EVERY THREAD COUNTS

AMARA HOLDINGS LIMITED
ANNUAL REPORT 2018

CONTENTS

EVERY THREAD COUNTS

In surmounting life's challenges,
every thread of resilience counts.
At Amara, we grow in the face
of adversity, weaving diversity
into a seamless and integrated
lifestyle experience across our three
core businesses to redefine living.

AMARA VISION

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

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

OUR CORE VALUES

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

OUR GOAL

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

OUR GREATEST ASSET

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

AMARA BRAND

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 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

FY2018 has been a challenging year but one where we continued to make our mark both locally and abroad. From a macro perspective, businesses felt the impact of the trade tension between US and China, two of the world's largest economies, with spillover effects leading to a global slowdown. Business sentiments were further dampened by rapidly rising interest rate by the US Federal Reserve. Nonetheless, 2018 was a positive year for Amara as we successfully expanded into Shanghai, Asia's leading financial and innovation powerhouse and a major tourist destination, with the opening of Amara Signature Shanghai, and exported our strong brand name into Shanghai.

CHIEF EXECUTIVE OFFICER

Albert Teo Hock Chuan

The Singapore economy grew 3.2% year-on-year in 2018[1], down from 3.6% in 2017. The tourism sector ended on a strong note in 2018, reaching a record high for the third consecutive year, having received 18.5 million visitors in 2018, a 6.3% growth as compared to 17.4 million visitors in 2017. Similarly, tourism receipts rose 1.0% to S$27.1 billion in 2018, from S$26.8 billion in 2017[2].

At Amara, revenue rose 16% to S$104.2 million in FY2018 from S$89.8 million in FY2017, with growth registered mainly from the Group's core Hotel Investment and Management segment following the soft opening of Amara Signature Shanghai in February 2018. Correspondingly, FY2018 net profit rose 35% to S$32.0 million, from S$23.7 million over the same period in FY2017.

In FY2018, Net Assets Value per share grew 5.4% to 69.46 Singapore cents from 65.88 Singapore cents with the broadening of our asset portfolio to include Amara Signature Shanghai. With a stable balance sheet and healthy gearing, we believe we are well-positioned to explore the opportunities of securing suitable projects, to further enhance our branding, both locally and in the region.

HOTEL INVESTMENT AND MANAGEMENT

Singapore's tourism industry ended 2018 on a strong note. For 2019, the Singapore Tourism Board expects further growth for the tourism sector, forecasting visitor arrivals to grow between 1% and 4% to be in the range of 18.7 million to 19.2 million, while tourism receipts are expected to be in the range of S$27.3 billion to S$27.9 billion, a growth of between 1% and 3%[2].

Our Hotel Investment and Management segment recorded growth, with maiden revenue contribution from Amara Signature Shanghai which soft opened in February 2018, and a resilient showing from our other three hotels – Amara Singapore, Amara Sanctuary Resort, Sentosa, and Amara Bangkok. Overall, hotels in Singapore and Bangkok continued to experience some increase in hotel rates with intensified marketing efforts. We are cautiously optimistic that through refining our offerings in our two Singapore hotel properties, we can grow at a faster rate than the industry benchmark.

At Amara Singapore, we are in the process of transforming some guestrooms to premium rooms, complete with an all-new non-traditional layout, one that caters towards the

[1] Ministry of Trade and Industry Singapore, 15 February 2019 - MTI Maintains 2019 GDP Growth Forecast at "1.5 to 3.5 Per Cent"
[2] STB, 13 February 2019 – Third consecutive year of growth for Singapore tourism sector in 2018

well-travelled. The contemporary new design will evoke a healthy lifestyle, well-suited for either business travellers or guests looking for a brand new 'staycation' getaway.

Amara Sanctuary Resort, Sentosa, maintained good performance following the enhancement of its MICE infrastructure and continued active marketing to travel agents and online travel agencies. For the third year running, Amara Sanctuary served as a base for Deloitte University Asia Pacific, catering to the training needs of Deloitte employees in the region. With our enhanced position as a choice MICE destination, we look forward to catering to more quality events going forward.

We are delighted with the opening of the highly anticipated Amara Signature Shanghai, our very first luxury brand hotel. Soft opened in February 2018, Amara Signature Shanghai is the first 5-star international hotel located in the historical Changshou Road commercial zone, within the inner core City Centre of Puxi, Shanghai.

We have seen an encouraging response given the hotel's stylish interiors and strategic location in the Puxi vicinity. Adjacent to the hotel is 100 AM Shanghai which comprises an office tower and a retail mall. This new asset portfolio offers an exquisite integrated lifestyle experience, one that will build a thriving community that brings hotel guests and local clientele together, with events to engage and build meaningful business connections and friendship. With Shanghai's strategic role as an important financial and innovation powerhouse in Asia, a major tourist destination, and a world-leading science and technology innovation centre in the future, we are confident that these developments will bode well for Amara Signature Shanghai and 100 AM Shanghai.

Shanghai remains a major tourist destination, with expectations for the number of inbound tourists to reach 10 million by 2020[3] from 8.5 million in 2016[4], as this city solidifies its position as a core trading and financial hub. Corporate demand is a key driver for Shanghai's hotel market while the Shanghai Disney Resort and Shanghai Haichang Ocean Park are expected to boost leisure demand in Shanghai.

Amara Bangkok experienced a growth in performance year-on-year, despite a slight drop in Japanese and Chinese visitors following

[3] Information Office of Shanghai Municipality, 7 September 2018 – Press Release for 6 September 2018 Media Briefing by the Shanghai Municipal People's Government

[4] JLL, May 2017 – Hotel Destinations – Asia Pacific

10 Evelyn

natural catastrophes in these respective countries during the year under review. Hotel rates remain good, supported by our strong branding in this country and our high product and service standards. We will continue to place strong emphasis on quality service standards to attract more guests.

According to the Tourism Authority of Thailand, there was a 7.5% growth in international visitors over 2017, with a 9.6% increase in tourism revenue to an estimated 2.007 trillion Baht in 2018[5]. We remain confident in the vast potential of the Bangkok market.

PROPERTY INVESTMENT AND DEVELOPMENT

According to the Urban Redevelopment Authority ("URA"), the residential development segment saw an increase in private home prices by 7.9% for the whole of 2018, compared with a 1.1% increase in 2017. Growth for the property segment had slowed down moderately after the regulations in July 2018, as private home prices decreased by 0.1% in 4Q2018, as compared to the 0.5% increase in the previous quarter[6].

In Property Development, we will continually deliver creativity and value to our customers. We launched our latest luxurious 56-unit development, 10 Evelyn, in October 2018 with a show gallery located at our flagship commercial mall - 100 AM - a novel concept and a first for the marketing of our property projects.

This elegant lifestyle project, nestles just off Newton Road, taps on our expertise of creating integrated lifestyle experience, with functional common spaces conducive for encouraging a cosy community atmosphere. The integration of aesthetics and functionality seen in 10 Evelyn reflects our in-depth understanding of current market trends and needs. Whilst sales have been slow due to the soft market conditions, we are confident that this well-located luxury development, which is attractively priced, will appeal to first-time homeowners and real estate investors looking for an elevated living experience.

We have also started the development of four units of freehold semi-detached houses at 15 Bedok Avenue.

As for our boutique residential project, M5, at Jalan Mutiara, we have received

[5] Tourism Authority of Thailand, 31 January 2019 - As Chinese visitors bounce back, Thai tourism income crosses two trillion Baht

[6] Urban Redevelopment Authority, 25 January 2019 - Release of 4th Quarter 2018 real estate statistics

the development's Temporary Occupation Permit in the first quarter of 2018 and will continue to actively market this project which is strategically located near the prime River Valley area.

Our commercial property, 100 AM mall in Tanjong Pagar, enjoyed high occupancy during the year under review and recently welcomed two new tenants – Daiso and Don Don Donki – both leading Japanese value store chains. Daiso opened in February 2018; whilst Don Don Donki opened in June 2018, representing its second outlet in Singapore and in Asia outside of Japan. This has created a vibrant shopping experience for office tenants, tourists from the cluster of hotels and residents in the Tanjong Pagar area alike.

We are delighted to welcome these two retail giants to 100 AM for a refreshing retail experience complete with a wide range of novel beauty, lifestyle, household and food items. Together with the F&B concept, Itadakimasu by PARCO, which opened in 2016, we are confident that these brands have a good strategic fit with 100 AM, with wide appeal to trendy, inner-city urban shoppers, tourists and professionals working and residing in the vicinity.

Our office tower, with its focus on healthcare services, remained resilient with a good occupancy given its strategic location and niche positioning.

Overseas, 100 AM Shanghai mall and office are expected to open in the second half of 2019, in line with our strategy to put in the right tenant mix, as we want to build a community of hotel guests from Amara Signature Shanghai and the business and local residents in Shanghai.

For Property Development, we are on the constant lookout for suitable opportunities at the right locations where we can develop attractive and timeless products for discerning home buyers, based on our long-standing expertise as a property developer and a hotel and resort owner and operator. We will also continue to keep an eye on opportunities in the region where we may leverage our experience and financial strength to expand our property portfolio.

We will continue to maintain a balanced asset portfolio, securing recurring income from our investments in commercial properties and seeking opportunities in residential developments. As for Property Investment, we remain committed to refreshing our offerings through a rejuvenation of tenant mix.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services arm consisting of two award-winning restaurant brands – Thanying Restaurant and Silk Road Restaurant, has experienced a dip in performance in line with the industry slowdown and intense market competition. This division remains a strong complementary pillar of our hotel brand names. We will continually refresh our menus to stay relevant to discerning tastes and leverage the expansion of our hotel network in both Singapore and the region to bring these unique dining experiences to all our guests. Notably, the impending opening of Thanying Restaurant in 100 AM Shanghai will offer a wider spread of delectable cuisines for our guests in Shanghai.

PROPOSED DIVIDEND

To express our appreciation towards our shareholders, the Board of Directors has recommended a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 1 cent per ordinary share, representing a total dividend payout of S$11.5 million. The proposed dividend translates to a payout ratio of about 36.0% of Amara's FY2018 net profit.

WORDS OF APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to my fellow directors for their wise counsel and guidance. I would also like to extend a warm welcome to Mr Tan Tiong Cheng, our new independent director, who joined our Board on 21 June 2018. Mr Tan's vast experience in property investment and development and hospitality industry will be an asset to the Board.

To our management and staff, thank you for your commitment and drive for excellence. Together, I am confident that we will move to our next level of growth.

I would also like to extend my appreciation to all business partners and associates for their unwavering support through the years. Every thread counts and I look forward to weaving the tapestry of growth with you as we work seamlessly to break new grounds and extend our strong brand name regionally.

ALBERT TEO HOCK CHUAN

Chief Executive Officer
26 March 2019

Amara Signature Shanghai

A QUALITY PORTFOLIO

KNITTED IN STRENGTH · MADE TO LAST

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 201, feature chic interiors and Mediterranean 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.

OUR BUSINESS PORTFOLIO

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 commenced operations in 2015.

AMARA SIGNATURE SHANGHAI

Located at the junction of Jiaozhou Road and Changshou Road in Puxi, Shanghai, Amara Signature Shanghai is a mixed-use development comprising a 343-room hotel, retail centre and office building. Soft opened in February 2018, 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.

Through the mixed-use development, Amara introduces refreshing extravagance and variety to the Puxi region. Business travellers will be able to rejuvenate with a luxurious stay at the hotel. The retail centre, 100 AM Shanghai, will feature popular brands in food and beverages, entertainment and lifestyle and bring a variety of choices to the executives working around the area. Built to Grade A office specifications, the office building offers a conducive environment for business operations. 100 AM Shanghai is expected to soft open in the second half of 2019.

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. The flagship Thanying Restaurant has a seating capacity of 164 and is located at Amara Singapore. The brand will be extended to Shanghai after 100 AM Shanghai opens in the second half of 2019.

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.

PROPERTY INVESTMENT AND DEVELOPMENT

100 AM

100 AM is a lifestyle mall located in the west end of the Central Business District and 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 developments 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. Koufu Food Court as well as a line-up of restaurants and cafes, namely, The Public Izakaya by Hachi, Pagi Sore Indonesian Restaurant, 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.

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.

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.

A LUXURIOUS EXPERIENCE

WOVEN WITH LOVE · DESIGNED BY AMARA

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 in 1982, he became an Executive Director and 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 consolidated 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 earnings have been further diversified from projects including Amara Bangkok, a business hotel development in Bangkok CBD, which opened in 2015, and Amara Signature Shanghai which soft opened in February 2018, as well as 100 AM Shanghai which comprises an office building and retail centre, to be opened in the second half of 2019. He is passionate and committed in building the Amara Brand as a homegrown Singaporean brand competing alongside international hospitality players in its space.

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

Currently, Mr Teo serves as the President of the Singapore Hotel Association.

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
27 April 2016

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

Her past experience includes working with 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 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
28 April 2017

Mr 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.

FOO KO HING

Non-Executive, Independent Director

FIRST APPOINTED
17 June 2013

LAST RE-ELECTED
28 April 2017

Mr Foo 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 16 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 numerous SGX-listed companies in various sectors.

After leaving Pricewaterhouse (currently known as PwC) in 1986, he 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 the HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development.

Mr Foo is a 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 currently sits on the Board of Gallant Venture Ltd, a company listed on the SGX Mainboard, and is a member of the Audit, Remuneration 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
25 April 2018

Mr Chia was appointed to the Board of Amara Holdings Limited in November 2015.

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 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 Bachelor of Business Administration (Honours) degree from the National University of Singapore.

TAN TIONG CHENG

Non-Executive, Independent Director

FIRST APPOINTED
21 June 2018

Mr Tan was appointed to the Board of Amara Holdings Limited in June 2018.

Mr Tan is currently the Advisor to Knight Frank Pte Ltd and President of Knight Frank Asia Pacific Pte Ltd. He 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 a member of the Remuneration Committee with The Straits Trading Company Limited and a member of the Audit Committee with UOL Group Limited. He is also the 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 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.

100 AM, Singapore

A SEAMLESS LIFESTYLE

FOR ONE AND ALL · ACROSS ASIA

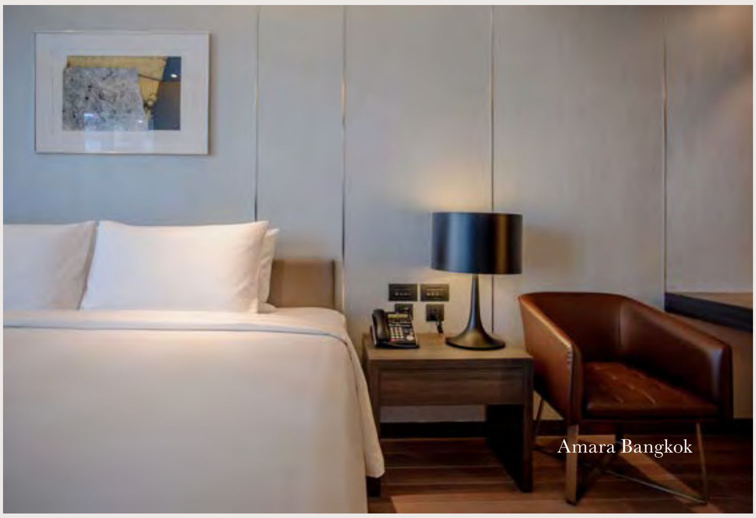
Amara Signature Shanghai

OPERATIONS AND FINANCIAL REVIEW

For the financial year ended December 31, 2018 ("FY2018"), we saw a strong growth in both our topline and bottomline, mainly due to the higher contribution from our Hotel Investment and Management segment. Revenue increased 16% to S$104.2 million and net profit attributable to equity holders surged 35% to S$32.0 million from the last financial year ("FY2017").

The Hotel Investment and Management segment, which represents 79% of the Group's business, experienced a 21% rise in revenue to S$82.7 million in FY2018, from S$68.3 million in FY2017, mainly on the back of the newly opened Amara Signature Shanghai in the year under review. The Property Investment and Development segment also recorded a rise in revenue of 1.2% to S$19.9 million in FY2018.

As at December 31, 2018, Amara's cash and bank balances stood at S$15.0 million, with a net gearing of 44.5%. Earnings per share increased to 5.56 Singapore cents in FY2018 from 4.12 Singapore cents in FY2017, while Net Assets Value per share also grew to 69.46 Singapore cents as at December 31, 2018, from 65.88 Singapore cents as at December 31, 2017.



Amara Bangkok

HOTEL INVESTMENT AND MANAGEMENT

SINGAPORE

Amara Singapore

Amara Sanctuary Resort, Sentosa

THAILAND

Amara Bangkok

PEOPLE'S REPUBLIC OF CHINA

Amara Signature Shanghai

Amara's core revenue driver, the Hotel Investment and Management segment, contributed S$82.7 million or 79% of the Group's FY2018 revenue. This marks a 21% improvement in performance compared to S$68.3 million a year ago.

SINGAPORE

Singapore once again experienced a record high of tourist arrivals and spending in 2018, propelled by the Trump-Kim summit, and the release of the Hollywood film Crazy Rich Asians, according to the Singapore Tourism Board ("STB"). Total arrivals rose 6.2% to 18.5 million, exceeding STB's forecast, while tourism receipts climbed 1%[1]. Singapore remains a key global destination for tourists, being ranked fifth in Euromonitor International's latest Top 100 City Destinations Ranking[2].

For 2019, STB is estimating tourism receipts to grow by a further 1% to 3% and visitor arrivals to expand by 1% to 4%[1], painting a rosy picture for the hospitality sector, amid a tight supply of new hotel rooms.

The Amara household brand is synonymous with top-notch service and integrated lifestyle offerings. Amara's flagship hotel in Tanjong Pagar, Amara Singapore, continues to report resilient performance, due to its prime location and synergistic lifestyle offerings with the adjacent mall, 100 AM.

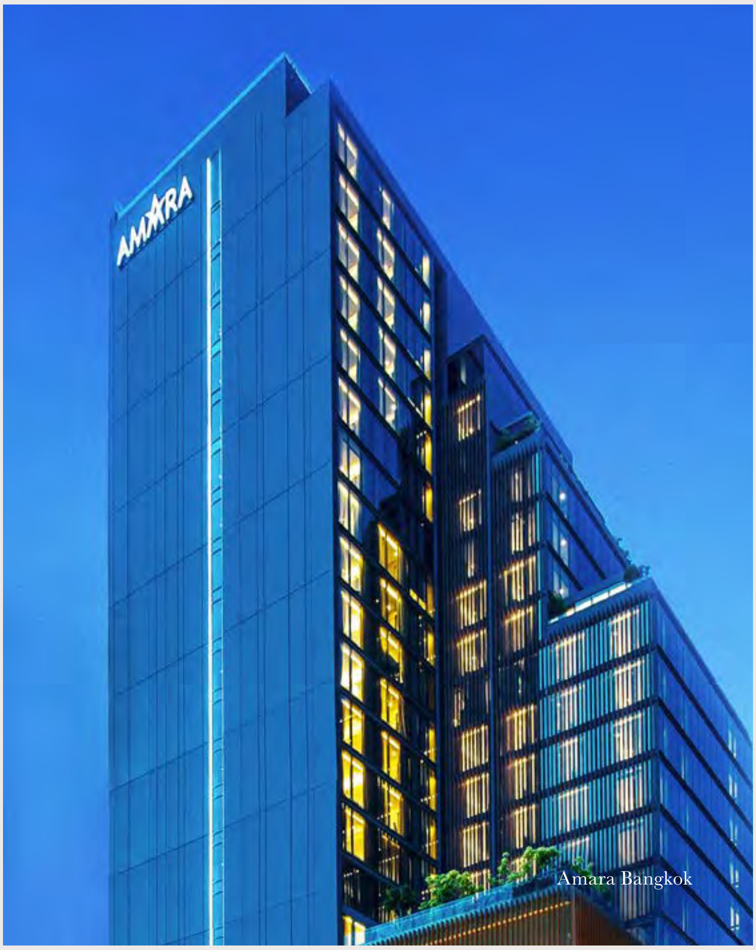
The Amara experience has always been centered around its agility and adaptability to emerging consumer trends in our efforts to provide differentiated guest experiences, as well as embracing innovation and driving efficiency that will allow us to remain ahead of the curve amidst intense competition, rising operational costs and a labour crunch.

