Reimagining Our World

AMARA HOLDINGS LIMITED

ANNUAL REPORT 2019

Contents

2 Amara Vision and Amara Brand

4 CEO's Message

10 Our Business Portfolio

16 Board of Directors

23 Operations and Financial Review

24 Hotel Investment and Management

27 Property Investment and Development

29 Specialty Restaurants and Food Services

30 Restoring Growth at Amara

31 Awards and Accolades

35 Financial Highlights

36 Corporate Structure

37 Sustainability Report

55 Corporate Governance Report

71 Financial Statements

144 Corporate Data

145 Statistics of Shareholdings

147 Additional Information on Directors Seeking Re-Election

The canvas of imagination is
the birthplace of vision and change.
At Amara, we are in a constant
state of transformation to redefine
living and reignite possibilities
for the future.

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 Brand

AMARA HOTELS & RESORTS

Amara presents the world with a fresh approach to luxury hotels and resorts. We promise to enrich, fulfill and inspire our guests with individual experiences that are cherished and memorable. We are the creator of special moments and unique memories.

Because this moment matters.

AMARA HOTELS

Amara Hotels are contemporary Asian business hotels offering a friendly environment in which to relax or do business. Amara Hotels offer the latest business hotel facilities in a convenient city location, where guests will find stylish interiors, world class service and an experience as individual as you.

AMARA SIGNATURE

Amara Signature Hotels boast stylish interiors and a prestigious address. Our luxurious properties offer ideal accommodations for modern travellers.

Whether staying for work or pleasure, guests will experience an unprecedented access to destination dining, state-of-the-art facilities, and world-class service.

AMARA SANCTUARY

Amara Sanctuary Resorts offer guests an idyllic environment to relax and rejuvenate. Nestled in exotic locations, our resorts blend traditional local elements with modern amenities.

Stunning accommodations and innovative dining concepts ensure that our guests experience sensory delights.

SILK ROAD

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

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

THANYING

At Thanying Restaurant, we offer you a unique taste of rich, exquisite and Royal Thai cuisine. Within a uniquely Thai ambience, and distinctly Thai service, Thanying Restaurant relives the culinary past when only the most exquisite morsels were prepared and presented with the pomp and richness deserving of royalty.

100 AM

Redefining lifestyle, our retail mall brand 100 AM aims to create a unique shopping experience featuring a wide variety of retail, lifestyle and dining concepts tailored to the changing lifestyle in each vibrant and dynamic location.

CEO's Message

Albert Teo Hock Chuan

Chief Executive Officer

For Amara, we continued to refresh our product offerings, and to enhance the operation of Amara Signature Shanghai and 100 AM Shanghai which opened in 2018 and 2019 respectively. Exporting our strong brand name and broadening our regional footprint will continue to feature prominently in our strategic plan for sustainable growth.

The year 2019 has been fraught with volatilities and uncertainties, where the US-China trade war and Brexit ambiguities dominated headlines and captivated investors' attention. In financial markets, the US Federal Reserve had cut interest rate three times over the span of the year, after having over-tightened monetary policy the previous year. Signs of the easing trade conflict and certainty of Brexit late in the year led to a rally in equities, culminating in a robust but tumultuous year for global stock markets. For Amara, we continued to refresh our product offerings, and to enhance the operation of Amara Signature Shanghai and 100 AM Shanghai which opened in 2018 and 2019 respectively. Exporting our strong brand name and broadening our regional footprint will continue to feature prominently in our strategic plan for sustainable growth.

For the whole of 2019, the Singapore economy expanded by a slower rate of 0.7% as compared to 3.4% in 2018[1]. Latest statistics from the Singapore Tourism Board ("STB") showed a 3.3% year-on-year growth in international visitor arrivals to 19.1 million for the first 11 months of 2019[2], from 18.5 million in 2018. For 2020, STB will continue to support the tourism industry, whilst maintaining its plans to boost Singapore's destination attractiveness.

At Amara, revenue held steady at S$105.3 million in FY 2019 from S$104.2 million in FY 2018, with growth registered mainly from the Group's Property Investment and Development segment, from the retail and office components of 100 AM in Singapore and Shanghai, which opened in April 2019.

FY 2019 net profit stood at S$28.2 million as compared to S$32.0 million in FY 2018 mainly due to lower fair value gains from revaluation of investment properties and higher finance expenses.

As a result, Net Asset Value per share grew 1.1% to 70.25 Singapore cents from 69.46 Singapore cents. With a stable balance sheet and healthy gearing, we believe we are well-positioned to explore opportunities in securing suitable projects, to further enhance our branding, both locally and in the region.

