in respect of previous financial year	-	5,750
Special tax exempt dividend of \$Nil cent per share (30 June 2020 : 1 cent per share) in respect of previous financial year	-	5,749
	-	11,499

## 9. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net asset value per ordinary share	<b>68.63</b>	67.45	<b>17.54</b>	17.57

## 10. Development properties

	<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Properties under development	<b>81,968</b>	79,628
Completed properties held for sale	<b>27,558</b>	27,558
	<b>109,526</b>	107,186



## AMARA HOLDINGS LIMITED

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

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2021</b>	31/12/2020	<b>30/06/2021</b>	31/12/2020
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Quoted equity shares at fair value through profit or loss	<b>897</b>	867	<b>165</b>	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 period. Changes in fair value are recognised in profit or loss "other income" line item.

### 12. Intangible assets

	<b>Group</b>	
	<b>30/06/2021</b>	31/12/2020
	<b>\$'000</b>	\$'000
Club memberships	<b>564</b>	564
Less: Impairment loss	<b>(175)</b>	(175)
	<b>389</b>	389
Goodwill	<b>789</b>	789
	<b>1,178</b>	1,178

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

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

### 13. Investment properties

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

	<b>Group</b>	
	<b>30/06/2021</b>	31/12/2020
	<b>\$'000</b>	\$'000
At beginning of period/year	<b>404,679</b>	417,477
Loss from fair value adjustments included in profit or loss	-	(16,492)
Currency realignment	<b>2,063</b>	3,694
At end of period/year	<b>406,742</b>	404,679

#### 13.1 Valuation

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

## AMARA HOLDINGS LIMITED

### 13. Investment properties (cont'd)

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 3.5% to 4.5% (2020: 3.5% to 4.5%) per annum.

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

Desktop valuations were prepared by external, independent and qualified valuers to determine the fair values of investment properties as of 30 June 2021. The desktop valuations were based mainly on the terms of the leasing contracts and current market conditions. There were no changes to the terms of the leasing contracts and there were also no material changes to the condition of the properties. Based on these factors, there were no changes to the fair values of the investment properties.

### 14. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$113,000 (30 June 2020: \$208,000) and disposed of assets amounting to \$146,000 (30 June 2020: \$9,000).

### 15. Borrowings

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

	<b>Group</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Amount repayable in one year or less, or on demand</b>		
Secured	<b>43,020</b>	5,530
Unsecured	-	-
	<b>43,020</b>	5,530
<b>Amount repayable after one year</b>		
Secured	<b>341,008</b>	374,091
Unsecured	-	-
	<b>341,008</b>	374,091

#### Details of any collateral

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

Included in secured borrowings as at 30 June 2021 are current lease liabilities of \$2,843,000 (31 December 2020: \$3,184,000) and non-current lease liabilities of \$38,143,000 (31 December 2020: \$39,152,000) which are secured on the right-of-use assets.

# AMARA HOLDINGS LIMITED

## 16. Share capital

	<b>Group and Company</b>			
	<b>30/06/2021</b>		<b>31/12/2020</b>	
	<b>No. of</b>	<b>\$'000</b>	No. of	\$'000
	<b>shares issued</b>		shares issued	
	<b>'000</b>		<b>'000</b>	
At beginning and end of interim period	<b>576,936</b>	<b>125,646</b>	576,936	125,646

As at 30 June 2021 and 31 December 2020, the number of ordinary shares in issue was 576,936,000 of which 1,967,800 were held by the Company as treasury shares.

There was no conversion of shares during the financial period.

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

## 17. Subsequent events

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

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

### **1. Review**

The condensed consolidated statement of financial position of Amara Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed

### **2. Review of performance of the Group**

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

##### First Half 2021 ("1H 2021") vs First Half 2020 ("1H 2020")

Group revenue for 1H 2021 increased by 14% to \$31.8 million, from \$27.9 million in 1H 2020. This was mainly due to higher revenue in the Hotel Investment and Management segment.

Other income for 1H 2021 increased mainly due to gain on fair value adjustments of financial assets at FVTPL.

Cost of properties sold / consumables used for 1H 2021 increased by 44% to \$2.8 million, from \$1.9 million in 1H 2020. This was mainly due to progressive recognition of development costs in the Property Investment and Development segment.

Staff costs for 1H 2021 decreased by 19% to \$6.8 million, from \$8.3 million in 1H 2020. This was mainly due to cost control measures for COVID-19 implemented by the Group and government grants received under the Jobs Support Scheme for 1H 2021.

Depreciation charge for 1H 2021 decreased by 8% to \$5.1 million, from \$5.6 million in 1H 2020. This was mainly due to certain plant and equipment which have been fully depreciated in the year 2020.

Finance costs for 1H 2021 decreased by 24% to \$4.0 million, from \$5.2 million in 1H 2020. This was mainly due to lower interest rate on bank borrowings.

Income tax expense for 1H 2021 increased by 25% to \$1.1 million, from \$0.9 million in 1H 2020. This was mainly due to higher tax expense arising from Hotel Investment and Management segment.

Other comprehensive income for 1H 2021 increased by 47% to \$3.9 million, from \$2.7 million in 1H 2020. This was mainly due to exchange gain on translation of foreign operation in China arising from appreciation of Chinese Yuan (Renminbi) against the Singapore Dollar.

#### Statement of Financial Position

Trade and other receivables (non-current) increased from \$0.2 million as at 31 December 2020 to \$7.4 million as at 30 June 2021 was mainly due to advances of \$7.2 million to a jointly-controlled entity for land purchase and related stamp duties.

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

No prospect statement was made.

## AMARA HOLDINGS LIMITED

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

According to the International Monetary Fund's latest world economic outlook in July 2021, the global economy is projected to grow 6% in 2021. Recovery is projected for second half of 2021, particularly in the advanced economies, in view of the vaccine rollouts and additional fiscal support to reduce the risk of transmission and re-opening of borders and economies.

The uncertainty and challenges that the COVID-19 pandemic brings with it are unprecedented. The operating environment continues to be challenging as it is uncertain when the COVID-19 situation will ease, with the occurrence of the variants of the virus and continued movement restrictions imposed by some countries.

The Group is actively monitoring the development of this pandemic and putting appropriate cost and risk management measures in place during this difficult period while continuing to strengthen its operating capabilities.

#### **5. Dividend information**

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

No dividend has been declared/recommended for the period ended 30 June 2021 as it is not the usual practice of the Group to declare interim dividends.

#### **6. Interested person transactions**

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

#### **7. Statement by directors**

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

To the best of the directors' knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year 2021 financial results to be false or misleading in any material aspects.

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

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

##### **BY ORDER OF THE BOARD**

Ms Susan Teo Geok Tin / Ms Foo Soon Soo  
Company Secretaries  
10 August 2021