In the fourth quarter of the year, we began renovations on some guestrooms at Amara

[1] STB, 13 February 2019 – Third consecutive year of growth for Singapore tourism sector in 2018

[2] Euromonitor International, 2018 - Top 100 City Destinations 2018

Amara Sanctuary Resort, Sentosa



Amara Bangkok

Singapore. This is in line with the Group's continual effort to provide only the best services and products for guests and to improve guest experiences. Focused on a 'health' theme, the configuration of each guest room is uniquely designed to exude a contemporary feel, with a walk-in wardrobe (open concept), a dedicated exercise area and flexible space for work and relaxation. This entire theme will be carried seamlessly on the revamped floor, which will also feature a new gym. Guests staying on this floor will enjoy easy access to the half-Olympic size hotel pool. The renovated rooms are expected to be launched in 2019.

Amara Sanctuary Resort, Sentosa, has since strengthened its foothold as a choice 5-star leisure resort with attractive MICE propositions. In June 2016, Amara Sanctuary Resort, Sentosa welcomed Deloitte University Asia Pacific ("DUAP"), which has appointed the resort as a base for its first specialised training centre in Asia Pacific.

In the year under review, Amara Sanctuary Resort, Sentosa, expanded its suite of offerings and further enhanced the experience of guests with the launch of Amara Heritage Trail. Open to both hotel guests and public, the Amara Heritage Trail allows guests to discover exclusive insights and stories of historic Singapore, Sentosa and the British Colonial times as they explore the grounds of Amara Sanctuary Resort Sentosa, a former site of the British Army in the late nineteenth and early twentieth century.

Following a facelift, Amara Sanctuary Resort, Sentosa, offers conducive spaces to encourage networking and socialising in an inspired, luxurious and relaxing setting. With enhanced MICE facilities that are befitting of DUAP's stringent requirements and the launch of the Amara Heritage Trail, we hope to attract more leisure and corporate demand for the resort.

THAILAND

Our first hotel in Thailand, Amara Bangkok, launched in 2015, has quickly established itself as a preferred hotel in the city. Amara Bangkok has received numerous accolades, such as Travellers' Choice 2019 from TripAdvisor, Top Performance 2018 by Ctrip and Rakuten Travel Award in 2017. As a homegrown Singaporean brand, we take pride in showcasing the best of Singaporean hospitality and efficiency – which are well-known to the rest of the world, through product and service delivery in all our hotels.

In a recent Euromonitor report[3], Asia-Pacific was highlighted as a standout region, and inter-Asian travel, predominantly from China, cannot be underestimated. The top two most-visited cities globally are located in Asia; Bangkok came in second, with an estimated 23.7 million arrivals received in 2018. Additionally, the Thai capital has been named the most popular city for international tourists for the second year in a row on Mastercard's 2018 Global Destination Cities Index[4].

Where the tourism arrivals in Asia-Pacific are largely contributed by Chinese and Japanese visitors, the natural disasters that happened in the past year in China and Japan caused a slight decrease in number of visitors from these two countries. Amara Bangkok saw an overall growth in performance year-on-year, despite its performance being temporarily affected by the slight decrease in the number of tourists from China and Japan.

With Amara Bangkok's strategic location and exceptional service standards, we believe it is well-positioned to ride on Bangkok's growing tourism sector, which is showing no signs of slowing down.

[3] Euromonitor International, 2018 – Top 100 City Destinations Ranking
[4] Mastercard, 25 September 2018 - Big Cities, Big Business: Bangkok, London and Paris Lead the Way in Mastercard's 2018 Global Destination Cities Index

HOTEL INVESTMENT AND MANAGEMENT

PEOPLE'S REPUBLIC OF CHINA

For the past few years, the Group had toiled tirelessly towards the launch of our first luxury hotel in Shanghai. Amara Signature Shanghai soft opened in February 2018 and marked the launch of our first luxury hotel brand, Amara Signature Shanghai, which offers a differentiated and exquisite integrated lifestyle experience and trendy social hotspot in this global city.

The 343-room Amara Signature Shanghai is the first and only 5-star international hotel on Changshou Road, Puxi, Shanghai. Like the flagship hotel in Singapore, Amara Signature Shanghai offers an integrated lifestyle experience, being adjacent to 100 AM Shanghai, a 10,500 square metre complex comprising a Grade A office tower and retail mall that is expected to open by the second half of 2019.


Amara Signature Shanghai

Extending our tried-and-tested model in Singapore and Thailand, Amara Signature Shanghai offers well-appointed accommodation, curated dining experiences, advanced business convenience, conducive and well-equipped MICE spaces such as the Grand Ballroom and several multi-purpose function rooms, and personalised experiences, such as the butler service.

We will also be introducing the best cuisines and culture through unique tenants in the retail centre, as well as our own specialty restaurants and food services brands, thereby offering interesting varieties to the leisure and MICE travellers.

It is our strategy to build a community here, one that facilitates interaction and collaboration amongst hotel guests and city's business and local communities. Since its soft opening in February 2018, Amara Signature Shanghai has been awarded a number of awards and accolades, such as the Premium Traveler's Business Hotels of the Year in Greater China and Agoda's 2018 Gold Circle Award.

The city remains a major tourist destination, recording a 2.3% year-on-year growth in tourism arrivals to 7.4 million for the whole of 2018[5], cementing Shanghai's leading position as a core trading and financial hub across the mainland.

The number of annual overseas tourists travelling to the city is expected to reach 10 million by 2020 and 14 million by 2035 as the Shanghai government has set out plans to develop Shanghai's tourism industry in the "Several Opinions on the Acceleration of High Quality Growth of Shanghai's Tourism Industry to Make Shanghai a Globally Known Tourism City" document[6].

To emulate our success in Singapore and Thailand, we will bring to China the same drive and commitment to provide exceptional service and to continually raise the bar for operational excellence for greater margin efficiency. We are confident that Amara Signature Shanghai is well-positioned to capitalise on Shanghai's strong tourism and MICE outlook.

[5] Euromonitor International, 2018 - Top 100 City Destinations Ranking
[6] Information of Shanghai Municipality, 7 September 2018 – Press Release for 6 September 2018 Media Briefing by the Shanghai Municipal People's Government

10 Evelyn

PROPERTY INVESTMENT AND DEVELOPMENT

RESIDENTIAL

10 Evelyn

M5

Killiney 118

CityLife@ Tampines

COMMERCIAL

100 AM

The Property Investment and Development segment contributed S$19.9 million or 19.1% of the Group's FY2018 revenue, inching up 1.2% from S$19.6 million recorded in FY2017.

RESIDENTIAL

The Singapore residential real estate sector marked a 7.9% increase for the full year of 2018, compared to a 1.1% rise in 2017[7]. The increase was mostly fuelled by aggressive land bids from developers and en bloc transactions in the first half of the year, before the cooling measures and the revision of the development control guidelines in the latter half of the year. Estimates from property brokers compiled by Bloomberg News showed that Singapore home prices were projected to remain flat in 2019.

Sales volumes were, likewise, affected by the implementation of the cooling measures. Developers sold some 8,795 units last year, as compared to 10,556 units sold in 2017.

Last year, we launched 10 Evelyn, a 56-unit high-end residential development nestled just off Newton Road, comprising a mix of 1-bedroom and 2-bedroom units and 3-bedroom penthouses, from 49 sqm or 527 sq ft. This latest freehold property taps on our expertise in creating a seamless lifestyle experience, including functional common spaces conducive for encouraging a cosy community atmosphere. We have made some progress in terms of sales and will continue to strengthen our marketing efforts.

With regards to our 33-unit boutique residential project, M5, at Jalan Mutiara, we will monitor the market for sale at an opportune time. Likewise in our landbank, the Bedok site will be developed into two pairs of three-storey semi-detached houses, which will enable us to maximise the usage of gross plot ratio and extract value for shareholders. We will monitor the market conditions closely to market these developments.

As with our past developments, our projects are well-located, tastefully designed and uniquely positioned. We are confident that these projects will resonate well with buyers and investors.

[7] Urban Redevelopment Authority, 25 January 2019 - Release of 4th Quarter 2018 real estate statistics

PROPERTY INVESTMENT AND DEVELOPMENT

100 AM Shanghai
Amara Signature Shanghai

COMMERCIAL

The commercial sector in Singapore remained a star performer in 2018. For the whole of 2018, prices of office space grew 5.7%, reversing a decline of 2.4% in 2017. Meanwhile rents of office space grew 7.4%, as compared to a 0.4% increase in 2017[8].

The retail sector marked a slight improvement in 2018, where the price index expanded 0.6%, after contracting 8.8% in 2017, while rentals in 2018 declined at a more moderate rate of 1.0% compared to the 4.7% in the preceding year[8].

Our commercial property, 100 AM at Tanjong Pagar, maintained high occupancy and relatively stable rental rates for the retail podium and office tower, both of which continue to contribute positively to our performance.

The retail podium's occupancy was lifted with the addition of popular Japanese brands – Daiso and Don Don Donki. Daiso, which opened in February 2018, occupies 4,800 square feet of retail space on level four of 100 AM. Don Don Donki opened its doors in June 2018 and occupies a sprawling 19,000 square feet of space across levels two and three. We seek to continually curate and refresh our tenant mix in 100 AM to keep consumers engaged.

Over in China, 100 AM Shanghai, like its counterpart in Singapore, comprises retail and office with Grade-A office specifications. It is expected to open in second half of 2019, and will serve to strengthen our recurring income streams.

[8] Urban Redevelopment Authority, 25 January 2019 – Release of 4th Quarter 2018 real estate statistics

SPECIALTY RESTAURANTS AND FOOD SERVICES

RESTAURANT

Thanying Restaurant

Silk Road Restaurant

The Specialty Restaurants and Food Services segment contributed to the remaining 1.5% or S$1.6 million of our FY2018 revenue. Through Amara's award-winning restaurants, the segment continues to provide a stable stream of income and complements our other business segments to offer an integrated premium lifestyle experience.

Thanying, which serves exquisite Thai cuisine fit for royalty, has delighted guests since its establishment in 1988. Apart from its flagship outlet in Amara Singapore, which has a seating capacity of 164, we are excited that the brand will be extended to Shanghai as part of the fine dining selection in 100 AM Shanghai for a wider spread of delectable cuisine for our guests.

Silk Road Restaurant, which serves signature provincial cuisines along the historical Silk Road in China, continues to preserve its heritage with the use of specially-imported spices and sauces. Silk Road at Amara Singapore, established since 2001, is helmed by a team of highly specialised and trained chefs.


Silk Road Restaurant


Thanying Restaurant

EVERY THREAD COUNTS

2019 looks set to be an exciting year. 100 AM Shanghai is expected to open by the second half of 2019. We are also looking forward to a recovered residential property market to boost the sales of our various property projects in 2019.

We will continue to leverage on our strengths of a strong brand portfolio, complementary businesses and operational excellence to seek more growth opportunities to bring Amara Holdings to greater levels.

Amara Signature Shanghai

AWARDS AND ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

AMARA BANGKOK

Travellers' Choice Award 2019
Awarded by TripAdvisor

Certificate of Excellence 2016-2018
Awarded by TripAdvisor

Top Performance 2018
Awarded by Ctrip

Travel Award 2017
Awarded by Rakuten Travel

Chinese Preferred Hotel 2017
Awarded by Ctrip

AMARA SIGNATURE SHANGHAI

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

AMARA SANCTUARY RESORT, SENTOSA

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

Preferred Banquet Venues - Editor's Choice Award 2015 & 2018
Awarded by Blissful Brides

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

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

AWARDS AND ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

AMARA SINGAPORE

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

Finalist for Award for Excellence 2006-2007
• Deluxe Hotel
• Best Housekeeping Department
Awarded by Hospitality Asia Platinum Awards

Award for Excellence 2004-2005 - Deluxe Hotel
Awarded by Hospitality Asia Platinum Awards

Finalist for Award for Excellence
2004-2005 Hospitality Personality
• Deluxe Property General Manager
• Best Western Cuisine Chef
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

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

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

Singapore's Best Restaurants 1992-2018
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

Singapore's Best Restaurants 2003-2018
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

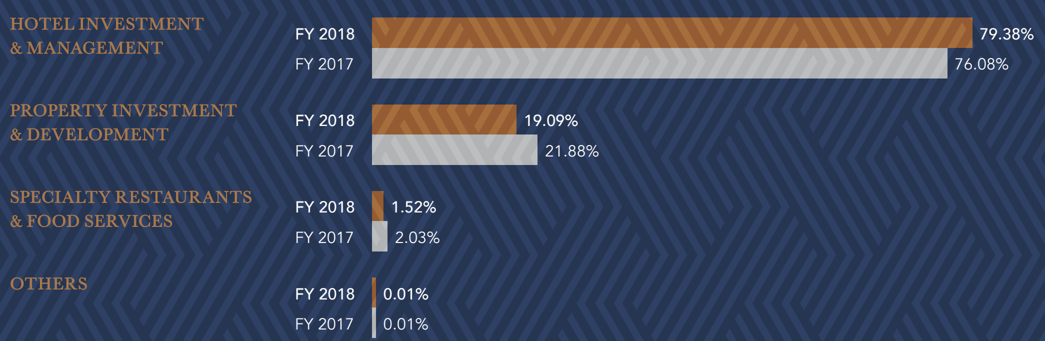
Editor's Choice
IS Magazine

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December 2018

	FY 2018	FY 2017 (Restated)
Income Statement	**S$'000**	S$'000
Revenue	104,160	89,774
Profit before tax	36,629	34,090
Income tax expense	(4,663)	(10,405)
Profit attributable to shareholders	31,966	23,685
Financial Ratios	**%**	%
Profit attributable to shareholders as percentage of revenue	30.69	26.38
Gearing ratio	44.49	45.61
Per Share Unit	**Cents**	Cents
Earnings per share	5.56	4.12
Net tangible assets per share	69.25	65.65
Net assets value per share	69.46	65.88
Revenue By Country (%)	**%**	%
Singapore	77.14	88.70
Thailand	10.69	11.30
People's Republic of China	12.17	0.00
Revenue By Activity (%)	**%**	%
Hotel Investment & Management	79.38	76.08
Property Investment & Development	19.09	21.88
Specialty Restaurants & Food Services	1.52	2.03
Others	0.01	0.01
	100.00	100.00

REVENUE BY ACTIVITY (%)



CORPORATE STRUCTURE

Hotel Investment & Management

Property Investment & Development

Specialty Restaurants & Food Services

AMARA HOLDINGS LIMITED

- 100% Amara International Hotels & Resorts Pte Ltd
- 100% AOI Saigon Pte Ltd
- 100% Amara Hotel Properties Pte Ltd
- 100% Amara Sentosa Investments Pte Ltd
- 100% Creative Investments Pte Ltd
  - 40% Tampines EC Pte Ltd
- 100% Creslin Pte Ltd
- 100% TTH Development Pte Ltd
- 100% Residential Development Pte Ltd
- 100% Amara China Investments Pte Ltd
  - 100% Amara Shanghai Pte Ltd
    - 95% Shanghai Amara Hotel Co., Ltd.
  - 5% Shanghai Amara Hotel Co., Ltd.
- 100% PCS Restaurants Pte Ltd
  - 100% Thanying Restaurant Singapore Pte Ltd
  - 100% Julius Estates Pte. Ltd.
- 100% Amara Hospitality Capital Pte Ltd
  - 100% Amara Hospitality (Thailand) Co., Ltd.
  - 100% Myanmar Central Investment Pte. Ltd.

SUSTAINABILITY REPORT FY 2018

CONTENTS

BOARD STATEMENT

The Board of Directors (the "Board") at Amara Holdings Limited ("Amara") is pleased to present Amara's second annual Sustainability Report for the financial year ended 31 December 2018.

Through this report, we showcase our sustainability approach and performance, which have holistically taken environmental, social and governance ("ESG") factors into consideration. We also describe how the ESG factors are inter-linked to our business performance.

In 2018, several progressive sustainability initiatives were established including aligning our material ESG factors to the United Nation Sustainable Development Goals ("UNSDGs") to demonstrate our contributions and impacts towards the goals. The alignment to the UNSDGs solidifies our commitment to incorporate sustainable practices across our business. The scope of our reporting was expanded to include our hotel Amara Bangkok in Thailand, as well as alignment to the Global Reporting Initiative ("GRI") by writing this report in accordance with GRI "Core". These initiatives have resulted in positive impacts to the environment and the communities that we operate in, and we will continue to implement these in our business.

The Board believes that to remain as Singapore's leading Asian integrated lifestyle group, the business must create value to its stakeholders through sustainable business growth. The Board continues to provide oversight over the management and monitoring of the material factors with the support of the Sustainability Steering Committee ("SSC") and Sustainability Task Force ("STF").

ABOUT THE REPORT

This Sustainability Report ("Report") marks Amara's second annual sustainability report. This Report provides an overview of Amara's commitment and approach towards sustainability through its business practices. The information presented in this Report covers the reporting period from 1 January 2018 to 31 December 2018.

REPORTING STANDARD

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

REPORTING SCOPE

Having considered our level of operational control and the ESG impacts resulting from our business operations, the reporting scope was expanded to include our properties in Thailand and Singapore, as listed below:

Hotels	Mall and Office Building	Restaurants
Amara Singapore Amara Sanctuary Resort, Sentosa Amara Bangkok	100 AM	Thanying Restaurant Silk Road Restaurant

This Report, together with other information disclosed in the Annual Report aims to communicate and promote transparent reporting to Amara's stakeholders.

SUSTAINABILITY GOVERNANCE AND REPORT DEVELOPMENT

The Board continues to oversee the overall sustainability direction and strategy, including Amara's sustainability performance and the development of this Report. The Board is supported by the Sustainability Steering Committee ("SSC") and the Sustainability Task Force ("STF") to drive, manage and monitor the key sustainability issues.

FEEDBACK

We value and welcome feedback to continuously improve our sustainability reporting and practices. If you wish to provide comments or feedback, please send your comments or feedback to corporate@amaraholdings.com.

STAKEHOLDER ENGAGEMENT

Stakeholders are important to Amara's business. We believe that understanding our stakeholders is key to improving our business performance. By engaging our stakeholders on a regular basis, the right strategies and informed decisions can be reviewed and implemented.