HOTEL INVESTMENT AND MANAGEMENT

Our Hotel Investment and Management segment held relatively steady notwithstanding a slower growth in tourism in 2019. FY 2019 saw a full year of revenue contribution from Amara Signature Shanghai, which soft opened in February 2018, and a fairly 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 stability in hotel rates with intensified marketing efforts.

At Amara Singapore, we have completed the makeover of some guestrooms to higher yielding premium rooms, tailored for business travellers or guests looking for a brand new 'staycation' getaway, with Smart Living concepts for the technologically-savvy guests and an enhanced experience. In recognition of its sustainability efforts, Amara Singapore and the adjoining 100 AM have been awarded the Green Mark GoldPlus Certification by the Building and Construction Authority ("BCA").

We are pleased that Amara Sanctuary Resort, Sentosa has received the prestigious BCA Green Mark Platinum Certification, in recognition of its energy and resource efficient features. We have also embraced technology at this resort hotel aimed at improving guest experiences.

Amara Signature Shanghai, our very first luxury brand hotel in China, was well received by guests given the hotel's strategic location in the Puxi vicinity, and its stylish, contemporary interiors and exceptional guest services. With Shanghai's strategic role as an important financial and innovation powerhouse in Asia and a popular tourist destination, we are confident that this will serve as a pull for Amara Signature Shanghai.

Amara Bangkok experienced a steady performance year-on-year, buoyed by the country's top global destination ranking status. We have seen hotel rates holding firm, an endorsement of our strong branding and high product and service standards.

According to the Global Destination Cities Index 2019 report by Mastercard, Bangkok has once again emerged as the Number 1 city for the fourth consecutive year, seeing about 22.78 million international overnight visitors in 2018, with a

[1] Ministry of Trade and Industry Singapore, 17 February 2020 – MTI Downgrades 2020 GDP Growth Forecast to "-0.5 to 1.5 Per Cent".

[2] Singapore Tourism Board, 11 February 2020 – STB rallies tourism sector to face biggest challenge since SARS.

growth forecast of 3.34% for 2019[3]. We remain confident in the long term potential of Bangkok.

In all, *reimagining our world* in the way we deliver our services will continue to feature prominently in our hotels and every aspect of our business. Refreshing and enhancing lifestyle experiences to meet changing demands will be a key differentiator that sets the strong Amara branding apart from others.

PROPERTY INVESTMENT AND DEVELOPMENT

Our Property Investment segment in both Singapore and Shanghai have performed well during the year under review.

Our commercial property, 100 AM mall in Tanjong Pagar, enjoyed high occupancy during the year under review. One of our anchor tenants, Itadakimasu by PARCO, widened its variety of restaurant concepts through the additions of two new brands, which have been well-received by food enthusiasts. Our two leading Japanese value stores - Daiso and Don Don Donki – also continued to add vibrancy to 100 AM with its crowd-pulling product offerings. These well-known brands are a good strategic fit for 100 AM, with wide appeal to trendy, inner-city urban shoppers, tourists and professionals working and residing in the vicinity. We will ensure a good tenant mix to offer a refreshing, differentiated lifestyle mall experience.

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 officially opened on 21 April 2019. A refreshing lifestyle mall with good occupancy, it features a varied collection of dining options, a boutique cinema, lifestyle services as well as cultural elements to offer consumers a differentiated experience. The office component is fully leased to JA Space, which operates office co-sharing services to other enterprises.

With 100 AM Shanghai, we have created a whole new asset portfolio that provides an exquisite integrated lifestyle experience, one that will build a thriving community that brings both consumers and hotel guests together, within a bustling precinct.

As for Property Development, we have successfully launched our freehold, prime developments, 10 Evelyn off Newton Road and M5 at Jalan Mutiara. Meanwhile, we are developing the four units of freehold semi-detached houses at 15 Bedok Avenue.

According to the Urban Redevelopment Authority, prices of private residential properties grew 2.7% in 2019, as compared to the increase of 7.9% in 2018[4], due largely to the cooling measures that were implemented in 2018 and the uncertain global economic climate. Outlook for 2020 remains muted as the year seems tipped towards the buyers, with 40 new project launches in the pipeline in addition to the unsold inventory from previous years[5].

We will continue to emphasise creativity, unique concepts and well-designed space for every development, with good location and good connectivity. Our priority will be on the sale and delivery of these freehold sites. Despite softer market conditions, we are confident that these well-located developments, which are attractively priced, will appeal to discerning homeowners and real estate investors looking for an elevated living experience.

We will continue to maintain a balanced asset portfolio, securing recurring income from our investments in commercial properties and seeking opportunities in residential developments in Singapore and overseas.

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, experienced a dip in performance in line with the industry slowdown and intense market competition.

We have recently refreshed Thanying Singapore with new, modern interiors in October 2019 that capture the landscape, culture, arts and lifestyle of Thailand. The refreshing interiors appeal to our business clientele as well as individual diners.

This segment remains a strong complementary pillar of our hotel brand names and we will leverage the expansion of our hotel network in both Singapore and the region to bring these unique dining experiences to all our guests. We are pleased that Thanying Restaurant has opened in 100 AM Shanghai

[3] Mastercard, 2019 – Global Destination Cities Index 2019.

[4] Urban Redevelopment Authority, 23 January 2020 – Release of 4th Quarter 2019 real estate statistics.

[5] CBRE, 25 February 2020 – Singapore Market Outlook 2020.

in June 2019, and will offer a wider spread of delectable cuisines for our guests in Shanghai.

RECOGNITION OF GROWTH AND GOVERNANCE

At this juncture, I would like to share that we are deeply encouraged to be acknowledged by the industry for our growth, and commitment to sustainability and governance.

We were conferred as the 2019 winner in the Hotels/Restaurants sector of The Edge Singapore Centurion Club, a sub-category under the Billion Dollar Club that recognises the best companies listed on the Singapore Exchange.

We were also placed on the SGX Fast Track list 2019-2021 by the Singapore Exchange. SGX Fast Track recognises the efforts and achievements of listed issuers who have upheld high standards of corporate governance and maintained a good compliance track record.

In terms of sustainability, we were honoured to be awarded the runner-up for SIAS' Investors' Choice Award for our Sustainability efforts under the Small-cap category.

These will go a long way in spurring us to journey on to accelerate our growth in the next few years.

OUTLOOK

The Ministry of Trade and Industry Singapore has downgraded its 2020 gross domestic product growth forecast for Singapore to between -0.5% to 1.5%, from 0.5% to 2.5% in its previous forecast. This comes on the back of the COVID-19 pandemic, coupled with uncertainties surrounding US-China trade relations and geopolitical tensions in the Middle East[1].

Looking ahead, the global COVID-19 pandemic poses an adverse impact on regional travel, business and consumer confidence worldwide. This will inevitably affect Amara's operations and results in the coming financial year, as we see reduced bookings and cancellations as well as slower businesses in our malls and restaurants. Given the ever-evolving situation, we will continue to closely monitor the situation and take the necessary precautions to ensure the continuity of our business.

In the meantime, we will focus on the upskill of our employees and the implementation of stricter financial discipline as we face the challenges posed by the pandemic. People are Amara's greatest asset as they contribute to the success and continuous growth of our business. We will continue to train our employees to raise productivity and prepare our staff for the next phase of our corporate journey.

Overall, a good balanced asset portfolio, value creation and regional diversification will put us on a strong footing to overcome future challenges.

PROPOSED DIVIDENDS

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 40.8% of Amara's FY 2019 net profit and yield of about 6.3%.

As we continue to streamline operations and practise prudent financial management, generating sustainable value for our investors remains a key priority of ours. The proposed dividends signal both the Board's appreciation for shareholders' continued support and its confidence in the Group's future.

WORDS OF APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to my fellow directors for steering us through the challenges and for their wise counsel. I would also like to make a special mention with regards to Mr Foo Ko Hing, who took over as our Lead Independent Director with effect from 21 March 2019.

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. Indeed, it is important in times like these that we need to continually reimagine our world, with unique offerings that meet the evolving tastes of our guests and customers. From a business perspective, we will continue to look further ahead and be creative and proactive in all aspects of our business to sharpen our competitive edge and differentiate our strong Amara branding.

ALBERT TEO HOCK CHUAN
Chief Executive Officer
25 March 2020

[1] Ministry of Trade and Industry Singapore, 17 February 2020 – MTI Downgrades 2020 GDP Growth Forecast to "-0.5 to 1.5 Per Cent".

Refining Experience

We continually strive to enhance the seamless, integrated lifestyle experience, concocting our own mix of hospitality, real estate, retail and dining offerings so that all who walk through our doors can dive right into the Amara experience.