Amara's approach towards stakeholder engagement is summarised below:

Investors	Timely updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and website Annual General Meeting	Throughout the year Annually	• Sustain profitability and enhance shareholder returns • Transparent reporting • Sound corporate governance practices
Customers	Customer satisfaction and customer engagement through close monitoring of feedback on travel websites and gathering comments from hotel, and restaurant customers	Throughout the year	• Deliver affordable, quality products and services • Responsiveness to customers' requests and feedback
Employees	Induction programme for new employees Training and development programmes Career development performance appraisals Recreational and wellness activities Town hall meetings and regular e-mail communication	Throughout the year Throughout the year Throughout the year Throughout the year Throughout the year	• Equitable remuneration • Fair and competitive employment practices and policies • Safe and healthy work environment • Focus on employee development and well-being
Communities	Corporate philanthropy and contributing to the medical facility fund raising drive Corporate volunteering such as participation in Keep Singapore Clean campaign, organised by the Public Hygiene Council, and Christmas Celebration party at the Sunshine Welfare Action Mission (SWAMI) Home Open communication channels with local communities	Throughout the year Throughout the year Throughout the year	• Contributions to communities • Responsible and ethical business practices
Regulators	Meetings, seminars and dialogue sessions Memberships in industry associations such as Real Estate Developers' Association of Singapore (REDAS), Singapore Business Federation, Singapore Chinese Chamber of Commerce & Industry, Singapore Hotel Association and Singapore National Employers Federation	Throughout the year Throughout the year	• In compliance with, and keeping abreast of changes to laws and regulations
Suppliers	Regular dialogue sessions with key suppliers and service providers Establish channels of communication	Throughout the year Throughout the year	• Fair and equal treatment of suppliers • Regular and punctual payments upon commencement of service

MATERIALITY ASSESSMENT

A materiality assessment was conducted in 2017 and identified eight material factors. The assessment was conducted in accordance with the GRI Materiality, Stakeholder Engagement, Sustainability Context and Completeness Principles and supported by background research on peers and industry trends. We concluded that the material factors are still relevant and the factors have been verified by the Board. We are committed to regularly assessing our material factors to ensure that the factors remain relevant and reflective of our business and address our stakeholders' concerns.

In 2018, we have chosen to align our material factors to the relevant UNSDGs to show how our business has contributed to the achievement of goals. The UNSDGs are a set of global goals aimed at achieving a better and more sustainable future by 2030. They address global challenges including those related to climate, environmental degradation and inequality.

A summary of Amara's ESG factors which are material to the business and contributed to the relevant UNSDGs is shown below.

Environmental *Reducing our environmental footprint*	Energy and emissions	• Track and manage energy consumption • Implement energy saving initiatives to minimise business impacts.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
	Water	• Monitor water consumption to balance water availability and water conservation efforts • Implement water saving initiatives across properties	6 CLEAN WATER AND SANITATION
	Effluents and waste	• Practise responsible use of resources to reduce food waste • Practise proper waste management, recycling and disposal	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social *Managing our talent and our responsibilities*	Talent retention	• Adopt fair employment and compensation practices • Provide training and development programmes to equip employees with relevant skills	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Occupational health and safety	• Adopt robust practices and controls to mitigate health and safety risks at all properties	8 DECENT WORK AND ECONOMIC GROWTH
	Customer health and safety	• Uphold food safety standards to serve the best to customers • Enhance building safety to ensure safety of guests and visitors	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Governance *Complying with applicable laws and regulations*	Regulatory compliance	• Maintain high ethical standards and responsible business practices in all locations of operations	16 PEACE AND JUSTICE STRONG INSTITUTIONS
Economic *Addressing the flow of capital*	Economic performance[1]	• Deliver economic value to shareholders, employees and community	8 DECENT WORK AND ECONOMIC GROWTH

[1] Please refer to the Annual Report for more information on our economic performance (Pgs 4 to 7, Pgs 10 to 13 and Pgs 20 to 27)

ENVIRONMENT

Amara is committed to managing and minimising our environmental footprint through better resource management practices across our business operations.

ENERGY AND EMISSIONS

The use of energy is essential to our business operations, however, we can lower our environmental footprint and contribute to the mitigation of climate change by using energy more efficiently and exploring renewable sources of energy. We strive for continual improvement in our energy performance and efficiency to improve our energy use profile and ensure the competitiveness of our properties.

In 2018, Amara Sanctuary Resort Sentosa successfully upgraded its Green Mark Certification to Green Mark Platinum while Amara Singapore and 100 AM are in the process of upgrading their Green Mark Certification to Green Mark Gold Plus through energy initiatives.

To ensure that we are always conscientious of our consumption, we track and monitor monthly energy consumption of all properties as well as reporting the total energy usage to the Building and Construction Authority ("BCA").

Amara used a total of 22,041,695 kWh of electricity, representing a 13.3% increase compared to the previous year, due to an inclusion of an additional hotel, Amara Bangkok. Likewise, gas consumption increased by 8.2%, amounting to 1,120,369 litres. Higher electricity consumption led to the increase of greenhouse gas ("GHG") emissions by 21.4% to 9,897 tonnes of CO_2 equivalent ("tCO_2e"). Please refer to Graphs 1, 2 and 3.

However, the intensities have progressively reduced year-on-year, allowing us to achieve the target set for 2018. Electricity intensity was reduced by 13.4% from 290 kWh/m^2 to 251 kWh/m^2 and GHG emissions intensity reduced to 0.11 tCO_2e/m^2 compared to 0.12 tCO_2e/m^2 in 2017[2]. Gas intensity has increased slightly, but by less than 1% from 18 $litres/m^2$ to 19 $litres/m^2$.

The decreases in the intensities were mainly attributed to several energy saving initiatives implemented across our properties in 2018, including:

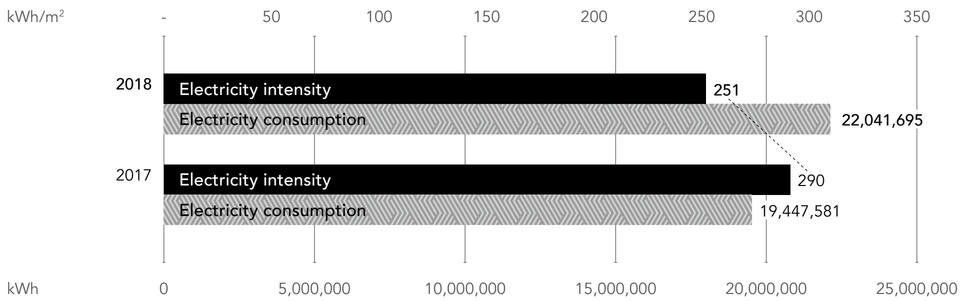
- Maintaining the indoor temperature of air-conditioned premises at 24°C or higher
- Equipping lifts with Variable Voltage Variable Frequency (VVVF) drive and sleep mode features
- Increasing employee awareness to reduce energy consumption

In the forthcoming year, Amara aims to reduce or maintain the same consumption and intensity levels as 2018.

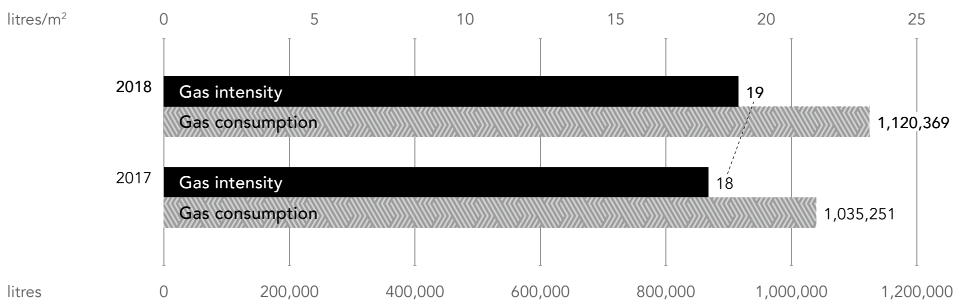
[2] The GHG emissions and GHG emissions intensity have been restated for Y2017 to use revised figures published by the regulator since last year's report. The emissions factor used for Singapore properties references the emissions factor published by Singapore Energy Statistics, 2018. Amara Bangkok referenced the emissions factor published by Thailand Greenhouse Gas Emission Organisation, 2017.

ENVIRONMENT

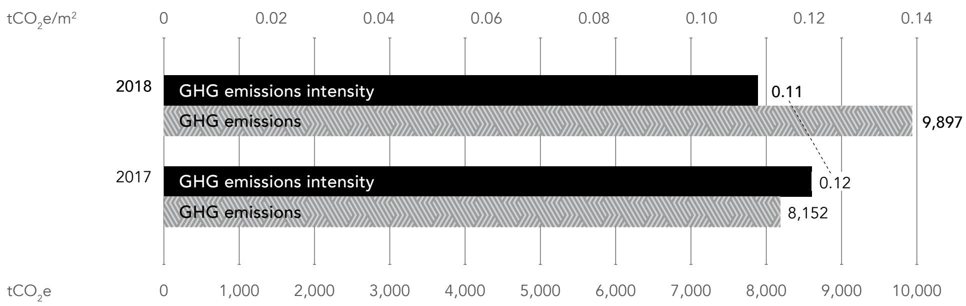
Graph 1 - Electricity consumption (kWh) and electricity intensity (kWh/m²)



Graph 2 - Gas consumption (litres) and gas intensity (litres/m²)



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



ENVIRONMENT

WATER

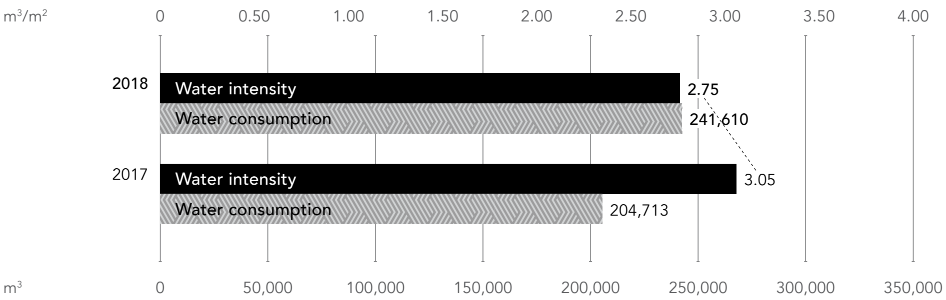
The use of water is essential and integral to the business operations of the Hotels, Mall and Office Building and Restaurants. The provision of reliable and usable water in our buildings is expected by our guests and tenants. We are constantly looking at improving our water usage efficiency through our operations and investing in measures to reduce water wastage.

As a good practice, we closely track and monitor our water usage sourced from public utilities. We also report our water usage data to the Public Utility Board through the Water Efficiency Management Plan.

Our overall water consumption in 2018 increased by 18% to 241,610 m^3 as compared to 204,713 m^3 in the previous year, refer to Graph 4. Similar to electricity consumption, the increase in water consumption is due to the inclusion of Amara Bangkok. Our water intensity reduced from 3.05 m^3/m^2 to 2.75 m^3/m^2, representing a 10% year-on-year decrease and achieving the target set for 2018.

Our water intensity reduction is the result of increasing the frequency of potential water leakage checks by monitoring our monthly usage and engaging a new kitchen cleaning contractor that practises more efficient work processes.

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



Going forward, we strive to reduce or maintain the same water consumption and intensity levels as 2018.

ENVIRONMENT

EFFLUENTS AND WASTE

Proper waste management makes good business sense by providing competitive edge to our business. It increases resource use efficiency and results in cost savings.

Case Study

The hospitality industry is one of the fastest growing industries in the world and has been shown to have serious negative impacts on the environment. Surveys have shown that the hotel industry in Singapore generates a substantial amount of waste each year and there is great potential for waste minimisation[3]. The most common types of waste generated from the hospitality industry are general waste, recyclable waste and food waste.

According to the National Environment Agency of Singapore ("NEA"), food waste accounts for approximately 10% of the total waste generated in Singapore. Unfortunately, only 16% of the food waste is recycled. The rest of it is disposed of at the waste-to-energy ("WTE") plants for incineration.

NEA also found that large hotels are recycling less in 2018 as compared to 2016. Average recycling rates dropped 0.5% to 5.5% although a large proportion of the hotel waste consist of recyclable waste which can be easily segregated such as paper, plastic bottles and food[4].

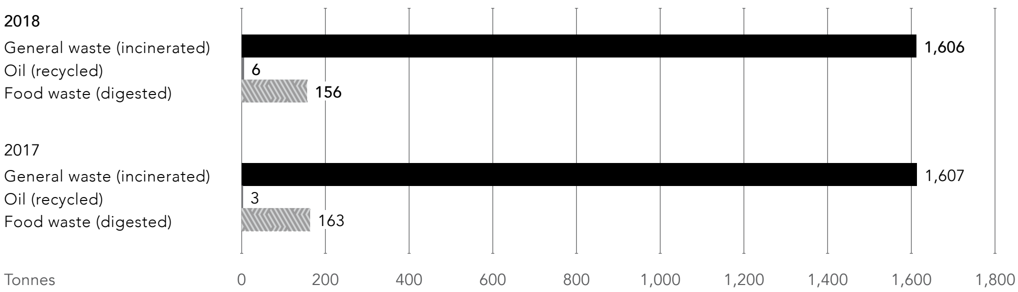
As the industry continues to grow, more waste is produced. There is a need to holistically manage the waste across the value chain. The simplest way to kickstart waste management is to adopt the 3Rs – **Reduce, Reuse and Recycle** which encompass all measures to minimise the amount of waste disposed. The key practice is to reduce waste at source. Only when waste generation cannot be prevented should other options – reuse and recycle be considered.

Other effective management alternatives include raising guests' and staff's awareness by communicating environmental practices and policies in strategic locations to garner support and action. Finally, leveraging technological solutions readily available in the market such as eco-digesters and compost bins also effectively reduce waste sent to landfills.

At Amara, we monitor the waste generated from our operations and implement food waste management practices at our Hotels and 100 AM as follows:
- Operate a zero inventory practice, where we endeavour to order just the right amount so that there is no leftover inventory
- Implemented an on-site, cost effective eco-digester system. This system accepts all food waste and converts it to liquid nutrient, which is used for gardening and landscaping, eliminating the need for chemical-based fertiliser. The system speeds up decomposition time from 4 weeks to just 24 hours and has cut down the amount of waste going to incinerator by 10%

In 2018, total waste generated was 1,768 tonnes compared to 1,773 tonnes in 2017. Out of the total waste, approximately 10% of the waste generated comprises food waste and used cooking oil which were recycled. We managed to divert 156 tonnes of food waste from the landfill by using the eco-digester, representing 9% of waste diverted from landfill in 2018. However, we did not meet the target set for 2018. Use of the eco-digester system stopped for about two months in 2018 due to a carpark renovation which blocked access to the system. The remaining waste generated was sent to the landfill for incineration. Refer to graph 5 below.

Graph 5 - Waste by type and disposal methods (tonnes)



We endeavour to target achieving 0.5 tonnes waste per day, which is in line with the KPI set by National Environment Agency ("NEA").

[3] Source: 3R Guidebook for Hotels, a joint initiative of the National Environment Agency (NEA) and Singapore Hotel Association (SHA).
[4] Source: Large hotels recycling less, can manage waste better: NEA; Channel News Asia, published 7 July 2018.

SOCIAL

Amara strives to create meaningful interactions with its employees, guests, visitors and the communities across the different geographies to build lasting relationships.

TALENT RETENTION

People are Amara's greatest asset as they contribute to the success and continuous growth of our business. Therefore, Amara endeavours to create an environment where our employees feel valued and respected, invest our efforts in attracting talent, provide a robust training and development environment and care for the well-being of our people. Amara's human resources policies are aligned with the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"). We believe in having a diverse pool of talent which contributes to business growth, increases productivity, staff retention and inclusivity.

As at 31 December 2018, Amara has a total of 519 permanent employees compared to 378 employees in 2017. Within Amara, female employees represented 47.6% of the entire workforce. The increase in total number of employees in 2018 is due to the inclusion of Amara Bangkok in this year's report scope.

Permanent Employees	**As of 31st December 2017**	**As of 31st December 2018**
Male	198	272
Female	180	247
Grand Total	**378**	**519**

Amara actively encourages our employees to enrol in personal and professional development programmes to continuously develop their skills and stay relevant to deliver better quality service. We practise a robust performance appraisal system to provide an engaging employee and employer communication platform. Although we did not meet the target for the average number of training hours as set last year, we are in the process of formalising the training programme for our employees to ensure that the appropriate type of training is received. We are pleased to disclose that performance appraisals were conducted for 100% of all eligible employees, hitting our 2018 target and we aim to continue this into 2019.

OCCUPATIONAL HEALTH AND SAFETY

Amara believes in creating a healthy and safe workplace for our employees. We have established internal policies and controls to minimise the risk of workplace incidents and continuously seek ways to improve the health and safety performance.

Amara continues to be guided by the Ministry of Manpower's regulations including timely reporting of health and safety performance data, Amara's Occupational Health and Safety Policy and Fire Safety Handbook. A Fire and Safety Committee has been established to support the management of health and safety matters.

Amara has ongoing health and safety initiatives throughout the year such as maintaining bizSAFE and OHSAS 18001 certifications, conducting regular potential hazard identification checks and fire safety audits and drills. Monthly health and safety reports are provided to the management to effectively manage the processes and risks. Apart from that, we conduct investigations and take preventive and corrective actions upon reported incidents by employees, guests, tenants and visitors.

In 2018, we recorded no incidents resulting in a fatality or permanent injury and an Accident Frequency Rate of 11.6 accidents per million man-hours of work. We are pleased to achieve the target set for 2018.

The accidents involved cuts, sprains and one fractured bone, caused by falling on an escalator. All the incidents were immediately attended to. All affected staff resumed normal work after medical leave.

Amara targets to maintain zero workplace incidents leading to employee fatality or permanent disability in the coming 12 months.

SOCIAL

CUSTOMER HEALTH AND SAFETY

Food safety
Food safety is an important issue to Amara as a hotel and restaurant operator. Amara strives to adhere to the food safety standards and regulations to ensure that customers are consuming food that is prepared in safe and hygienic conditions.

Amara maintains a Standard Operating Procedure ("SOP") to oversee the management of food safety and practises the First In First Out ("FIFO") system. Both the SOP and FIFO serve to effectively manage and track our food inventory in all our hotels and restaurants.

To further ingrain the message of the importance of food safety among our employees, we provide food safety trainings to our employees to raise their awareness on food regulations and keep them up-to-date on the latest food safety and hygiene regulatory requirements. We also conduct regular lab testing on our food items as a quality control measure.

Building Safety
We are committed to providing a safe environment at our properties for our guests, visitors and tenants. Our building safety measures are anchored by the safety laws and regulations in the countries we operate. In addition, our focus on fire safety emphasise on the importance of building safety within our business.

As part of our focus on fire safety, fire drills are conducted twice a year and we require our employees to attend fire training courses on a regular basis. On top of that, we have regular fire safety inspections throughout the year.

Amara also looks out for other potential hazards in our buildings through risk assessments. Identified hazards are flagged to our guests and visitors to prevent accidents or injuries. Furthermore, we deploy our security team to patrol our premises on a two-hourly 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 fine, penalty or warning, which allows us to achieve our 2018 target. We will continue to strive to maintain this compliance status in the forthcoming year.

CORPORATE SOCIAL RESPONSIBILITY

Amara is committed to being a responsible corporate citizen in the markets we operate in to drive positive change in our communities. Investing in the community is an integral part of Amara's commitment to support communities in need.