Our Business Portfolio

Hotel Investment and Management

AMARA SINGAPORE

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

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

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

Element and Element on Tras Street

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

AMARA SANCTUARY RESORT, SENTOSA

Amara Sanctuary Resort, Sentosa, our very first boutique resort, provides the ultimate modern luxury in the quiet seclusion of an exotic tropical garden setting. Specially crafted for discerning individuals who appreciate a luxury retreat with a modern, yet natural twist, the resort offers a well appointed respite from the urban hustle, one imbued with the unique Amara touch. Set amidst lush tropical greenery overlooking the South China Sea and near the white sands of Palawan Beach at Sentosa Island, Amara Sanctuary Resort, Sentosa offers a unique combination of contemporary design and luxurious hotel facilities. Spacious and well-equipped, the resort promises an unadulterated charm.

Amara Sanctuary Resort, Sentosa is nestled beautifully on a hilltop, surrounded by 3.8 hectares of gardens and natural tropical rainforest. Its unique character is derived from an exotic blend of colonial architecture and modern design concepts, as well as comprehensive luxurious hotel facilities that come together to shape an ideal and individual resort experience for both business and leisure stay.

The resort's 140 beautifully designed guest rooms, Courtyard and Verandah suites, Larkhill Terrace suites as well as villas offer the ultimate comfort, luxury living and state-of-the-art facilities. Each villa has a tropical fruit garden. Guests may also choose to stay in the privacy and tranquillity of the Courtyard and Verandah suites for a taste of contemporary colonial style. To complement the existing colonial architecture, the deluxe guest rooms are situated in a stylishly designed building that offers contemporary accommodation with superb views of the surrounding tropical landscape.

AMARA BANGKOK

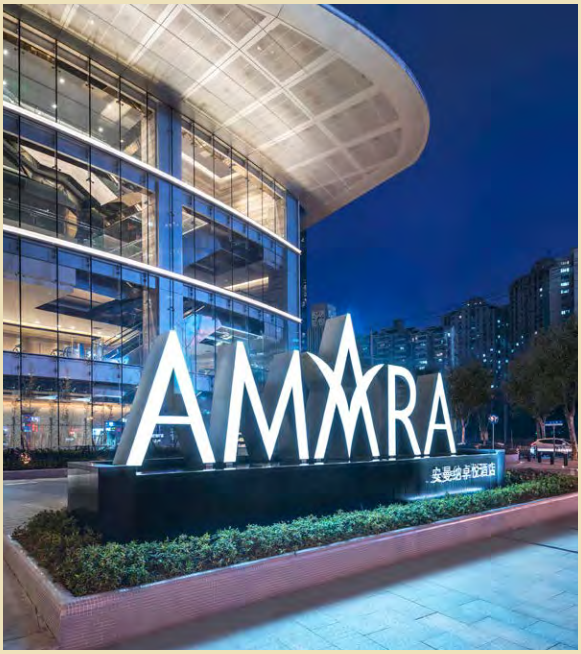
Amara Bangkok marks our first entry into the "Land of Smiles". Located on Surawong Road, parallel to Silom and Sathorn Roads, Amara Bangkok is situated in one of the most vibrant areas in Bangkok, known for its rich and colourful local entertainment and shopping activities as well as the financial district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

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

With Amara Bangkok's strategic location, there is easy access to and from Suvarnabhumi International Airport, bringing convenience to tourists and business travellers alike. Amara Bangkok commenced operations in 2015.

AMARA SIGNATURE SHANGHAI

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



Amara Signature Shanghai

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

Food and beverage establishments include all-day dining restaurant BLU, offering sumptuous a la carte and buffet selections featuring Singaporean, Japanese, Western and local Chinese cuisines. Stylish lobby bar FLO is an ideal location for guests to socialise over fine wines, refreshments and music. The boutique, Grab N Go, serves healthy delights with local, organic ingredients for the health conscious, as well as exquisite souvenirs to bring home. The Grand Ballroom along with ten multi-purpose function rooms are equipped with state-of-the art facilities and flexible configuration, with 191 parking spaces available in the basement, specially designed for events and conferences of all scales.

Specialty Restaurants and Food Services

THANYING RESTAURANT

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

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

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

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

In 2016, Itadakimasu by PARCO, launched a restaurant zone on Level 3 featuring Japanese restaurants. Leading Japanese value store chains – Daiso and Don Don Donki have also joined the mall in 2018. A 12-storey office building, also known as 100 AM, is strategically accessible from within the shopping centre. With its convenient location at 100 Tras Street, it is a stroll away from the Tanjong Pagar MRT station, and is easily accessible by bus or car. The office building is also located close to diverse amenities such as major local and foreign banks and post offices.

Opened in April 2019, 100 AM Shanghai introduces refreshing extravagance and variety to the Puxi region. 100 AM Shanghai, a mixed-use development, comprises a retail centre and office building. The retail centre features a plethora of cafes and restaurants such as Starbucks, with entertainment and retail brands such as a boutique cinema LinJia, a spa, optical and tea specialty shops. Built to Grade A specifications, the office building has been leased to a local office co-working space, JA Space. 100 AM Shanghai is only a short walk away from the city's subway line 7 and 13.

10 EVELYN

10 Evelyn is a freehold five-storey boutique residence located just off Newton Road in an exclusive private residential enclave. 10 Evelyn is conveniently located within walking distance to a myriad of amenities such as commercial malls, top educational institutions, nearby medical cluster as well as the Newton Food Centre that is known for its delicious hawker fare. It is also just a 9-minute drive to CBD, and a 7-minute walk from Newton MRT station connected by the Downtown Line and North South Line, and Novena MRT station.

Designed by award-winning architect – Mr Mok Wei Wei, of W Architects – all four residential blocks at 10 Evelyn are adorned with lush greenery, enveloped by tranquil garden landscaping to be enjoyed from both inside and outside of the development. Apart from the landscaped courtyard with a lawn, facilities of the boutique development include a gymnasium, a swimming pool and car park.

The 56 units at 10 Evelyn consist of a mix of 1-bedroom and 2-bedroom units and 3-bedroom penthouses.

10 Evelyn is developed by Creative Investments Pte Ltd, a subsidiary of Amara Holdings Limited.

M5

Cradled in the heart of the city, M5 is surrounded by commercial hubs and hipster hotspots. Encircled by a well-connected transport network, M5 is a few minutes' drive to Orchard Road, Singapore's premier shopping belt. It is also a stone's throw away from many prestigious educational institutions and suburban malls.

M5, a 12-storey freehold boutique development at 5 Jalan Mutiara, is designed by award-winning architect Mr Yip Yuen Hong of ip:li. Inspired by a gem's geometry, the sparkling architecture is characterised by an iconic diamond tip design at the base and artistically-random window sizes.

The 33-unit M5 offers an exquisite collection of 1- and 2-bedroom apartments as well as penthouses at the edge of Orchard Road, making it an investment and an abode a cut above the rest.

M5 is developed by TTH Development Pte Ltd, a subsidiary of Amara Holdings Limited.

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.

Refreshing Outlooks

We look in the mirror and ask ourselves how we can be better. And from there, we make it our mission to constantly enhance and rejuvenate our assets befitting of 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 became an Executive Director in 1982, where he was responsible for the development of Amara Hotel, marking the Group's entry into the hotel industry. Currently he serves as the Chief Executive Officer and Chairman of the Board, as well as a member of the Nominating Committee.

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

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

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

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

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

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

FIRST APPOINTED: 26 MAY 1995
LAST RE-ELECTED: 29 APRIL 2019

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

Her past experience includes working with an international public accounting firm in Singapore and Australia.

In her current role, Ms Teo has direct oversight of the function of the corporate affairs of the Group which includes treasury, finance, legal, company secretarial, human resource and administration.

Ms Teo holds a Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology and a Graduate Diploma in Computer Science from La Trobe University. She is a member of the Chartered Accountants Australia and New Zealand and the Institute of Singapore Chartered Accountants.

FIRST APPOINTED: 26 MAY 1995
LAST RE-ELECTED: 29 APRIL 2019

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

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

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

Foo Ko Hing

Non-Executive,
Lead Independent Director

FIRST APPOINTED: 17 JUNE 2013
LAST RE-ELECTED: 28 APRIL 2017

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

He has over 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 the Boards of numerous SGX-listed companies in various sectors.

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

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

FIRST APPOINTED: 2 NOVEMBER 2015
LAST RE-ELECTED: 25 APRIL 2018

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

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

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

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

FIRST APPOINTED: 21 JUNE 2018
LAST RE-ELECTED: 29 APRIL 2019

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

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

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

*Re*juvenating Growth

Our stakeholders are always at the top of our mind. Year on year, it is our promise to our stakeholders that we cultivate sustainable growth, serving their interest for believing in us. This is the Amara promise.

Operations and Financial Review

Amara Singapore

For the financial year ended 31 December 2019 ("FY 2019"), the Group recorded a 1.1% increase in revenue to S$105.3 million, mainly led by the Property Investment and Development segment. Net profit attributable to owners of the company declined to S$28.2 million from S$32.0 million in the previous corresponding year ("FY 2018").