In 2018, we organised several community engagement programmes in Singapore and Thailand.

In Singapore, 40 associates from Amara Singapore and Amara Sanctuary Resort Sentosa visited SWAMI Home in December 2018 to share the joy of Christmas with the residents. It was a fun-filled day with sing-along sessions and a special appearance by Santa Claus. Lunch was prepared by the hotels followed by a birthday celebration for the residents. The team prepared and distributed 292 Christmas goodie bags to the residents including donations in cash and in-kind to the home. Some associates took a step further and made personal donations to the home.

Our 100 AM mall collaborated with The Animal Project ("TAP"), a social enterprise that celebrates, showcases and supports the abilities of people with special needs. 100 AM mall offered a complimentary retail booth space in the mall atrium during the festive season which generated a robust merchandise sale and created a greater brand awareness for TAP in the Central Business District.

Amara Bangkok started collaborating with the Rajvithi Home for Girls since 2017. The home provides residential care for the orphaned boys and girls including children who could not be adequately supported by their own parents. Amara Bangkok is working with the home to provide sponsorship for two girls. Amara Bangkok also made donations to the Baan Nokkamin Foundation and the House of Blessing Youth and Children.

GOVERNANCE

Amara believes that good corporate governance will drive business growth and success. We are committed to upholding high standards of business conduct across our business operations.

COMPLIANCE WITH LAWS AND REGULATIONS

Maintaining public trust is of utmost importance to Amara and we are committed to upholding high ethical standards and integrity in our operations. To proactively manage the risks of non-compliance, Amara has instituted several internal controls to guide its business conduct.

We make reference to the Code of Corporate Governance 2012 and adhere to country specific rules and regulations. Amara is subjected to environmental laws and regulations, including the Building Control (Environmental Sustainability) Regulations administered by BCA, as well as the Energy Conservation Act and Environment Protection and Management Act governed by NEA.

Internally, we established policies such as the Employee Code of Conduct, Whistle-blowing Policy, Anti-corruption and Anti-Money Laundering Policy to provide guidance to our employees in their daily conduct.

During the year, there were no incidents of corruption, in line with our target for 2018. Amara also achieved zero non-compliance in the social and economic segment that resulted in significant fines or sanctions. We strive to maintain this status in 2019.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
UNIVERSAL STANDARDS			
GRI 102: General Disclosures	**Organisational Profile**		
	102-1	Name of the organisation	Amara Holdings Limited (Pg 2)
	102-2	Activities, brands, products, and services	Annual Report: Amara Vision and Brand (Pg 2)
	102-3	Location of headquarters	Annual Report: Corporate Data (Pg 144)
	102-4	Location of operations	Annual Report: Our Business Portfolio (Pgs 10 to 13)
	102-5	Ownership and legal form	Annual Report: Statistics of Shareholdings (Pgs 145 to 146)
	102-6	Markets served	Annual Report: Our Business Portfolio (Pgs 10 to 13)
	102-7	Scale of the organisation	Sustainability Report: Talent Retention (Pg 43)
	102-8	Information on employees and other workers	Sustainability Report: Talent Retention (Pg 43)
	102-9	Supply chain	Amara does not specifically disclose its supply chain
	102-10	Significant changes to organisation and its supply chain	No significant changes
	102-11	Precautionary principle or approach	Amara does not specifically refer to the precautionary approach when managing risk
	102-12	External initiatives	Not applicable
	102-13	Membership of associations	Amara has memberships and association with relevant organisations
	Strategy		
	102-14	Statement from senior decision-maker	Sustainability Report: Board Statement (Pg 35)
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Annual Report: Amara Vision and Brand (Pg 2)
	Governance		
	102-18	Governance structure	Sustainability Report: Sustainability Governance and Report Development (Pg 36)

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
GRI 102: General Disclosures	**Stakeholder Engagement**		
	102-40	List of stakeholder groups	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-41	Collective bargaining agreements	Amara's employees are free to join or not join recognised labour unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices.
	102-42	Identifying and selecting stakeholders	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-43	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 37)
	102-44	Key topics and concerns raised	Sustainability Report: Stakeholder Engagement (Pg 37)
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Annual Report: Financial Statements (Pgs 67 to 143)
	102-46	Defining report content and topic Boundaries	Sustainability Report: About this Report (Pg 36)
	102-47	List of material topics	Sustainability Report: Materiality Assessment (Pg 38)
	102-48	Restatements of information	Amara has restated the performance of its material factors as indicated in the relevant report sections
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	1 January – 31 December 2018
	102-51	Date of most recent report	31 December 2017
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Sustainability Report: About this Report (Pg 36)
	102-54	Claims of reporting in accordance with GRI Standards	Sustainability Report: About this Report (Pg 36)
	102-55	GRI content index	Sustainability Report: GRI Content Index (Pgs 46 to 50)
	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 Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	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 • Talent Attraction Material factors with internal and external boundaries: • Energy and Emissions • Water • Effluents and Waste • Occupational Health and Safety • Customer Health and Safety • Compliance with Laws and Regulations
TOPIC-SPECIFIC STANDARDS			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Annual Report: Financial Statements (Pgs 67 to 143)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	
Compliance with Laws and Regulations			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Compliance with Laws and Regulations (Pg 45)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruptions and actions taken	
GRI 419: Socio-economic Compliance	419-1	Non-compliance with Relevant Laws and Regulations	

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Energy and Emissions			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Energy and Emissions (Pgs 39 to 40)
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Water			
GRI 303: Water	303-1	Water withdrawal by source	Sustainability Report: Water (Pg 41)
Effluents and Waste			
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	Sustainability Report: Effluents and Waste (Pg 42)
Occupational Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Occupational Health and Safety (Pg 43)
	103-3	Evaluation of the management approach	The breakdown by gender is not available for all locations.
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Occupational disease is not relevant for our activities.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Talent Retention			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Talent Retention (Pg 43)
	103-3	Evaluation of the management approach	
GRI 404: Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	
Customer Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Customer Health and Safety (Pg 44)
	103-3	Evaluation of the management approach	
GRI 416: Customer Health and Safety	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 2012 (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 guidelines of the Code, except for deviations from Guidelines 9.2, 9.3 and 9.4 of the Code for which explanations are provided.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

Guideline 1.1
Board's Role

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

a) setting overall strategies and supervision of the Group's business and affairs to achieve the vision and mission of the Group;
b) approving the Group's corporate policies and internal guidelines for material transactions;
c) approving strategies for key operational initiatives and major investment and funding;
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 recognising that their perceptions affect the Company's reputation;
f) setting the Company's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met;
g) reviewing the financial performance of the Group;
h) approving the appointment of Board directors and appointments to the various Board committees;
i) assuming responsibility for corporate governance; and
j) considering sustainability issues as part of its strategy formulation.

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

Guideline 1.2
Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to make objective decisions as fiduciaries in the interest of the Group.

Guideline 1.3
Delegation of Authority to Board Committees

In carrying out and discharging its duties, the Board is assisted by the Audit Committee ("AC"), the Nominating Committee ("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)

Guideline 1.4
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	4	4	1	1
Name of Directors	**Number of meetings attended**			
Albert Teo Hock Chuan	4	4	1	1
Susan Teo Geok Tin	4	4	1	1
Lawrence Mok Kwok Wah	4	4	1	1
Foo Ko Hing	4	4	1	1
Chia Kwok Ping (1)	4	4	1	1
Tan Tiong Cheng (2)	2	1*	–	1**

(1) Stepped down as Chairman of RC on 8 August 2018 but remained as member of RC
(2) Appointed Independent Director on 21 June 2018 and Chairman of RC and member of AC on 8 August 2018

* Attended 1 meeting by invitation prior to appointment as member of AC
** Attended 1 meeting by invitation

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

Guideline 1.5
Internal Guidelines on Matters Requiring Board Approval

Matters which are specifically reserved to the Board for approval include:

a) annual budgets and financial plans of the Group;
b) quarterly and 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.

The Board comprises a majority of Non-Executive Directors, with relevant and diverse experiences necessary to contribute effectively and objectively to the Group. The Board meets at least four times a year and as warranted by circumstances, as deemed appropriate by the Board members. 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.

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Guideline 1.6
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 its strategic directions. The Company will arrange an incoming Director to meet up with the senior 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 senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary. The newly appointed Director for FY2018, Mr Tan Tiong Cheng, was briefed by the Executive Directors on the Group's businesses and met up with senior management and the Company Secretary.

The 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 whole Board.

Briefings and updates provided for Directors in FY2018 included the following:

- The external auditors briefed the AC members on developments in accounting and governance standards.
- The CEO updated the Board at each Board meeting on the Group's business and strategic developments.
- The senior management highlighted the salient operational and risk management issues to the Board.
- The Company Secretary briefed the Board on the Companies Act amendments.

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.

Guideline 1.7
Formal letter setting out Directors' Duties

Each new incoming Director is issued a formal letter of appointment setting out his duties and obligations.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders (as defined in the Code). No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guidelines 2.1 and 2.2
Strong and Independent Element on the Board

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 independence of each Independent Director is reviewed annually by the NC. Each of the Independent Directors has declared his independence in accordance with the guidelines of the Code.

Guidelines 2.3 and 2.4
Independence of Directors

Mr Foo Ko Hing, Mr Chia Kwok Ping and Mr Tan Tiong Cheng are Independent Directors of the Company. Mr Foo, Mr Chia and Mr Tan have confirmed their independence and they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures and share options in the Company and in related corporations are set out in the "Directors' Statement" section of this annual report.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Guidelines 2.5 and 2.6
Composition and Competency of the Board

The Board is of the view that the current Board members comprise persons 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 from 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.

Guideline 2.7
Role of Non-Executive Directors

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

Guideline 2.8
Regular Meetings of Non-Executive Directors

During the year, the Non-Executive Directors communicate among themselves without the presence of Management as and when the need arises. 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 should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Guidelines 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 Chief Executive Officer ("CEO") of the Group. 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 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 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.

Guidelines 3.3 and 3.4
Lead Independent Director

Mr Foo Ko Hing was appointed the Lead Independent Director on 21 March 2019. The Lead Independent Director is the principal liaison on Board issues between the Independent Directors and the Executive Chairman. He is available to shareholders where they have concerns in which contact through the normal channels of the Executive Chairman and CEO or Financial Controller has failed to resolve or is inappropriate.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

Guideline 4.1
Nominating Committee

The NC comprises:

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

Guideline 4.2
Nominating Committee's Responsibilities

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; and
e) Reviewing training and professional development of Directors.

Guideline 4.3
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 each abstained from such NC's review of their own independence.

Guideline 4.4
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.

Guideline 4.5
Alternate Directors

There were no alternate Directors appointed to the Board during the year.

Guideline 4.6
Process for the Selection and Appointment of New Directors

For the selection and appointment of a new Director, the NC will determine the desired competencies 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. Adopting the foregoing selection process, Mr Tan Tiong Cheng was appointed by the Board in 2018 to hold office until the forthcoming Annual General Meeting ("AGM") and is eligible for re-election.

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 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.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP (CONTINUED)

Guideline 4.7
Key Information on Directors

Key information regarding the Directors is set out in the "Board of Directors" section and "Additional Information on Directors Seeking Re-Election" section of this annual report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its committees and the contribution by each director to the effectiveness of the Board.

The NC is of the view that the Board's current size is satisfactory and that it is appropriate for effective decision making, taking into account the nature, size and scope of the Group's operations.

Guidelines 5.1 to 5.3
- Effectiveness of the Board
- Board Performance
- Evaluation of Individual Director

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole, taking into consideration the 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 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 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.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines 6.1 and 6.2
Board's Access to Information

Directors receive periodic financial and operational reports, budgets, forecasts and other disclosure documents on the Group's businesses prior to Board meetings. Senior management staff are invited where appropriate to provide further inputs during Board and Committees meetings. The Board has separate and independent access to the Company Secretaries and key executives.

Guideline 6.3
Board's Access to Company Secretary

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.

Guideline 6.4
Appointment and Removal of Company Secretary

The appointment and the removal of a Company Secretary are subject to the Board's approval.

Guideline 6.5
Board's Access to Independent Professional Advice

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.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guideline 7.1
Remuneration Committee

The RC comprises:

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

Guideline 7.2
Remuneration Framework

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

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

All members of this Committee (including the Chairman) are Independent and Non-Executive Directors, except for Mr Lawrence Mok Kwok Wah who is a Non-Independent and Non-Executive Director.

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.

Guideline 7.3
Remuneration Committee's Access to Advice on Remuneration Matters

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.

Guideline 7.4
Termination Clauses in Service Contract

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

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Guideline 8.1
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. 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.

Guideline 8.2
Long-term Incentive Scheme

The Company has the Amara Performance Share Plan as a form of long-term incentive scheme which is elaborated under Guideline 9.5.

Guideline 8.3
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.

Guideline 8.4
Contractual Provisions

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.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Guidelines 9.1 and 9.2
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	**2018**	**2017**
S$750,000 to below S$1,000,000	1	1
S$500,000 to below S$750,000	1	1
S$250,000 to below S$500,000	–	–
Below S$250,000	4	5
Total	6	7

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION (CONTINUED)

Guidelines 9.3 and 9.4
- Key Management Personnel of the Group
- Immediate Family Members of Directors or the CEO

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 $50,000 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 Guidelines 9.3 and 9.4 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.

Guideline 9.5
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.

Guideline 9.6
Link between Remuneration and Performance

The remuneration of Executive Directors and key management personnel comprises a variable component. The variable component is performance related and is linked to the Group's and the Company's performance as well as individual's performance.

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

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Guideline 10.1
Assessment of Performance, Position and Prospects

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

Guideline 10.2
Compliance with Legislative and Regulatory Requirements

The Board is mindful of its obligations to ensure compliance with the Listing Rules of the SGX-ST. The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of the Listing Manual to comply to the best of their abilities with the Listing Rules and to use their best endeavours to procure that the Company shall so comply.

Guideline 10.3
Management Accounts

The Management currently provides the Board with consolidated management accounts which presents a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly and/or yearly basis and as and when deemed necessary.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guidelines 11.1 to 11.3
- Risk Management and Internal Controls System
- Board's Comment on Adequacy and Effectiveness of Internal Controls

The Board is responsible for the governance of risk management and internal controls, and ensures the risk management framework and policies are in place.

Key business risks identified in the course of audit and plans to address these risks are communicated to the Management accordingly and tabled for discussion at AC meetings with updates by the Management on the status of these action plans.

The Company 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 effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management is conducted at least annually.

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

For the financial year ended 31 December 2018, the Board has received respective letters of assurance from the CEO and the Financial Controller which collectively give the Board's assurance 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 on the effectiveness of the Group's risk management and internal controls system.

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

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Guideline 11.4
Separate Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Guideline 12.1
Audit Committee Membership

The AC comprises four Non-Executive Directors, three of whom, including the 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 four meetings during the financial year. Key information regarding the AC members is given in the 'Board of Directors' section of this annual report.

Guideline 12.2
Expertise of Audit Committee Members

The AC members bring with them invaluable professional expertise in the accounting and financial management domains. The experience and qualifications of the AC members are set out in the 'Board of Directors' section of this annual report.

Guidelines 12.3 and 12.4
Roles, Responsibilities and Authorities of Audit Committee

The AC has express 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 Section 201B(5) of the Singapore Companies Act, Cap. 50, 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 any significant findings of internal investigations and Management's response;
- makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of Management integrity;
- reviews the assurance from the CEO and the Financial Controller on the financial records and financial statements;
- reviews quarterly 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.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (CONTINUED)

Guidelines 12.5 and 12.6
- Meeting with External and Internal Auditors
- Independence of External 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.

The AC has free and independent access to the external auditors and the internal auditors, and other senior management staff 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.

Guideline 12.7
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.

Guideline 12.8
Measures by Audit Committee Members to Keep Abreast

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

Guideline 12.9
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 audit firm.

CORPORATE GOVERNANCE REPORT

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Guidelines 13.1 to 13.4
Internal Auditors

The internal auditor ("IA") supports the AC in reviewing the adequacy and effectiveness of the Company's internal control system. IA reports directly to the Chairman of the Audit Committee 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 Company'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 standards of the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, and plans its internal audit schedule in consultation with, but independent of, Management. Its internal audit plan is submitted to the AC for approval at the beginning of each year.

Guideline 13.5
Adequacy and Effectiveness of Internal Audit Function

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.

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guideline 14.1
Sufficient Information to Shareholders

The Company strives for transparency in its disclosures to the shareholders and the public. This is done through the regular dissemination of information through SGXNET. However, the Company does not practise selective disclosure as all price-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.

Guideline 14.2
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 mailed to the shareholders, advertised in newspaper and announced on SGXNET.

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 of the SGX-ST. Shareholders will be briefed by the Company on the poll voting procedures at general meetings.

Guideline 14.3
Proxies

The Constitution of the Company permits a shareholder (other than a relevant intermediary as defined in Section 181 of the Singapore Companies Act, Cap. 50) to appoint one or two proxies to attend general meetings and vote in his stead. The Singapore Companies Act, Cap. 50 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.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guidelines 15.1 to 15.4
Timely Information to and Engagement with Shareholders

As mentioned above, the Company communicates with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET. The Company also responds to enquiries from investors, analysts, fund managers and the press.

Financial results of the Group are released within 45 days from the end of each quarter 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 has also retained the services of a Public Relations firm to assist in its communication with the shareholders. The Company's AGM is the principal forum for dialogues with shareholders.

Guideline 15.5
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.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guideline 16.1
Effective Shareholders' Participation

All resolutions at the forthcoming AGM would be put to vote by electronic poll. This will allow greater transparency and more equitable participation by shareholders.

While the Company's Constitution allows for absentia voting, the Company has decided not to implement such voting in absentia by mail, fax or electronic means for the time being as there are still concerns over data integrity and the authentication of shareholder identity. However, the Company's Constitution allows for appointment of proxies as set out in Guideline 14.3 above and this allows a shareholder who is unable to vote in person at a general meeting to vote through his proxy.

Guideline 16.2
Separate Resolutions at General Meetings

The Company will have separate resolutions at general meetings on each distinct issue.

Guideline 16.3
Attendance at General Meetings

The whole Board together with the Management and the external auditors are normally present at the AGM to address shareholders' queries, if any.

CORPORATE GOVERNANCE REPORT

CONDUCT OF SHAREHOLDER MEETINGS (CONTINUED)

Guideline 16.4
Minutes of General Meetings

Minutes of general meetings are prepared, including comments and queries from shareholders and responses from the Board and Management.

Guideline 16.5
Results of Resolutions by Poll

The poll voting results will be announced after the AGM via SGXNET.

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. The Internal Code prohibits securities dealings by directors and employees while in possession of price-sensitive information. The Directors and these employees are also prohibited from dealing in the securities of the Company on short-term considerations and during the period commencing two weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's annual results and ending on the date of announcement of the results.

MATERIAL CONTRACTS

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

FINANCIAL STATEMENTS

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 2018.