The Property Investment and Development segment, which represents 21.0% of the Group's business, saw a 11.1% rise in revenue year-on-year from S$19.9 million in FY 2018 to S$22.1 million in the year under review. The Hotel Investment and Management segment, which contributed to 77.7% of the Group's revenue in FY 2019, experienced a dip of 1.1% from S$82.7 million to S$81.8 million over the same comparative years.

Amara's balance sheet remained healthy with a cash and bank balance of S$10.2 million as at 31 December 2019, while our net gearing increased from 44.5% in FY 2018 to 47.4% in FY 2019 due to increased borrowings. Net asset value per share increased to 70.25 Singapore cents as at 31 December 2019, from 69.46 Singapore cents a year ago, whereas earnings per share stood at 4.90 Singapore cents in FY 2019, compared to 5.56 Singapore cents in FY 2018.

Hotel Investment and Management

Amara's largest contributor to the topline, the Hotel Investment and Management segment, reported S$81.8 million in revenue, a dip of 1.1% from the revenue of S$82.7 million in the previous year. This segment makes up 77.7% of Amara's business.

SINGAPORE

Amara Singapore

Amara Sanctuary Resort, Sentosa

THAILAND

Amara Bangkok

PEOPLE'S REPUBLIC OF CHINA

Amara Signature Shanghai

Amara Singapore

SINGAPORE

Singapore's tourism industry continued its growth for the fourth year in a row, where visitor numbers rose 3.3% to 19.1 million and total spending inched up marginally by 0.5% to S$27.1 billion[1]. This was largely due to global uncertainties and currency fluctuations against the Singapore dollar in seven out of 10 key source markets. Visitors spent approximately 7% less on accommodation, according to the Singapore Tourism Board ("STB")[1].

Looking ahead, the global COVID-19 pandemic poses an adverse impact on regional travel, business and consumer confidence worldwide. The STB will continue to identify targeted and effective ways to support the tourism industry, such as waiving licence fees for hotels for the rest of 2020, whilst maintaining its plans to boost Singapore's attractiveness as a travel destination.

The Amara brand is synonymous with top-notch service and integrated lifestyle offerings. In FY 2019, despite the global economic uncertainties that led to more cautious consumer spending, our flagship hotel, Amara Singapore, reported resilient performance, due to its attractive and convenient location, as well as synergistic lifestyle offerings with the adjacent mall, 100 AM.

We had completed the renovation works on Amara Singapore's Level 6 guestrooms. The rooms now boast an all-new, contemporary layout to evoke a healthy lifestyle, well-suited for either business travellers or guests looking for a brand new staycation getaway. The adoption of technologies and innovation will continue to be our key priorities going forward, to improve productivity and to enhance guests' experience to meet the needs and wants of the modern

[1] Singapore Tourism Board, 11 February 2020 – STB rallies tourism sector to face biggest challenge since SARS.

Amara Sanctuary Resort, Sentosa

traveller. With the implementation of facial recognition technology at Amara Singapore, guests can now check into their rooms with a digital key on their mobile devices.

They can also control features in the newly revamped guestrooms such as air-con temperature, control lighting and more. In recognition of its sustainability efforts, Amara Singapore and the adjoining 100 AM have been awarded the Green Mark GoldPlus Certification by the Building and Construction Authority ("BCA").

Amara Sanctuary Resort, Sentosa has also been awarded the BCA Green Mark Platinum Certification in the year under review, in line with its sustainability practices. Despite the challenging operating environment and increased competition from three new hotels in Sentosa, Amara Sanctuary Resort, Sentosa will continue to leverage on its strong positioning as a choice five-star leisure resort with attractive MICE propositions.

The Amara experience has always been centered around sophistication, agility and adaptability to emerging trends. We strive to provide differentiated experiences for all guests, and we embrace innovation and productive efficiency. These will allow us to remain ahead of the curve amidst the tough operating environment, intense competition, rising operational costs and a labour crunch.