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 76 to 143 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 2018, 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 (Appointed on 21 June 2018)

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 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 2019	At beginning of year	At end of year	At 21 January 2019
Amara Holdings Limited (Ordinary shares)						
Albert Teo Hock Chuan	14,949,619	35,291,404	35,291,404	234,468,917	152,997,990	152,997,990
Susan Teo Geok Tin	14,820,447	35,162,232	35,162,232	234,458,917	152,987,990	152,987,990
Lawrence Mok Kwok Wah	710,030	710,030	710,030	*249,558,336	**35,441,205	35,441,205

* Lawrence Mok Kwok Wah is deemed to have an interest in 234,458,917 Amara Holdings Limited's shares held or controlled by Firstrust Equity Pte Ltd[1] by reason of the interest of his spouse and her associates in that company. Further, his spouse held 15,099,419 Amara Holdings Limited's shares personally.

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

(1) Firstrust Equity Pte Ltd was dissolved on 1 January 2019.

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 2019	At beginning of year	At end of year	At 21 January 2019
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	–	–	–
Immediate holding company						
Firstrust Equity Pte Ltd[1] (Ordinary shares)						
Albert Teo Hock Chuan	–	–	–	5,171,935	5,171,935	–
Susan Teo Geok Tin	674,600	674,600	–	5,171,935	5,171,935	–
Lawrence Mok Kwok Wah	–	–	–	1,349,200	1,349,200	–
Related company						
Amara Ventures Pte Ltd (Ordinary shares)						
Albert Teo Hock Chuan	85	882	882	9,302	6,114	6,114
Susan Teo Geok Tin	–	797	797	9,302	6,114	6,114
Lawrence Mok Kwok Wah	–	–	–	9,302	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.

[1] Firstrust Equity Pte Ltd was dissolved on 1 January 2019.

DIRECTORS' STATEMENT

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.

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	(Appointed on 8 August 2018)

This subcommittee of the Board had four 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 Cap. 50, and the Code, 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) makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;

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

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE (CONTINUED)

vi) 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;

vii) reviews the assurance from the CEO and the Financial Controller on the financial records and financial statements;

viii) reviews quarterly 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

ix) any other functions which may be agreed by the Audit Committee and the Board.

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

26 March 2019

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying 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 2018, 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 76 to 143.

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 2018 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.

<u>Valuation for investment properties</u>

Investment properties of the group comprise commercial properties located in Singapore and The People's Republic of China which amounted to $398.1 million and accounted for 50% of the group's total assets as at 31 December 2018. 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, rental growth, discount rates and adjustments made for differences between the subject properties and comparables taking into consideration differences such as location, size and tenure.

<u>Our audit performed and responses thereon</u>

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.

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.

Disclosures on key assumptions and valuation techniques of investment properties are found in Note 15 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 $109.8 million as at 31 December 2018. Management estimates the net realisable value based on 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 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.

Revenue recognition for sales of properties under development

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

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

The accounting policy for revenue recognition for sales of properties under development is disclosed in Note 2 and the amount of revenue recognised based on POC is disclosed in Note 27.

Our audit performed and responses thereon

Our audit procedures included understanding Management's process in estimating and approving the projected total costs to completion. We have reviewed Management's estimated total construction costs for each of the development property, and assessed that the assumptions and estimates applied by Management which included key elements such as construction costs and variation works, to be reasonable.

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

Further disclosures are made in Note 27 to the financial statements.

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

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

26 March 2019

STATEMENTS OF FINANCIAL POSITION

31 December 2018

		Group			Company		
	Notes	**31 December 2018 $'000**	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	**31 December 2018 $'000**	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Assets							
Current assets							
Cash and cash equivalents	7	14,976	8,983	16,024	41	29	20
Trade and other receivables	8	13,038	10,164	9,967	72,661	64,863	53,195
Inventories	9	587	467	429	–	–	–
Development properties	10	109,803	101,036	76,979	–	–	–
Total current assets		138,404	120,650	103,399	72,702	64,892	53,215
Non-current assets							
Trade and other receivables	8	472	192	131	–	–	–
Financial assets at fair value through profit or loss ("FVTPL")	11	1,049	1,280	1,063	160	156	126
Intangible assets	12	1,178	1,178	1,230	–	–	–
Investment in a jointly-controlled entity	13	1,691	1,978	29,872	–	–	–
Investment in subsidiaries	14	–	–	–	40,987	41,987	41,987
Investment properties	15	398,085	373,660	349,588	–	–	–
Property, plant and equipment	16	239,652	239,492	226,184	–	–	–
Land use rights	17	6,618	6,451	6,692	–	–	–
Other assets	18	6,243	6,352	6,464	–	–	–
Deferred tax assets	19	97	157	233	–	–	–
Total non-current assets		655,085	630,740	621,457	41,147	42,143	42,113
Total assets		793,489	751,390	724,856	113,849	107,035	95,328
Liabilities and Equity							
Current liabilities							
Trade and other payables	20	30,584	25,316	25,344	333	251	365
Contract liabilities	21	7,661	1,897	686	–	–	–
Income tax payable		3,737	3,447	3,275	–	–	–
Bank loans	22	8,288	66,734	60,835	–	–	–
Finance leases	23	1,363	124	118	–	–	–
Total current liabilities		51,633	97,518	90,258	333	251	365
Non-current liabilities							
Trade and other payables	20	3,840	3,544	5,343	–	–	–
Bank loans	22	321,313	259,176	250,185	–	–	–
Finance leases	23	4,109	248	264	–	–	–
Deferred tax liabilities	19	13,226	12,504	5,543	–	–	–
Total non-current liabilities		342,488	275,472	261,335	–	–	–
Capital, reserves and non-controlling interest							
Share capital	24	125,646	125,646	125,646	125,646	125,646	125,646
Treasury shares	25	(996)	(996)	(913)	(996)	(996)	(913)
Reserves	26	274,718	254,114	248,941	(11,134)	(17,866)	(29,770)
		399,368	378,764	373,674	113,516	106,784	94,963
Non-controlling interests		–	(364)	(411)	–	–	–
Total equity		399,368	378,400	373,263	113,516	106,784	94,963
Total liabilities and equity		793,489	751,390	724,856	113,849	107,035	95,328

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2018

		Group	
	Notes	**2018 $'000**	2017 $'000 (Restated)
Revenue	27	104,160	89,774
Fair value gains of investment properties	15	22,777	20,530
Other income	28	1,005	891
Changes in inventories of finished goods		120	38
Cost of properties sold/consumables used		(10,168)	(9,492)
Staff costs	29	(28,548)	(26,941)
Depreciation	16	(9,995)	(5,579)
Finance costs	30	(9,912)	(7,551)
Other expenses		(33,043)	(27,785)
Share of results of a jointly-controlled entity, net of tax	13	233	205
Profit before tax		36,629	34,090
Income tax expense	31	(4,663)	(10,405)
Profit for the year	32	31,966	23,685
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations, representing total other comprehensive loss for the year		(5,248)	(1,263)
Total comprehensive income for the year		26,718	22,422
Profit attributable to:			
Owners of the company		31,966	23,685
Non-controlling interests		–*	–*
		31,966	23,685
Total comprehensive income attributable to:			
Owners of the company		26,718	22,422
Non-controlling interests		–*	–*
		26,718	22,422
Earnings per share			
Basic and diluted (cents)	34	5.56	4.12

* Amount less than $1,000.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Asset revaluation reserve $'000	Fair value reserve $'000	Retained earnings and other reserve** $'000	Total reserves $'000	Equity attributable to owners of the company $'000	Non - controlling interests $'000	Total $'000
Group											
Balance at 1 January 2017 (previously reported)		125,646	(913)	3,089	9,773	114	236,355	249,331	374,064	(411)	373,653
Effects of adopting SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15		–	–	(3,089)	(9,773)	(114)	12,586	(390)	(390)	–	(390)
Balance at 1 January 2017 (restated)		125,646	(913)	–	–	–	248,941	248,941	373,674	(411)	373,263
Total comprehensive income/(loss) for the year											
Profit for the year (restated)		–	–	–	–	–	23,685	23,685	23,685	–*	23,685
Other comprehensive loss		–	–	(1,263)	–	–	–	(1,263)	(1,263)	–*	(1,263)
Total		–	–	(1,263)	–	–	23,685	22,422	22,422	–*	22,422
Transactions with owners, recognised directly in equity											
Purchase of treasury shares		–	(83)	–	–	–	–	–	(83)	–	(83)
Dividends paid relating to 2016	33	–	–	–	–	–	(17,249)	(17,249)	(17,249)	–	(17,249)
Effect of disposal of non-controlling interest in a subsidiary		–	–	–	–	–	–	–	–	47	47
Total		–	(83)	–	–	–	(17,249)	(17,249)	(17,332)	47	(17,285)
Balance at 31 December 2017 (restated)		125,646	(996)	(1,263)	–	–	255,377	254,114	378,764	(364)	378,400
Total comprehensive income/(loss) for the year											
Profit for the year		–	–	–	–	–	31,966	31,966	31,966	–*	31,966
Other comprehensive loss		–	–	(5,248)	–	–	–	(5,248)	(5,248)	–*	(5,248)
Total		–	–	(5,248)	–	–	31,966	26,718	26,718	–*	26,718
Transactions with owners, recognised directly in equity											
Dividends paid relating to 2017	33	–	–	–	–	–	(5,750)	(5,750)	(5,750)	–	(5,750)
Effects of acquiring non-controlling interest in a subsidiary[a]		–	–	–	–	–	(364)	(364)	(364)	364	–
Total		–	–	–	–	–	(6,114)	(6,114)	(6,114)	364	(5,750)
Balance at 31 December 2018		**125,646**	**(996)**	**(6,511)**	**–**	**–**	**281,229**	**274,718**	**399,368**	**–**	**399,368**

[a] During the year ended 31 December 2018, the company has acquired additional 984,883 ordinary shares in AOI Saigon Pte Ltd for a cash consideration of $100. Subsequent to the acquisition, AOI Saigon Pte Ltd has become a wholly-owned subsidiary of the group.

* Amount less than $1,000.

** Includes other reserves of $112,000 as at 31 December 2018 (31 December 2017: $112,000; 1 January 2017: $112,000).

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2018

	Note	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Fair value reserve $'000	Other reserves $'000	Total reserves $'000	Total $'000
Company								
Balance at 1 January 2017 (previously reported)		125,646	(913)	(30,702)	6	926	(29,770)	94,963
Effects of adopting SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15		–	–	6	(6)	–	–	–
Balance at 1 January 2017 (restated)		125,646	(913)	(30,696)	–	926	(29,770)	94,963
Profit for the year, representing total comprehensive income for the year (restated)		–	–	29,153	–	–	29,153	29,153
Transactions with owner, recognised directly in equity								
Purchase of treasury shares		–	(83)	–	–	–	–	(83)
Dividends paid relating to 2016	33	–	–	(17,249)	–	–	(17,249)	(17,249)
Total		–	(83)	(17,249)	–	–	(17,249)	(17,332)
Balance at 31 December 2017 (restated)		125,646	(996)	(18,792)	–	926	(17,866)	106,784
Profit for the year, representing total comprehensive income for the year		–	–	12,482	–	–	12,482	12,482
Dividends paid relating to 2017, representing total transactions with owners recognised directly in equity	33	–	–	(5,750)	–	–	(5,750)	(5,750)
Balance at 31 December 2018		**125,646**	**(996)**	**(12,060)**	**–**	**926**	**(11,134)**	**113,516**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

		Group	
	Notes	**2018 $'000**	2017 $'000 (Restated)
Operating activities			
Profit before income tax		36,629	34,090
Adjustments for:			
Fair value gains of investment properties	15	(22,777)	(20,530)
Amortisation of other assets	18	109	112
Amortisation of land use rights	17	286	–
Depreciation of property, plant and equipment	16	9,995	5,579
Property, plant and equipment written off	32	481	521
Gain on disposal of property, plant and equipment	28	(3)	(18)
Dividend income from financial assets at FVTPL	28	(39)	(47)
Gain on disposal of financial assets at FVTPL	28	(69)	(23)
Fair value loss/(gain) on financial assets at FVTPL	28	211	(238)
Gain on disposal of intangible assets	28	–	(15)
Provision for impairment in value on investment in a jointly-controlled entity	32	–	2,139
Interest income	28	(17)	(20)
Interest expense	30	9,912	7,551
Loss allowance		64	–
Loss on deregistration of a subsidiary		–	47
Share of results of a jointly-controlled entity, net of tax		(233)	(205)
Exchange differences		(280)	415
Operating cash flows before movements in working capital		34,269	29,358
Inventories		(120)	(38)
Trade and other receivables		(3,218)	(258)
Trade and other payables		5,564	(1,827)
Contract liabilities		5,764	1,211
Development properties		(8,767)	(24,057)
Cash generated from operations		33,492	4,389
Income tax paid		(3,591)	(3,196)
Net cash from operating activities		29,901	1,193
Investing activities			
Proceeds on disposal of financial assets at FVTPL		89	44
Purchase of financial assets at FVTPL		–	(7)
Payments for property, plant and equipment (Note A)		(5,306)	(19,613)
Proceeds on disposal of property, plant and equipment		8	30
Additional costs incurred on investment properties	15	(3,892)	(4,072)
Proceeds on disposal of intangible assets		–	67
Payment for land use rights	17	(997)	–
Dividend received from financial assets at FVTPL	28	39	47
Interest received		17	20
Dividend received from a jointly-controlled entity		520	25,960
Net cash (used in)/from investing activities		(9,522)	2,476

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2018

		Group	
	Note	**2018 $'000**	2017 $'000 (Restated)
Financing activities			
Interest paid		(9,912)	(7,725)
Purchase of treasury shares		–	(83)
Payment of dividends on ordinary shares		(5,750)	(17,249)
Repayment of finance lease liabilities		(1,744)	(152)
Repayment of bank borrowings		(132,532)	(126,942)
Proceeds from bank borrowings		135,540	141,430
Net cash used in financing activities		(14,398)	(10,721)
Net increase/(decrease) in cash and cash equivalents		5,981	(7,052)
Cash and cash equivalents at beginning of year		8,983	16,024
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		12	11
Cash and cash equivalents at end of year	7	14,976	8,983

Note A:

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $12,501,000 (2017: $19,929,000) of which $6,844,000 (2017: $142,000) was financed by means of finance lease and $Nil (2017: $174,000) relates to borrowing costs capitalised as cost of property, plant and equipment and transfer from land use rights of $351,000 (2017: $Nil). Cash payment of $5,306,000 (2017: $19,613,000) was made to purchase property, plant and equipment.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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 14 to the financial statements.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 31 December 2018 were authorised for issue by the Board of Directors on 26 March 2019.

For all periods up to and including the year ended 31 December 2017, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended 31 December 2018 are the first set that the group and the company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first time adoption of SFRS(I) are included in Note 38.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 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) 1-17 *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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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.

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.

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

<u>Changes in the group's ownership interests in existing subsidiaries</u>

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Changes in the group's ownership interests in existing subsidiaries (continued)

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.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). 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. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) 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 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

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 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 financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

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

Classification of financial assets

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

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

By default, all other financial assets are subsequently measured 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 fair value through other comprehensive income (FVTOCI) criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Amortised cost and effective interest method

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

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

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

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

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

Interest income is recognised in profit or loss and is included in the "other income" line item (Note 28).

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 28). Fair value is determined in the manner described in Note 4(c)(vi).

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Foreign exchange gains and losses

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

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either the "other income" (Note 28) or "other expenses" (Note 32) 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 28) or "other expenses" (Note 32) line item.

Impairment of financial assets

The group always recognises lifetime ECL for trade 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 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. If, on the other hand, 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. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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, relevant think-tanks and other similar organisations, 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Significant increase in credit risk (continued)

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;
- 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 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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 2018

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 28) for financial liabilities that are not part of a designated hedging relationship.

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.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company and the group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

Land use rights

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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 2018

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 arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

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 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 subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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.

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 (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.

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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Jointly-controlled entity

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

The results and assets and liabilities of jointly-controlled entity are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a jointly-controlled entity is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the jointly-controlled entity. When the group's share of losses of a jointly-controlled entity exceeds the group's interest in that jointly-controlled entity (which includes any long-term interests that, in substance, form part of the group's net investment in the jointly-controlled entity), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity.

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

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in a jointly-controlled entity or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

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

The group continues to use the equity method when an investment in a jointly-controlled entity becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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 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 the grants will be received. Government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. 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.

<u>Hotel operations, restaurant operations and other related services rendered</u>

Revenue for hotel operations, restaurant operations and other related services rendered is recognised at a point in time when these services are rendered.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Rental from leases of investment properties

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

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 work done. 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 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. 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.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Deferred tax is recognised on the 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. 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 goodwill or 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.

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 realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, 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 through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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 arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated 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 separate component of equity under the header of foreign currency translation reserve.

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, loss of joint control over a jointly-controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, 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. of associates or jointly controlled entities 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions and translation (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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.

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, terminal yield and discount rate. 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 15.

The carrying amounts of the group's investment properties at the end of the reporting period are disclosed in Note 15 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

(ii) Key sources of estimation uncertainties (continued)

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 and the prevailing market conditions. 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.

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 $3,822,000 (2017: $4,238,000).

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		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Financial Assets						
At amortised cost	21,097	14,047	20,873	72,697	64,885	53,207
At FVTPL	1,049	1,280	1,063	160	156	126
	22,146	15,327	21,936	72,857	65,041	53,333
Financial Liabilities						
Financial liabilities at amortised cost	368,131	353,811	340,280	333	251	365

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

(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.

(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		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
United States Dollar	**60,316**	57,202	53,122
Singapore Dollar	**458**	2,088	3,184

	Group		
	Liabilities		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
United States Dollar	**60,284**	57,207	52,721

Sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss is considered not significant if USD changes against the SGD by 3% (31 December 2017 : 3%; 1 January 2017 : 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 2018, the group entered into interest rate swaps at nominal amounts of $89,290,000 (31 December 2017 : $30,450,000; 1 January 2017 : $30,450,000).

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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

(ii) Interest rate risk management (continued)

The interest rates and terms of repayment for bank loans and finance leases of the group are disclosed in Notes 22 and 23 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 (2017 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been $691,000 (2017 : $684,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans.

The financial assets and financial liabilities of the company are non-interest bearing.

(iii) Equity price risk management

The group is exposed to equity risks arising from equity investments measured at FVTPL. Equity investments measured are held for strategic rather than trading purposes. The group does not actively trade such investments.

Further details of these equity investments can be found in Note 11 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% (2017 : 5%) higher or lower with all other variables including tax rate being held constant.

(iv) 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 2018

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

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

(iv) 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:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2018						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	5,166	(110)	5,056
Other receivables	8	Performing	12-month ECL	11,223	(5,366)	5,867
					(5,476)	
31 December 2017						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	3,098	(79)	3,019
Other receivables	8	Performing	12-month ECL	9,412	(5,366)	4,046
					(5,445)	
1 January 2017						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	3,323	(116)	3,207
Other receivables	8	Performing	12-month ECL	9,233	(5,643)	3,590
					(5,759)	
Company						
31 December 2018						
Other receivables	8	Performing	12-month ECL	72,660	–	72,660
31 December 2017						
Other receivables	8	Performing	12-month ECL	64,861	–	64,861
1 January 2017						
Other receivables	8	Performing	12-month ECL	53,192	–	53,192

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

(i) For trade receivables, 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. Note 8 includes further details on the loss allowance for these receivables.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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

(v) Credit risk management

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 2018 and 2017, 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.

<u>Collateral held as security and other credit enhancements</u>

The group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(vi) 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.