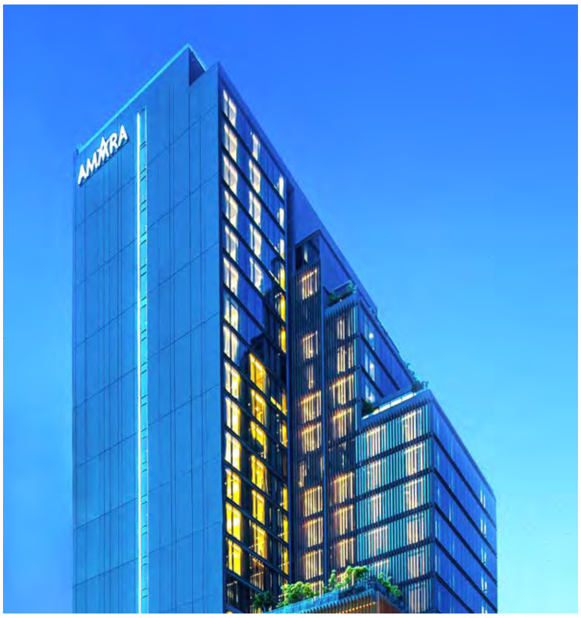
Hotel Investment and Management

SHANGHAI

The Group recorded its first full year of operations from our first luxury hotel in Shanghai – Amara Signature Shanghai – since its opening in February 2018, and showed solid growth in FY 2019. The 343-room Amara Signature Shanghai is the first and only 5-star international hotel on Changshou Road, Puxi, Shanghai. Similar to Amara Singapore, Amara Signature Shanghai extends the unique Amara experience; offering guests an integrated lifestyle experience, based off its proximity to 100 AM Shanghai, which houses both a Grade A office tower and retail mall launched in 2019.

Both inbound overseas tourism and domestic tourism play integral roles in China's tourism landscape. As the outbreak of COVID-19 has escalated to become a global pandemic, the Group expects the Chinese tourism market to take a hard hit that will affect the performance of Amara Signature Shanghai in the short term. However, we are confident in the potential of Asia Pacific's tourism industry and the inherent attractiveness of Asia as a tourist destination. A report by Euromonitor International predicts China to remain the largest inbound market in the Asia Pacific region in 2024, with approximately 100 million trip arrivals[2]. Tourism Economics predicts inbound tourism to recover from the impact of the virus outbreak in about two to three years[3]. With Shanghai as one of the most popular destinations for domestic travellers, Amara Signature Shanghai will be able to capitalise on this wave once the virus outbreak has been resolved. In the meantime, we plan to take the opportunity to upskill our employees, whilst implementing stricter financial discipline.

To replicate our success in Singapore and Bangkok and ensure Amara Signature Shanghai continues to grow consistently, we will bring to Shanghai the same drive and commitment to provide top-notch service and to never stop seeking ways to improve our operational processes for greater margin efficiency.



Amara Bangkok

BANGKOK

According to Mastercard's Global Destination Cities Index 2019, cities in Asia-Pacific are experiencing the largest increase in international travellers since 2009, growing 9.4% in 2018. Bangkok has once again emerged as the Number 1 city for the fourth consecutive year, seeing about 22.78 million international overnight visitors in 2018, with a growth forecast of 3.34% for 2019[4].

Against the uncertainty in the global economy which affected tourism worldwide, and the currency fluctuations against the Thai Baht, Amara Bangkok maintained stable hotel rates in FY 2019.

Looking ahead, where the tourism arrivals in Asia-Pacific are largely contributed by Chinese and Japanese visitors, Amara Bangkok is expected to see some short term adverse impact from the COVID-19 pandemic. Likewise in Bangkok, Amara will practise financial prudence and take the opportunity to develop our staff. With Amara Bangkok's strategic location and exceptional service standards, we believe it is well-positioned to take advantage of the recovery in Bangkok's tourism sector.

[2] Euromonitor International, 2019 – Megatrends Shaping the Future of Travel.

[3] Tourism Economics, 7 February 2020 – Travel & Tourism | Global.

[4] Mastercard, 2019 – Global Destination Cities Index 2019.

Property Investment and Development

The star performer in FY 2019, the Property Investment and Development segment, contributed to 21.0% of the Group's revenue or S$22.1 million, an increase of 11.1% from S$19.9 million the previous corresponding year.

RESIDENTIAL
10 Evelyn
M5
Bedok Avenue

COMMERCIAL
100 AM Singapore
100 AM Shanghai

100 AM Singapore

COMMERCIAL

For 2019, prices of office space in Singapore decreased by 0.6%, compared to an increase of 5.7% in the previous year. Similarly, rents of office space decreased by 3.1%, compared with the increase of 7.4% in 2018[5].

On the other hand, prices of retail space in Singapore increased by 1.3% in 2019, compared to an increase of 0.6% in the previous year. Rents of retail space increased by 2.9% as well, reversing a decline of 1.0% in 2018[5].