<u>Non-derivative financial liabilities</u>

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. 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 are required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities in the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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

(vi) 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	Adjustments $'000	Total $'000
Group					
31 December 2018					
Non-interest bearing	–	29,218	3,840	–	33,058
Finance lease liability (fixed rate)	6.05	1,715	4,907	(1,150)	5,472
Variable interest rate instruments	3.1	8,545	334,481	(13,425)	329,601
		39,478	343,228	(14,575)	368,131
31 December 2017 (Restated)					
Non-interest bearing	–	23,985	3,544	–	27,529
Finance lease liability (fixed rate)	3.99	141	271	(40)	372
Variable interest rate instruments	2.53	68,422	275,049	(17,561)	325,910
		92,548	278,864	(17,601)	353,811
1 January 2017 (Restated)					
Non-interest bearing	–	23,535	5,343	–	28,878
Finance lease liability (fixed rate)	5.67	138	284	(40)	382
Variable interest rate instruments	2.14	62,137	269,027	(20,144)	311,020
		85,810	274,654	(20,184)	340,280

The company's financial liabilities as at 1 January 2017, 31 December 2017 and 2018 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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

(vi) Liquidity risk management (continued)

Non-derivative financial assets

The following table details the 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 below have been drawn up based on the undiscounted contractual maturities of the 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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate % p.a.	On demand or within 1 year $'000	Adjustments $'000	Total $'000
Group				
31 December 2018				
Non-interest bearing	–	19,824	–	19,824
Fixed interest rate instrument	0.85-0.95	1,284	(11)	1,273
		21,108	(11)	21,097
31 December 2017				
Non-interest bearing	–	12,308	–	12,308
Fixed interest rate instrument	0.85-1.17	1,757	(18)	1,739
		14,065	(18)	14,047
1 January 2017				
Non-interest bearing	–	20,266	–	20,266
Fixed interest rate instrument	0.85-1	608	(1)	607
		20,874	(1)	20,873

The company's financial assets as at 1 January 2017, 31 December 2017 and 2018 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

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

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

(vi) Liquidity risk management (continued)

Fair value of group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the group's financial assets and financial liabilities are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities		Fair value as at ($'000)		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 December 2018 Assets	31 December 2017 Assets	1 January 2017 Assets		
Group					
Financial assets at FTVPL (Note 11)	1,049	1,280	1,063	Level 1	Quoted prices in an active market
Company					
Financial assets at FTVPL (Note 11)	160	156	126	Level 1	Quoted prices in an active market

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 and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of bank loans 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 $3,668,000 (31 December 2017 : $3,413,000; 1 January 2017 : $5,175,000) based on a discount rate of 3.1% (31 December 2017 : 2.53%; 1 January 2017 : 2.14%) 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 2018 and 2017.

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 2018 and 2017.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

At the end of the reporting period, the company's immediate holding company is Firstrust Equity Pte Ltd. The ultimate holding company is First Security Pte Ltd. Subsequent to the financial year ended 31 December 2018, the company's immediate and ultimate holding company is First Security Pte Ltd. All holding companies are incorporated in Singapore.

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.

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	
	31 December 2018 $'000	31 December 2017 $'000
Short-term benefits	2,582	2,728
Post-employment benefits	55	63
	2,637	2,791

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 $1,482,000 (2017 : $1,503,000), excluding directors' fee which is disclosed in Note 32 to the financial statements.

7. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Cash at bank and on hand	13,703	7,244	15,417	41	29	20
Fixed deposits	1,273	1,739	607	–	–	–
	14,976	8,983	16,024	41	29	20

Included in the above is an amount of $6,543,000 (31 December 2017 : $45,000; 1 January 2017 : $84,000) held under the Housing Developers (Project Account) Rules (1997 Ed) where withdrawals from which are restricted to payments for project expenditure incurred.

The group's fixed deposits with banks mature on varying dates within 1 to 3 months (31 December 2017 and 1 January 2017 : 1 to 3 months) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2018 ranges from 0.85% to 0.95% (31 December 2017 : 0.85% to 1.17%; 1 January 2017 : 0.85% to 1%) per annum.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

8. TRADE AND OTHER RECEIVABLES

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Trade receivables	10,269	7,447	7,707	1	2	3
Non-trade receivables due from third parties	6,094	7,091	6,969	–	–	–
Non-trade receivables due from subsidiaries	–	–	–	72,655	64,855	53,187
Other receivables	10	44	12	–	–	–
Deposit	326	275	304	–	–	–
Prepayments	2,287	944	865	5	6	5
	18,986	15,801	15,857	72,661	64,863	53,195
Less: Loss allowance	(5,476)	(5,445)	(5,759)	–	–	–
	13,510	10,356	10,098	72,661	64,863	53,195
Less: Amount receivable after 12 months	(472)	(192)	(131)	–	–	–
Amount receivable within 12 months	13,038	10,164	9,967	72,661	64,863	53,195

The average credit period on sales of goods is 0 to 60 days (31 December 2017 and 1 January 2017 : 0 to 60 days). Trade and other receivables are unsecured and interest-free.

In determining the recoverability of a trade receivable the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Accordingly, the Management believes that there are no further credit allowances required in excess of the allowance for doubtful debts.

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. None of the trade receivables that have been written off is subject to enforcement activities.

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 2018

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 2018					
Estimated total gross carrying amount at default	9,079	605	313	272	10,269
Lifetime ECL	–	–	–	(110)	(110)
					10,159
31 December 2017					
Estimated total gross carrying amount at default	5,642	439	405	961	7,447
Lifetime ECL	–	–	–	(79)	(79)
					7,368
1 January 2017					
Estimated total gross carrying amount at default	5,443	818	504	942	7,707
Lifetime ECL	–	–	–	(116)	(116)
					7,591

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:

Group	Lifetime ECL - credit-impaired $'000
Balance as at 1 January 2017	116
Amounts written off	(37)
Balance as at 31 December 2017	79
Change in loss allowance	64
Amounts written off	(33)
Balance as at 31 December 2018	110

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.

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.

The following table shows the movement in ECL that has been recognised for other receivables.

Group	12-month ECL Financial assets at amortised cost $'000
Balance as at 1 January 2017	5,643
Currency realignment	(277)
Balance as at 31 December 2017 and 2018	5,366

NOTES TO FINANCIAL STATEMENTS

31 December 2018

9. INVENTORIES

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Food and beverage, at cost	248	236	207
Other hotel and catering supplies, at cost	339	231	222
	587	467	429

10. DEVELOPMENT PROPERTIES

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Properties under development	107,630	98,863	74,806
Completed properties held for sale	2,173	2,173	2,173
	109,803	101,036	76,979

57% (31 December 2017 : 67%; 1 January 2017 : 100%) of the properties under development is not expected to be realised within the next 12 months.

The group's development properties as at 31 December 2018 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description	Interest %
(i)	9 Devonshire Road, Singapore	Freehold	Completed	234	Residential apartment	100
(ii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2019 [(a)]	2,345	Residential development of 1 block of 12 storey apartments	100
(iii)	10 Evelyn Road (formerly known as 29 and 31 Newton Road), Singapore	Freehold	Under development/ 2020	3,941	Proposed residential development	100
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2019	1,076	Proposed residential development	100

[(a)] Obtained temporary occupant permit in March 2018.

Certain development properties of the Group with carrying amount of $94,507,000 (31 December 2017 : $86,740,000; 1 January 2017 : $23,986,000) (Note 22) are pledged as security for banking facilities at the end of the financial year.

NOTES TO FINANCIAL STATEMENTS

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11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Quoted equity shares at fair value through profit or loss	1,049	1,280	1,063	160	156	126

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 28).

12. INTANGIBLE ASSETS

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Club memberships	564	564	616
Less: Impairment loss	(175)	(175)	(175)
	389	389	441
Goodwill	789	789	789
	1,178	1,178	1,230
At beginning of year	564	616	584
(Disposal)/ Addition during the year	–	(52)	32
At end of year	564	564	616

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 IN A JOINTLY-CONTROLLED ENTITY

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Unquoted equity shares, at cost	400	400	400
Fair value adjustment	2,139	2,139	2,139
Share of accumulated profit, net of tax	1,291	1,578	27,333
	3,830	4,117	29,872
Provision for impairment in value on investment	(2,139)	(2,139)	–
	1,691	1,978	29,872

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.

The fair value adjustment arose from advances granted to a jointly-controlled entity in 2012. The fair value is computed based on cash flows discounted at market borrowing rate of 1.8% per annum.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

13. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY (CONTINUED)

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	
		2018	2017
		%	%
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		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Current assets	9,502	10,770	91,306
Current liabilities	(5,143)	(5,743)	(21,840)
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	9,242	7,936	8,995
Current financial liabilities (excluding trade and other payables and provisions)	–	–	(578)
Revenue	2,551	2,168	523,704
Profit for the year	582	512	69,990
Total comprehensive income for the year	582	512	69,990
The above profit for the year includes the following:			
Income tax expense	116	93	14,274

14. INVESTMENT IN SUBSIDIARIES

	Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Unquoted equity investment, at cost	51,816	51,816	51,816
Less: Impairment loss	(10,829)	(9,829)	(9,829)
	40,987	41,987	41,987

Allowance for impairment loss balance is as follows:

	Company		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
At beginning of year	9,829	9,829	9,829
Charge to profit or loss	1,000*	–	–
At end of year	10,829	9,829	9,829

* During the year, the company recorded an impairment loss based on the carrying amount of its investment in a wholly-owned subsidiary as a result of its member's voluntary liquidation.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

14. 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		
			31 December 2018 %	31 December 2017 %	1 January 2017 %	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'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	100	20,000	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100	100	1,000	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100	100	6,704	6,704	6,704
Creslin Pte Ltd [e]	Property development and provision of construction services	Singapore	100	100	100	1,000	1,000	1,000
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100	100	1,673	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100	100	–[a]	–[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	100	50	50	50
AOI Saigon Pte Ltd [d]	Dormant	Singapore	100	90	90	4,773	4,773	4,773
Amara Hospitality Capital Pte Ltd	Investment holding	Singapore	100	100	100	7,616	7,616	7,616
Amara Sentosa Investments Pte Ltd	Hotelier, restaurateur and investment holding	Singapore	100	100	100	8,000	8,000	8,000
Residential Development Pte Ltd	Property development	Singapore	100	100	100	1,000	1,000	1,000
						51,816	51,816	51,816

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14. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Held by PCS Restaurants Pte Ltd					
Catering Concept & Management Services Pte Ltd	Dormant	Singapore	–	–[f]	85
Julius Estates Pte Ltd	Property investment and franchisor	Singapore	100	100	100
Thanying Restaurant Singapore Pte Ltd	Restaurateur	Singapore	100	100	100
Held by Amara Hospitality Capital Pte Ltd					
Amara Hospitality (Thailand) Co., Ltd [b]	Hotel development and ownership	Thailand	100	100	100
Amara Hotel Assets Co., Ltd	Dormant	Jersey	–	–[f]	100
Myanmar Central Investment Pte. Ltd. [c]	Dormant	Singapore	100	100	100
Held by Amara China Investments Pte Ltd					
Amara Shanghai Pte Ltd	Investment holding	Singapore	100	100	100
Shanghai Amara Hotel Co., Ltd. [b]	Hotel development and ownership	The People's Republic of China	5	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	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.
[d] During the year ended 31 December 2018, the company has acquired additional 984,883 ordinary shares in AOI Saigon Pte Ltd for a cash consideration of $100. Subsequent to the acquisition, AOI Saigon Pte Ltd has become a wholly-owned subsidiary of the group.
[e] In member's voluntary liquidation.
[f] De-registered during the year ended 31 December 2017.

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

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15. INVESTMENT PROPERTIES

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
At beginning of year	373,660	349,588	338,485
Additions through subsequent expenditure	3,892	4,072	10,782
Gain from fair value adjustments included in profit or loss	22,777	20,530	1,840
Currency realignment	(2,244)	(530)	(1,519)
At end of year	398,085	373,660	349,588

The group's investment properties as at 31 December 2018 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 $16,058,000 (31 December 2017 : $15,408,000; 1 January 2017 : $15,501,000) was generated from investment properties, and direct operating expenses include $3,509,000 (31 December 2017 : $3,517,000; 1 January 2017 : $3,827,000) relating to investment properties that generated rental income during the year.

At the end of the reporting period, 100 AM Singapore with aggregate carrying amount of $307,000,000 (31 December 2017 : $288,000,000; 1 January 2017 : $288,000,000) was mortgaged as security to banks for bank loans and bank facilities for the group (Note 22).

NOTES TO FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES (CONTINUED)

Investment properties, which include those in the course of development, 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, terminal yield and discount rate. 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 (31 December 2017 : capitalisation approach and direct comparison approach; 1 January 2017 : capitalisation approach, direct comparison approach and residual 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 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 2018	–	–	398,085	398,085
As at 31 December 2017	–	–	373,660	373,660
As at 1 January 2017	–	–	349,588	349,588

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% (31 December 2017 : 3.70% to 4.75%; 1 January 2017 : 3.85% to 5 %)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: $3,464 to $4,977 per sq ft (31 December 2017 : $1,589 to $5,161 per sq ft; 1 January 2017 : $2,317 to $5,161 per sq ft)	The estimated fair value increases with higher comparable price.
The People's Republic of China	Capitalisation approach (31 December 2017: Direct comparison approach; 1 January 2017 : Direct comparison approach and Residual approach)	Capitalisation rate: 3.50% (31 December 2017: Transaction prices of comparable properties: $610 to $1,240 per sq ft; 1 January 2017 : Transaction prices of comparable properties : $667 to $1,876 per sq ft and Gross development value : $73.3 million; Estimated construction cost to completion : $16.9 million)	The estimated fair value increases with lower capitalisation rate.

NOTES TO FINANCIAL STATEMENTS

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16. 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	Operating supplies $'000	Capital project in progress $'000	Total $'000
Group								
Cost								
At 1 January 2017	491	177,214	24,711	1,767	8,691	3,224	78,399	294,497
Currency realignment	–	296	54	2	2	11	(965)	(600)
Additions	–	18	1,215	199	54	10	18,433	19,929
Transfer from land use rights (Note 17)	–	–	–	–	–	–	147	147
Disposals/write off	–	(33)	(99)	(195)	(3)	(487)	–	(817)
At 31 December 2017	491	177,495	25,881	1,773	8,744	2,758	96,014	313,156
Currency realignment	–	(953)	(39)	1	3	4	(818)	(1,802)
Additions	–	3,816	4,771	133	132	856	2,442	12,150
Transfer upon completion	–	90,296	4,800	–	–	–	(95,096)	–
Transfer from land use rights (Note 17)	–	351	–	–	–	–	–	351
Disposals/write off	–	(11)	(210)	(55)	–	(401)	–	(677)
At 31 December 2018	491	270,994	35,203	1,852	8,879	3,217	2,542	323,178
Accumulated depreciation								
At 1 January 2017	198	44,214	18,921	1,033	3,947	–	–	68,313
Currency realignment	–	32	22	1	1	–	–	56
Depreciation	10	2,826	1,696	239	808	–	–	5,579
Disposals/write off	–	–	(86)	(195)	(3)	–	–	(284)
At 31 December 2017	208	47,072	20,553	1,078	4,753	–	–	73,664
Currency realignment	–	18	37	2	1	–	–	58
Depreciation	10	6,453	2,568	276	688	–	–	9,995
Disposals/write off	–	–	(141)	(50)	–	–	–	(191)
At 31 December 2018	218	53,543	23,017	1,306	5,442	–	–	83,526
Carrying amount:								
At 31 December 2018	273	217,451	12,186	546	3,437	3,217	2,542	239,652
At 31 December 2017	283	130,423	5,328	695	3,991	2,758	96,014	239,492
At 1 January 2017	293	133,000	5,790	734	4,744	3,224	78,399	226,184

NOTES TO FINANCIAL STATEMENTS

31 December 2018

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The group has property, plant and equipment under finance lease agreements with the following net carrying amount:

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Plant and machinery, furniture, fixtures and equipment	4,642	54	64
Motor vehicles	261	630	641
	4,903	684	705

At the end of the reporting period, the net carrying amount of certain freehold property, leasehold land and buildings and renovations of the group amounted to $125,756,000 (31 December 2017 : $124,334,000; 1 January 2017 : $121,562,000) and were mortgaged as security to banks for borrowings (Note 22).

During the financial year, the borrowing costs capitalised as cost of property, plant and equipment amounted to $Nil (31 December 2017 : $174,000; 1 January 2017 : $543,000). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was Nil% (31 December 2017 : between 1.94% to 2.5%; 1 January 2017 : 1.64% to 3.09%), which is the weighted average of the borrowing costs applicable to the borrowings of the group that are outstanding during the financial year.

The group's properties as at 31 December 2018 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)	12 Hoot Kiam Road, Singapore	Amara Hotel Properties Pte Ltd	Freehold	A 2-storey pre-war intermediate terrace house
(iii)	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
(iv)	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
(v)	23, Surawong Road, Bangkok, Thailand	Amara Hospitality (Thailand) Co., Ltd	Leasehold 63 years from 2010	Amara Bangkok, a 250-guestroom hotel

NOTES TO FINANCIAL STATEMENTS

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17. LAND USE RIGHTS

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Cost			
At beginning of year	10,777	10,929	11,428
Additions	997	–	–
Transfer to property, plant and equipment (Note 16)	(351)	–	–
Currency realignment	(323)	(152)	(499)
At end of year	11,100	10,777	10,929
Accumulated depreciation			
At beginning of year	4,326	4,237	4,373
Amortisation	286	–	–
Transfer to capital project in progress (Note 16)	–	147	55
Currency realignment	(130)	(58)	(191)
At end of year	4,482	4,326	4,237
Net carrying value	6,618	6,451	6,692

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

18. OTHER ASSETS

Other assets comprise fees paid in respect of a lease arrangement entered into by the group.

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
At beginning of year	6,352	6,464	6,576
Amortisation	(109)	(112)	(112)
At end of year	6,243	6,352	6,464

The amortisation rate for the prepaid lease is 1.47% (31 December 2017 and 1 January 2017 : 1.47%) per annum.

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

NOTES TO FINANCIAL STATEMENTS

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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		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Tax losses:			
At beginning of year	(157)	(233)	(315)
Charge to profit or loss	60	76	82
At end of year	(97)	(157)	(233)

Deferred tax liabilities

	Accelerated tax depreciation $'000	Unremitted foreign sourced income $'000	Asset revaluation reserve $'000	Provisions $'000	Total $'000
Group					
At 1 January 2017 (previously reported)	4,460	353	1,363	(633)	5,543
Transfer	1,363	–	(1,363)	–	–
At 1 January 2017 (restated)	5,823	353	–	(633)	5,543
(Credit)/Charge to profit or loss	(432)	190	–	7,203	6,961
At 31 December 2017	5,391	543	–	6,570	12,504
(Credit)/Charge to profit or loss	25	321	–	578	924
Currency realignment	–	–	–	(202)	(202)
At 31 December 2018	5,416	864	–	6,946	13,226

As a result of electing the optional transition to reset the asset revaluation reserve as at 1 January 2017, the deferred tax liability between the revalued carrying amount of property, plant and equipment and its tax base is reclassified as deferred tax arising from accelerated tax depreciation.

NOTES TO FINANCIAL STATEMENTS

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19. DEFERRED TAXES (CONTINUED)

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		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Deferred tax assets	(97)	(157)	(233)
Deferred tax liabilities	13,226	12,504	5,543
	13,129	12,347	5,310

The group has unrecognised tax losses of $6,361,000 (31 December 2017 : $7,034,000; 1 January 2017 : $7,767,000) 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 $1,272,000 (31 December 2017 : $1,407,000; 1 January 2017 : $1,553,000) 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.

20. TRADE AND OTHER PAYABLES

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Trade payables	5,341	3,649	4,607	–	–	–
Other payables	2,471	1,882	1,972	55	30	92
Due to related party	30	30	36	–	–	–
Accrued operating expenses	8,450	7,297	10,184	278	221	273
Accrued construction costs	11,634	9,872	6,792	–	–	–
Deposits received[a]	6,448	6,124	6,241	–	–	–
Retention sum payable to contractor	50	6	855	–	–	–
Total	34,424	28,860	30,687	333	251	365
Less: Amount due for settlement after 12 months	(3,840)	(3,544)	(5,343)	–	–	–
Amount due for settlement within 12 months	30,584	25,316	25,344	333	251	365

The average credit period on purchase of goods is 30 days (31 December 2017 and 1 January 2017 : 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 immediate holding company (Note 5).

[a] Included in the deposits received are deposits received in advance for banquets sales. As of 31 December 2018, the group has the right to invoice the customers based on services rendered.

NOTES TO FINANCIAL STATEMENTS

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21. CONTRACT LIABILITIES

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Contract liabilities	7,661	1,897	686

22. BANK LOANS

	Group		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Bank loans, secured	329,601	325,910	311,020
Less: Amount due for settlement within 12 months (shown under current liabilities)	(8,288)	(66,734)	(60,835)
Amount due for settlement after 12 months	321,313	259,176	250,185

The bank loans are secured by corporate guarantees from the group, 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		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Development properties	94,507	86,740	23,986
Investment properties	307,000	288,000	288,000
Hotel properties	125,756	124,334	121,562
	527,263	499,074	433,548

The weighted average effective interest rates for the bank loans is 3.10% (31 December 2017 : 2.53%; 1 January 2017 : 2.14%) for the group per annum. These loans have maturity dates ranging from January 2020 to June 2020 (31 December 2017 and 1 January 2017 : March 2018 to November 2019) and are based on floating rates.

NOTES TO FINANCIAL STATEMENTS

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22. BANK LOANS (CONTINUED)

The table below details changes in the group's liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the group's consolidated statement of cash flows from financing activities.

	1 January 2018 $'000	Financing cash flows $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: New finance leases $'000	31 December 2018 $'000
Bank loans (Note 22)	325,910	3,008	683	–	329,601
Finance lease liabilities (Note 23)	372	(1,744)	–	6,844	5,472
	326,282	1,264	683	6,844	335,073

	1 January 2017 $'000	Financing cash flows $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: New finance leases $'000	31 December 2017 $'000
Bank loans (Note 22)	311,020	14,488	402	–	325,910
Finance lease liabilities (Note 23)	382	(152)	–	142	372
	311,402	14,336	402	142	326,282

23. FINANCE LEASE LIABILITIES

	Group					
	Minimum lease payments			Present value of minimum lease payments		
	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
Amounts payable under finance leases:						
Within one year	1,715	141	138	1,363	124	118
In the second to fifth year inclusive	4,907	271	284	4,109	248	264
	6,622	412	422	5,472	372	382
Less: Future finance charges	(1,150)	(40)	(40)	N/A	N/A	N/A
Present value of leases	5,472	372	382	5,472	372	382
Less: Amount due for settlement within 12 months (shown under current liabilities)				(1,363)	(124)	(118)
Amount due for settlement after 12 months				4,109	248	264

The group enters into finance leasing arrangements for certain of its motor vehicles and office equipment. The net carrying value of property, plant and equipment acquired under finance lease agreements are disclosed in Note 16.

The weighted average effective interest rates for the finance leases is 6.05% (31 December 2017 : 3.99%; 1 January 2017 : 5.67%) per annum for the group.

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24. SHARE CAPITAL

	Group and Company					
	31 December 2018 Number of shares issued '000	31 December 2017 Number of shares issued '000	1 January 2017 Number of shares issued '000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
At beginning and end of year	576,936	576,936	576,936	125,646	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.

25. TREASURY SHARES

	Group and Company					
	31 December 2018 Number of shares '000	31 December 2017 Number of shares '000	1 January 2017 Number of shares '000	**31 December 2018 $'000**	31 December 2017 $'000	1 January 2017 $'000
At beginning of year	1,967	1,800	1,800	996	913	913
Acquired during the year	–	167	–	–	83	–
At end of year	1,967	1,967	1,800	996	996	913

Treasury shares relate to ordinary shares of the company that are held by the company.

In 2017, the company acquired 167,400 shares in the company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $83,000 and this was presented as a component within shareholders' equity.

26. RESERVES

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	**31 December 2018 $'000**	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Foreign currency translation reserve	(6,511)	(1,263)	–	–	–	–
Retained earnings/ (Accumulated losses)	281,117	255,265	248,829	(12,060)	(18,792)	(30,696)
Other reserves	112	112	112	926	926	926
	274,718	254,114	248,941	(11,134)	(17,866)	(29,770)

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27. 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. This is consistent with the revenue information that is discussed for each reportable segment under SFRS(I) 8 (see Note 35).

A disaggregation of the group's revenue for the year, is as follows:

	Timing of revenue recognition	Group	
		2018	2017
		$'000	$'000
Hotel investment and management	At a point in time	82,678	68,304
Property investment and development			
- Sale of development properties under construction	Over time	3,822	4,238
- Rental income of investment properties		16,058	15,408
		19,880	19,646
Specialty restaurant and food service			
- Food and beverage revenue	At a point in time	1,597	1,821
Other			
- Others	At a point in time	5	3
		104,160	89,774

Management expects that 13% to 92% of the transaction price allocated to the unsatisfied contracts as of 31 December 2018 will be recognised as revenue during the next few reporting periods.

28. OTHER INCOME

	Group	
	2018	2017
	$'000	$'000
		(Restated)
Gain on disposal of financial assets at FVTPL	69	23
Gain on disposal of property, plant and equipment	3	18
Gain on disposal of intangible assets	–	15
Dividend income from financial assets at FVTPL	39	47
Interest income - fixed deposits	17	20
Foreign exchange gain, net	651	–
Others	437	530
Fair value (loss)/gain of financial assets at FVTPL	(211)	238
	1,005	891

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29. STAFF COSTS

	Group	
	2018	2017
	$'000	$'000
Wages and salaries	23,171	22,791
Defined contribution plans	2,420	1,679
Other benefits	2,957	2,471
	28,548	26,941

30. FINANCE COSTS

	Group	
	2018	2017
	$'000	$'000
Interest expense		
- Finance leases	526	21
- Bank loans and overdraft	9,386	7,530
	9,912	7,551

31. INCOME TAX EXPENSE

	Group	
	2018	2017
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax	4,185	3,401
Deferred income tax	984	5,493
	5,169	8,894
(Over)/Under provision in preceding financial years:		
- Current income tax	(506)	(33)
- Deferred income tax	–	1,544
	4,663	10,405

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31. INCOME TAX EXPENSE (CONTINUED)

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

	Group	
	2018	2017
	$'000	$'000
		(Restated)
Profit before tax	36,629	34,090
Share of results of a jointly-controlled entity, net of tax	(233)	(205)
Profit before tax and share of results of a jointly-controlled entity	36,396	33,885
Tax calculated at a tax rate of 17%	6,187	5,760
Singapore statutory stepped income exemption	(78)	(78)
Effect of different tax rates in other countries	50	1,661
Expenses not deductible for tax purposes	2,920	2,475
Income not taxable	(3,721)	(359)
Corporate income tax rebate and tax incentives	(30)	(322)
Deferred tax assets not recognised	(391)	–
Utilisation of deferred tax asset not previously recognised	–	(146)
Overprovision of prior years' current income tax	(506)	(33)
Underprovision of prior years' deferred income tax	–	1,544
Others	232	(97)
	4,663	10,405

32. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2018	2017
	$'000	$'000
Audit fees:		
- paid to auditors of the company	141	146
- paid to other auditors	70	66
	211	212
Non-audit fees:		
- paid to auditors of the company	17	16
- paid to other auditors	26	9
	43	25
Directors' fees	148	150
Other expenses include:		
Advertising and marketing expenses	4,453	2,205
Cleaning expenses	3,927	2,851
Commission charges	3,365	2,999
Property, plant and equipment written off	481	521
Foreign exchange loss, net	–	704
Provision for impairment in value on investment in a jointly-controlled entity	–	2,139
Operating supplies	1,065	823
Property tax	4,131	3,003
Rental expenses	2,525	2,297
Repair and maintenance	2,816	2,378
Utilities expenses	4,473	3,577

NOTES TO FINANCIAL STATEMENTS

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33. DIVIDENDS

	Group and Company	
	2018	2017
	$'000	$'000
Ordinary dividends		
Final tax exempt dividend of 1 cent per share (2017 : 1 cent per share) in respect of previous financial year	5,750	5,749
Special tax exempt dividend of Nil per share (2017 : 2 cents per share) in respect of previous financial year	–	11,500
	5,750	17,249

Subsequent to 31 December 2018, the directors of the company recommended that a final tax-exempt dividend to be paid at 1 cent per ordinary share amounting to $5.75 million and a special tax exempt dividend of 1 cent per ordinary share amounting to $5.75 million for the financial year ended 31 December 2018. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements.

34. EARNINGS PER ORDINARY SHARE

	Group	
	2018	2017 (Restated)
Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	31,966	23,685
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	575,000	575,000
Basic and diluted earnings per ordinary share (cents)	5.56	4.12

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.

35. 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 2018

35. 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 2018						
Segment revenue						
Sales to external customers	82,678	19,880	1,597	5	–	104,160
Intersegment sales/income	4,497	98	–	14,000	(18,595)	–
Total revenue	87,175	19,978	1,597	14,005	(18,595)	104,160
Segment profit	16,429	30,527	184	(107)	–	47,033
Depreciation and amortisation	10,381	–	9	–	–	10,390
Share of results of a jointly-controlled entity	–	233	–	–	–	233
Other significant non-cash expenses	481	–	–	–	–	481
Segment assets	270,459	521,001	445	207	–	792,112
Unallocated assets						1,377
Total assets						793,489
Segment assets include:						
Investment in a jointly-controlled entity	–	1,691	–	–	–	1,691
Additions to						
- Property, plant and equipment	12,498	–	3	–	–	12,501
- Investment properties	–	3,892	–	–	–	3,892
Segment liabilities	(21,495)	(19,897)	(348)	(346)	–	(42,086)
Unallocated liabilities						(352,035)
Total liabilities						(394,121)
31 December 2017 (Restated)						
Segment revenue						
Sales to external customers	68,304	19,646	1,821	3	–	89,774
Intersegment sales/income	3,542	213	–	29,510	(33,265)	–
Total revenue	71,846	19,859	1,821	29,513	(33,265)	89,774
Segment profit	15,628	26,259	306	64	–	42,257
Depreciation and amortisation	5,625	–	66	–	–	5,691
Share of results of a jointly-controlled entity	–	205	–	–	–	205
Other significant non-cash expenses	521	2,145	–	–	–	2,666
Segment assets	267,267	481,579	454	192	–	749,492
Unallocated assets						1,898
Total assets						751,390

NOTES TO FINANCIAL STATEMENTS

31 December 2018

35. 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 2017 (Restated)						
Segment assets include:						
Investment in a jointly-controlled entity	–	1,978	–	–	–	1,978
Additions to						
- Property, plant and equipment	19,925	–	4	–	–	19,929
- Investment properties	–	4,072	–	–	–	4,072
Segment liabilities	(18,523)	(11,572)	(409)	(253)	–	(30,757)
Unallocated liabilities						(342,233)
Total liabilities						(372,990)
1 January 2017 (Restated)						
Segment assets	260,509	462,757	542	206	–	724,014
Unallocated assets						842
Total assets						724,856
Segment assets include:						
Investment in a jointly-controlled entity	–	29,872	–	–	–	29,872
Additions to						
- Property, plant and equipment	26,463	–	7	–	–	26,470
- Investment properties	–	10,782	–	–	–	10,782
Segment liabilities	(21,480)	(8,964)	(540)	(389)	–	(31,373)
Unallocated liabilities						(320,220)
Total liabilities						(351,593)

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 profit before tax is as follows:

	Group	
	2018 $'000	2017 $'000 (Restated)
Segment profit	47,033	42,257
Interest income	17	20
Interest expense on borrowings	(9,912)	(7,551)
Unallocated corporate expenses	(509)	(636)
Profit before tax	36,629	34,090

NOTES TO FINANCIAL STATEMENTS

31 December 2018

35. SEGMENT INFORMATION (CONTINUED)

Segment assets

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

Segment liabilities

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

Geographical segments

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

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

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

	Revenue		Non-current assets	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Singapore	80,345	79,633	421,686	394,851
PRC	12,682	–	190,091	184,603
Thailand	11,133	10,141	42,162	49,849
	104,160	89,774	653,939	629,303

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.

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36. COMMITMENTS

	Group	
	2018	2017
	$'000	$'000
Estimated expenditure contracted for property, plant and equipment	–	11,832

37. OPERATING LEASE ARRANGEMENTS

The group as a lessor

The group leases units in the shopping centre and office premises to external parties under non-cancellable operating leases.

At the end of the reporting period, the outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group	
	2018	2017
	$'000	$'000
Future minimum lease payments available:		
Within one year	14,017	13,962
In the second to fifth year inclusive	27,372	18,587
After five years	4,607	1,936
Total	45,996	34,485

The group as a lessee

The Group leases land, apartment and office premises from non-related parties under non-cancellable operating lease agreements. The leases have an average tenure of between 2 to 70 years, varying terms, escalation clauses and renewal options.

	Group	
	2018	2017
	$'000	$'000
Minimum lease payments under operating leases recognised as an expense in the year	2,525	2,297

At the end of the reporting period, the group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group	
	2018	2017
	$'000	$'000
Within one year	1,493	1,451
In the second to fifth year inclusive	4,566	6,003
After five years	83,370	83,962
Total	89,429	91,416

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38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The group and the company adopted the new financial reporting framework – Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 31 December 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the group and the company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the group's and the company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time, and the election of certain transition options available under SFRS(I) 1.

Management has elected the following transition exemption:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 January 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 December 2017 is not disclosed using the transition provisions of SFRS(I) 15.

- Option to reset the cumulative foreign currency translation reserve to zero at the date of transition, resulting in the cumulative translation reserve arising from translation differences for all foreign operations to be reclassified to retained earnings at 1 January 2017.

- Option to elect the previous revaluation of property, plant and equipment before the date of transition to SFRS(I) as deemed cost at the date of revaluation, resulting in the asset revaluation reserve arising from the revaluation to be reclassified to retained earnings at 1 January 2017.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Reconciliations of equity and total comprehensive income

The effects of transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 are presented and explained below.

Group

(A) Impact on the Statement of Financial Position as at 1 January 2017 (date of transition to SFRS(I))

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Current assets								
Cash and cash equivalents	16,024	–		–		–		16,024
Trade and other receivables	9,967	–		–		–		9,967
Inventories	429	–		–		–		429
Development properties	77,393	–		–		(414)	(d),(e)	76,979
Total current assets	103,813	–		–		(414)		103,399
Non-current assets								
Trade and other receivables	131	–		–		–		131
Available-for-sale investments	1,063	–		(1,063)	(c)	–		–
Financial assets at fair value through profit or loss	–	–		1,063	(c)	–		1,063
Intangible assets	1,230	–		–		–		1,230
Investment in a jointly-controlled entity	29,872	–		–		–		29,872
Investment properties	349,588	–		–		–		349,588
Property, plant and equipment	226,184	–		–		–		226,184
Land use rights	6,692	–		–		–		6,692
Other assets	6,464	–		–		–		6,464
Deferred tax assets	233	–		–		–		233
Total non-current assets	621,457	–				–		621,457
Total assets	725,270	–		–		(414)		724,856

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Group

(A) Impact on the Statement of Financial Position as at 1 January 2017 (date of transition to SFRS(I)) (continued)

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Liabilities and equity								
Current liabilities								
Trade and other payables	26,054	–		–		(710)	(d)	25,344
Contract liabilities	–	–		–		686	(d)	686
Income tax payable	3,275	–		–		–		3,275
Bank loans	60,835	–		–		–		60,835
Finance leases	118	–		–		–		118
Total current liabilities	90,282	–		–		(24)		90,258
Non-current liabilities								
Trade and other payables	5,343	–		–		–		5,343
Bank loans	250,185	–		–		–		250,185
Finance leases	264	–		–		–		264
Deferred tax liabilities	5,543	–		–		–		5,543
Total non-current liabilities	261,335	–		–		–		261,335
Capital, reserves and non-controlling interest								
Share capital	125,646	–		–		–		125,646
Treasury shares	(913)	–		–		–		(913)
Foreign currency translation reserve	3,089	(3,089)	(a)	–		–		–
Asset revaluation reserve	9,773	(9,773)	(b)	–		–		–
Fair value reserve	114	–		(114)	(c)	–		–
Retained earnings	236,355	12,862	(a),(b)	114	(c)	(390)	(e)	248,941
	374,064	–		–		(390)		373,674
Non-controlling interests	(411)	–		–		-		(411)
Total equity	373,653	–		–		(390)		373,263
Total liabilities and equity	725,270	–		–		(414)		724,856

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Group

(B) Impact on the Statement of Financial Position as at 31 December 2017 (end of last period reported under FRS)

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Current assets								
Cash and cash equivalents	8,983	–		–		–		8,983
Trade and other receivables	10,164	–		–		–		10,164
Inventories	467	–		–		–		467
Development properties	102,016	–		–		(980)	(d),(e)	101,036
Total current assets	121,630	–		–		(980)		120,650
Non-current assets								
Trade and other receivables	192	–		–		–		192
Available-for-sale investments	1,280	–		(1,280)	(c)	–		–
Financial assets at fair value through profit or loss	–	–		1,280	(c)	–		1,280
Intangible assets	1,178	–		–		–		1,178
Investment in a jointly-controlled entity	1,978	–		–		–		1,978
Investment properties	373,660	–		–		–		373,660
Property, plant and equipment	239,492	–		–		–		239,492
Land use rights	6,451	–		–		–		6,451
Other assets	6,352	–		–		–		6,352
Deferred tax assets	157	–		–		–		157
Total non-current assets	630,740	–		–		–		630,740
Total assets	752,370	–		–		(980)		751,390

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Group

(B) Impact on the Statement of Financial Position as at 31 December 2017 (end of last period reported under FRS) (continued)

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Liabilities and equity								
Current liabilities								
Trade and other payables	27,357	–		–		(2,041)	(d)	25,316
Contract liabilities	–	–		–		1,897	(d)	1,897
Income tax payable	3,447	–		–		–		3,447
Bank loans	66,734	–		–		–		66,734
Finance leases	124	–		–		–		124
Total current liabilities	97,662	–		–		(144)		97,518
Non-current liabilities								
Trade and other payables	3,544	–		–		–		3,544
Bank loans	259,176	–		–		–		259,176
Finance leases	248	–		–		–		248
Deferred tax liabilities	12,504	–		–		–		12,504
Total non-current liabilities	275,472	–		–		–		275,472
Capital, reserves and non-controlling interest								
Share capital	125,646	–		–		–		125,646
Treasury shares	(996)	–		–		–		(996)
Foreign currency translation reserve	1,826	(1,826)	(a)	–		–		–
Asset revaluation reserve	9,773	(9,773)	(b)	–		–		–
Fair value reserve	352	–		(352)	(c)	–		–
Retained earnings	242,999	11,599	(a),(b)	352	(c)	(836)	(e)	254,114
	379,600	–		–		(836)		378,764
Non-controlling interests	(364)	–		–		-		(364)
Total equity	379,236	–		–		(836)		378,400
Total liabilities and equity	752,370	–		–		(980)		751,390

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Group

(C) Impact on the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017 (last financial year reported under FRS)

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Revenue	89,774	–		–		–		89,774
Fair value gains of investment properties	20,530	–		–		–		20,530
Other income	653	–		238	(c)	–		891
Changes in inventories of finished goods	38	–		–		–		38
Cost of properties sold/consumables used	(9,492)	–		–		–		(9,492)
Staff costs	(26,941)	–		–		–		(26,941)
Depreciation	(5,579)	–		–		–		(5,579)
Finance costs	(7,105)	–		–		(446)	(e)	(7,551)
Other expenses	(27,785)	–		–		–		(27,785)
Share of results of a jointly-controlled entity, net of tax	205	–		–		–		205
Profit before tax	34,298	–		238		(446)		34,090
Income tax expense	(10,405)	–		–		–		(10,405)
Profit for the year	23,893	–		238		(446)		23,685
Other comprehensive loss:								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of foreign operations	(1,263)	–		–		–		(1,263)
Financial assets at fair value through profit or loss	238	–		(238)	(c)	–		–
Other comprehensive loss for the year	(1,025)	–		(238)		–		(1,263)
Total comprehensive income for the year	22,868	–		–		(446)		22,422
Profit attributable to:								
Owners of the company	23,893	–		238		(446)		23,685
Non-controlling interests	–*	–		–		–		–*
	23,893	–		238		(446)		23,685
Total comprehensive income attributable to:								
Owners of the company	22,868	–		–		(446)		22,422
Non-controlling interests	–*	–		–		–		–*
	22,868	–		–		(446)		22,422

* Amount less than $1,000.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Company

(D) Impact on the Statement of Financial Position as at 1 January 2017 (date of transition to SFRS(I))

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Current assets								
Cash and cash equivalents	20	–		–		–		20
Trade and other receivables	53,195	–		–		–		53,195
Total current assets	53,215	–		–		–		53,215
Non-current assets								
Available-for-sale investments	126	–		(126)	(c)	–		–
Financial assets at fair value through profit or loss	–	–		126	(c)	–		126
Investment in subsidiaries	41,987	–		–		–		41,987
Total non-current assets	42,113	–		–		–		42,113
Total assets	95,328	–		–		–		95,328
Liabilities and equity								
Current liabilities								
Trade and other payables	365	–		–		–		365
Capital, reserves and non-controlling interest								
Share capital	125,646	–		–		–		125,646
Treasury shares	(913)	–		–		–		(913)
Capital reserve	926	–		–		–		926
Fair value reserve	6	–		(6)	(c)	–		-
Retained earnings	(30,702)	–		6	(c)	–		(30,696)
Total equity	94,963	–		–		–		94,963
Total liabilities and equity	95,328	–		–		–		95,328

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

Company

(E) Impact on the Statement of Financial Position as at 31 December 2017 (end of last period reported under FRS)

	As previously reported under FRS $'000	Application of SFRS(I) 1 $'000	Note	Application of SFRS(I) 9 $'000	Note	Initial application of SFRS(I) 15 $'000	Note	As adjusted under SFRS(I) $'000
Current assets								
Cash and cash equivalents	29	–		–		–		29
Trade and other receivables	64,863	–		–		–		64,863
Total current assets	64,892	–		–		–		64,892
Non-current assets								
Available-for-sale investments	156	–		(156)	(c)	–		–
Financial assets at fair value through profit or loss	–	–		156	(c)	–		156
Investment in subsidiaries	41,987	–		–		–		41,987
Total non-current assets	42,143	–		–		–		42,143
Total assets	107,035	–		–		–		107,035
Liabilities and equity								
Current liabilities								
Trade and other payables	251	–		–		–		251
Capital, reserves and non-controlling interest								
Share capital	125,646	–		–		–		125,646
Treasury shares	(996)	–		–		–		(996)
Capital reserve	926	–		–		–		926
Fair value reserve	35	–		(35)	(c)	–		-
Retained earnings	(18,827)	–		35	(c)	–		(18,792)
Total equity	106,784	–		–		–		106,784
Total liabilities and equity	107,035	–		–		–		107,035

Notes to the reconciliations:

SFRS(I) 1

(a) Management has elected the option to reset the cumulative foreign currency translation reserve to zero at the date of transition, resulting in the cumulative translation reserve arising from translation differences for all foreign operations to be reclassified to retained earnings at 1 January 2017.

(b) Management has elected the option to elect the previous revaluation of property, plant and equipment before the date of transition to SFRS(I) as deemed cost at the date of revaluation, resulting in the asset revaluation reserve arising from the revaluation to be reclassified to retained earnings at 1 January 2017.

SFRS(I) 9

(c) The group's investments in equity instruments that were previously classified as available-for-sale investments and were measured at fair value at each reporting date under FRS39 have been designated as at FVTPL under SFRS(I) 9.

NOTES TO FINANCIAL STATEMENTS

31 December 2018

38. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (CONTINUED)

SFRS(I) 15

(d) Under SFRS(I)15, progress billings invoiced to purchasers of development properties in advance of the percentage of completion of performance obligation are recognised as contract liabilities. This balance was previously recognised as part of trade and other payables and development properties and has been reclassified. There was no impact on the statement of profit or loss as a result of these reclassifications.

(e) The group has adopted the tentative agenda decision by the IFRS Interpretations Committee regarding the capitalisation of borrowing costs in relation to the construction of a multi-unit real estate residential development ("building") where revenue is recognised over time. Accordingly, the borrowing costs previously capitalised in development properties were expensed off in the respective financial years in which they were incurred.

As at the date of the issuance of this set of financial statements, the tenative agenda decision was finalised in March 2019.

(F) Impact on the Statement of Cash Flows for the year ended 31 December 2017 (last financial year reported under FRS).

The transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 have not had a material impact on the statement of cash flows.

39. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the group and the company in the periods of their initial application.

Effective for annual periods beginning on or after 1 January 2019
- SFRS (I) 16 *Leases*
- SFRS (I) INT23 *Uncertainty over Income Tax Treatments*

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 except for the following:

SFRS(I) 16 *Leases*
The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

Management anticipates that the initial application of the new SFRS(I) 16 will result in changes to the accounting policies relating to operating leases, where the group is a lessee. A leased asset will be recognised on statement of financial position, representing the group's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Additional disclosures will also be made if the group's exposure to asset risk and credit risk, where the group is the lessor.

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:
- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

Management anticipates that the initial application of the new SFRS(I) 23 *Uncertainty over Income Tax Treatments* may result in changes to the accounting policies relating to income taxes. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the group's financial statements in the period of initial application as Management has yet to complete its detailed assessment. Management does not plan to early adopt the new SFRS(I) 23 *Uncertainty over Income Tax Treatments*.

CORPORATE DATA

BOARD OF DIRECTORS

Albert Teo Hock Chuan
Chief Executive Officer

Susan Teo Geok Tin
Lawrence Mok Kwok Wah
Foo Ko Hing
Chia Kwok Ping
Tan Tiong Cheng (Appointed on 21 June 2018)

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 (Appointed on 8 August 2018)

NOMINATING COMMITTEE

Chia Kwok Ping
Chairman

Albert Teo Hock Chuan
Foo Ko Hing

REMUNERATION COMMITTEE

Tan Tiong Cheng (Appointed on 8 August 2018)
Chairman

Chia Kwok Ping
Lawrence Mok Kwok Wah
Foo Ko Hing

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

REGISTERED OFFICE

100 Tras Street #06-01 100 AM
Singapore 079027

t : (65) 6879 2515
f : (65) 6224 2660
e : corporate@amaraholdings.com
w : www.amaraholdings.com

INVESTOR RELATIONS CONTACTS

Internal : corporate@amaraholdings.com
External : Citigate Dewe Rogerson Singapore Pte Ltd

Dolores Phua
Executive Director
105 Cecil Street
#09-01 The Octagon
Singapore 069534

t : (65) 6534 5122
e : dolores.phua@citigatedewerogerson.com

AUDITOR

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

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

STATISTICS OF SHAREHOLDINGS

As at 14 March 2019

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	5,279
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	514	9.74	492,000	0.08
1,001 - 10,000	3,319	62.87	17,688,200	3.08
10,001 - 1,000,000	1,421	26.92	70,826,930	12.32
1,000,001 and above	25	0.47	485,961,070	84.52
TOTAL	5,279	100.00	574,968,200	100.00

Based on information available to the Company on 14 March 2019, 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	66,938,600	11.64
3	TEO CHEW CHUAN	42,578,500	7.41
4	TEO PENG CHUAN	36,848,205	6.41
5	TEO SIEW BEE	35,441,205	6.16
6	TEO GEOK TIN	35,132,232	6.11
7	TEO KWEE CHUAN	35,099,234	6.10
8	TEO HIN CHUAN	32,580,997	5.67
9	TEO HOCK CHUAN	30,071,404	5.23
10	DBS NOMINEES (PRIVATE) LIMITED	16,693,810	2.90
11	MORPH INVESTMENTS LTD	14,502,000	2.52
12	CITIBANK NOMINEES SINGAPORE PTE LTD	10,916,300	1.90
13	ONG KIAN KOK	7,535,000	1.31
14	TEO DENG JIE (ZHANG DENG JIE)	5,000,000	0.87
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,758,900	0.65
16	TEO GUAN HOON	3,238,000	0.56
17	POH LAY ENG	3,153,493	0.55
18	RONNIE POH TIAN PENG	2,800,000	0.49
19	OCBC SECURITIES PRIVATE LIMITED	2,073,700	0.36
20	RAFFLES NOMINEES (PTE.) LIMITED	1,754,000	0.31
	TOTAL	479,103,570	83.32

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 14 March 2019

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	%[3]
Albert Teo Hock Chuan	35,291,404	152,987,990[1]	188,279,394	32.75
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[2]	45,731,993	7.95
Teo Peng Chuan	36,848,205	–	36,848,205	6.41
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) Teo Chew Chuan is deemed interested in 3,153,493 shares held by his spouse.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Monday, 29 April 2019 at 10.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2018 together with the Directors' Statement and Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 1 cent per ordinary share for the year ended 31 December 2018. **(Resolution 2)**

3. To re-elect Mr Tan Tiong Cheng as a Director retiring under Regulation 94 of the Constitution of the Company[1]. **(Resolution 3)**

   Mr Tan Tiong Cheng will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). He will also remain as the Chairman of the Remuneration Committee.

4. To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company[1]. **(Resolution 4)**

5. To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company[1]. **(Resolution 5)**

   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 SGX-ST. He will also remain as a member of the Remuneration Committee.

6. To approve payment of Directors' Fees of $148,334 for the year ended 31 December 2018 (2017: $150,168). **(Resolution 6)**

7. To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

8. 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", "Directors' Statement" (under the "Financial Statements") and "Additional Information on Directors Seeking Re-Election" in the Annual Report 2018 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, 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 of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares 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 outstanding or subsisting at the time this resolution is passed 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

(ii) 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 8)**
(See Explanatory Note 1)

9. 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 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 9)
(See Explanatory Note 2)

10. Renewal of Share Purchase Mandate

That:

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

(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 after the relevant 5 Market Days; 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 10)**

(See Explanatory Note 3)

AS OTHER BUSINESS

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

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 1 cent per ordinary share, in respect of the year ended 31 December 2018 will be paid on 20 June 2019 to shareholders whose names appear in the Register of Members on 6 June 2019.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 6 June 2019 after 5.00 p.m. to 7 June 2019, for the purpose of determining shareholders' entitlements to the proposed final dividend and the proposed special dividend.

Registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m., on 6 June 2019 will be registered before entitlements to the final and special dividends are determined.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo
Company Secretaries

Singapore
12 April 2019

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE 1:
The Ordinary Resolution in item 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities 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 of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

EXPLANATORY NOTE 2:
The Ordinary Resolution in item 9 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 from time to time.

EXPLANATORY NOTE 3:
In respect of the Ordinary Resolution in item 10, 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 2018, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 12 April 2019 in relation to the proposed renewal of the Share Purchase Mandate.

NOTES:
1. A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Act) entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where such member appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.
2. A member of the Company who is a relevant intermediary as defined in Section 181 of the Act is entitled to appoint more than two proxies to attend, speak and vote at the above Meeting.
3. A proxy or representative need not be a member of the Company.
4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or notarially certified or office copy thereof must be lodged at the registered office of the Company at 100 Tras Street #06-01, 100 AM, Singapore 079027, not less than 72 hours before the time appointed for the above Meeting.

PERSONAL DATA PRIVACY:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information relates to Mr Tan Tiong Cheng, Ms Susan Teo Geok Tin and Mr Lawrence Mok Kwok Wah, all of whom are seeking re-election as Directors in the forthcoming Annual General Meeting on 29 April 2019:

	Mr Tan Tiong Cheng	**Ms Susan Teo Geok Tin**	**Mr Lawrence Mok Kwok Wah**
First appointed	21 June 2018	26 May 1995	26 May 1995
Last re-elected	-	27 April 2016	28 April 2017
Age	68	63	66
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Tan as Independent Director of the Company. Mr Tan brings with him a wealth of knowledge and experience in the real estate industry that provide enhancement to the Board	The Board accepts the recommendation of the Nominating Committee to re-elect Ms Teo as Executive Director of the Company. Ms Teo has in-depth knowledge of the corporate affairs of the Group and with her experience, she will continue to provide insightful guidance for the Group in this area. Being a female director, Ms Teo also adds to the gender diversity of the Board	The Board accepts the recommendation of the Nominating Committee to re-elect Mr Mok as Non-Independent, Non-Executive Director of the Company. His expertise in business and general management will continue to value-add in Board deliberations
Whether re-election is executive, and if so, the area of responsibility	Non-Executive	Ms Teo has direct oversight of the function of corporate affairs of the Group which includes treasury, finance, legal, company secretarial, human resource and administration	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	RC Chairman and AC Member	Executive Director/ Company Secretary	RC and AC Member
Working experience and occupation(s) during the past 10 years	President of Knight Frank Asia Pacific since April 2017 Executive Chairman of Knight Frank Pte Ltd from 2009 to April 2017 Managing Director of Knight Frank Pte Ltd from 1987 to 2009	Company Secretary of Amara Group since September 1984 Executive Director of Amara Group since May 1995	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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Tan Tiong Cheng	Ms Susan Teo Geok Tin	Mr Lawrence Mok Kwok Wah
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	Sister of Mr Albert Teo Hock Chuan, CEO, Executive Director and substantial shareholder Sister-in-law of Mr Lawrence Mok Kwok Wah, Director Sister of Mr Teo Kwee Chuan and Ms Teo Siew Bee, executive officers and substantial shareholders Sister of Mr Teo Chew Chuan, Mr Teo Peng Chuan and Mr Teo Hin Chuan, substantial shareholders	Brother-in-law of Mr Albert Teo Hock Chuan, CEO, Executive Director and substantial shareholder Spouse of Ms 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, Mr Teo Peng Chuan and Mr Teo Hin Chuan, substantial shareholders
Conflict of interest (including any competing business)	Mr Tan is President of Knight Frank Asia Pacific, a real estate agency. Mr Tan is also an Independent and Non-Executive Director of The Straits Trading Company Limited, UOL Group Limited and Heeton Holdings Limited, which engage in hospitality business and property investment and development	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	Yes
Other principal commitments including directorships			
- Past (for the last 5 years)	Executive Chairman of Knight Frank Pte Ltd from April 2009 to 2017	Director of : - AOI Qingdao Pte Ltd (struck off in 2014) - AOI Myanmar Pte Ltd (struck off in 2015)	General Manager, Regional Operations of O'Connor's Holdings Pte Ltd from 2006 to 2015 Consultant in business operations and risk management
- Present	• President of Knight Frank Asia Pacific since April 2017 • Independent Director of The Straits Trading Company Limited from July 2013 to present • Independent Director of UOL Group Limited from May 2013 to present • Independent Director of Heeton Holdings Limited from April 2009 to present	Director of First Security Pte Ltd from March 1990 to present Alternate Director to Mr Albert Teo Hock Chuan in Tampines EC Pte Ltd from 2013 to present	Consultant in business operations and risk management Director of : - Amara Hotel Properties Pte Ltd from 1997 to present - Amara Hospitality Capital Pte. Ltd. from 1998 to present - Shanghai Amara Hotel Co., Ltd. from 2007 to present - Neuron Biohub Pte Ltd from 2017 to present

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Tan Tiong Cheng	Ms Susan Teo Geok Tin	Mr Lawrence Mok Kwok Wah
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
Whether there is any unsatisfied judgment against him/her?	No	No	No
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No	No
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she was aware) for such breach?	No	No	No
Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No	No
Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Tan Tiong Cheng	Ms Susan Teo Geok Tin	Mr Lawrence Mok Kwok Wah
Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No
Whether he/she has ever, to his/her knowledge, been connected with the management or conduct, in Singapore or elsewhere, of the affiars of :-			
(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No
Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or 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	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes	Yes
If yes, please provide details of prior experience.	Independent Director of The Straits Trading Company Limited from July 2013 to present Independent Director of UOL Group Limited from May 2013 to present Independent Director of Heeton Holdings Limited from April 2009 to present	Executive Director of Amara Holdings Limited since the Company was listed	Director of Amara Holdings Limited since the Company was listed

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

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:
1. Pursuant to Section 181 of the Companies Act, Chapter 50, members of the Company who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF 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 Investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.

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

of ____ (Address)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Monday, 29 April 2019 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	For*	Against*
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2018 together with the Directors' Statement and Independent Auditor's Report thereon.		
2.	To declare a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 1 cent per ordinary share for the year ended 31 December 2018.		
3.	To re-elect Mr Tan Tiong Cheng as a Director retiring under Regulation 94 of the Constitution of the Company.		
4.	To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company.		
5.	To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Regulation 87 of the Constitution of the Company.		
6.	To approve payment of Directors' Fees of $148,334 for the year ended 31 December 2018 (2017: $150,168).		
7.	To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.		
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		
9.	To authorise Directors to issue shares under the Amara Performance Share Plan.		
10.	To approve the renewal of the Share Purchase Mandate.		

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

Dated this ____________ day of ____________ 2019

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 of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no provision is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and the second named proxy as an alternate to the first named, or at the Company's option to treat this proxy form as invalid.

3. A member of the Company who is a relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

4. A proxy or representative need not be a member of the Company.

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

6. The instrument appointing a proxy or proxies for any member must be in writing and (in the case of an individual appointor) duly signed by the appointor or his attorney or, (if the appointor is a corporation) must be executed under its seal or signed by its attorney or duly authorised officer.

7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office at 100 Tras Street #06-01, 100 AM, Singapore 079027, not less than 72 hours before the time set for the AGM, and in default the instrument of proxy shall be treated as invalid.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2019.

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AMARA HOLDINGS LIMITED

(Registration Number 197000732N)

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