Locally, our mixed-use development, 100 AM, maintained stable and high occupancy rates for both the retail and office towers. We had added two popular Japanese brands, Daiso and Don Don Donki across levels two, three and four, in 2018, and recognised their first full year contributions in FY 2019, which lifted contributions to the segment. Our anchor tenants, including Itadakimasu by PARCO, continued to see healthy demand from shoppers and diners, and we foresee steady footfall for our retail podium. We seek to continually revitalise our tenant mix from time to time to inject brand new retail lifestyle experiences to meet the everchanging demands and lifestyle within the hub of Tanjong Pagar.

Meanwhile, over the course of 2019, we launched 100 AM in Shanghai, successfully extending our foothold in China on the commercial front and providing a differentiated and exquisite integrated lifestyle experience, following the opening of Amara Signature Shanghai in February 2018. 100 AM Shanghai was almost fully leased as at end December 2019, while the office tower in Shanghai is fully leased to JA Space, which operates office co-sharing services to other enterprises.

[5] Urban Redevelopment Authority, 23 January 2020 – Release of 4th Quarter 2019.

10 Evelyn

RESIDENTIAL

According to the Urban Redevelopment Authority, prices of private residential properties grew 2.7% in 2019, as compared to the increase of 7.9% in 2018[5]. The slower growth can be attributed to the property cooling measures that were implemented in 2018 and the uncertain global economic climate. A record 52 private residential projects were launched last year, while market absorption of new launches stood at 9,912 units, as compared to developers' sales of 8,795 units in 2018.

Outlook for 2020 remains muted as the year seems pipped to be a buyer's market, with 40 new project launches in the pipeline in addition to the unsold inventory from previous years.

Amid the outbreak of the COVID-19, demand from China is expected to fall. While property consultants expect some short-term impact on sales volume, most seem sanguine that underlying demand for new private homes will remain healthy[6]. Similarly, experts say that developers are unlikely to reduce prices.

Amara's projects are well-located, tastefully designed and uniquely positioned. Marketing and sales are ongoing for our two developments – 10 Evelyn and M5. We are excited for our Bedok site which will be developed into two pairs of three-storey semi-detached houses. We are confident that these projects will resonate well with buyers and investors and stand out amidst the resilient Singapore property market.

[5] Urban Redevelopment Authority, 23 January 2020 – Release of 4th Quarter 2019.

[6] CBRE, 25 February 2020 – Singapore Market Outlook 2020.

Specialty Restaurants and Food Services

In the year under review, we had completed the revamp of flagship Thanying Restaurant Singapore, to introduce a modern theme with brighter lighting, in line with the Group's continual efforts to refresh its offerings and provide only the best services and products for guests. The restaurant now seats 128 persons and has two revamped private rooms.

RESTAURANT
Thanying
Silk Road

We will continue to 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 opening of Thanying Restaurant in 100 AM Shanghai in June 2019 adds to our fine dining selection for a wider spread of delectable cuisines for our guests.

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

Thanying Restaurant, Singapore

Restoring Growth at Amara

2020 will be a crucial year for Amara, as we navigate a global economy that has been affected by trade and geopolitical tensions, China's slowdown as well as substantial uncertainties brought on by the global pandemic. The hospitality and restaurant industry is expected to face stiff competition and manpower shortages in the future.

The global COVID-19 pandemic will inevitably affect Amara's operations and results in the coming financial year. In the meanwhile, we will work on training and upskilling our staff, improving internal processes and operational efficiencies to ready ourselves for when the market recovers. Leveraging on our strengths of a strong brand portfolio and good balance of our three complementary businesses, our strategy has enabled us to stand in good stead under volatile macro conditions. We will seek more sustainable growth opportunities to take the Group to higher levels and create value for our stakeholders.

Awards and Accolades

Hotel Investment and Management

AMARA BANGKOK

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

Most Recommended Hotel Award 2019
Awarded by Ctrip

Travellers' Choice Award 2019
Awarded by TripAdvisor

Certificate of Excellence 2016-2019
Awarded by TripAdvisor

Top Performance 2018
Awarded by Ctrip

Travel Award 2017-2018
Awarded by Rakuten Travel

Chinese Preferred Hotel 2017
Awarded by Ctrip

AMARA SIGNATURE SHANGHAI

Most Favourite Hotels Awards 2019
Awarded by Emigrating to Shanghai Magazine

Best Business Hotel 2019
Awarded by NEXUS Magazine

Best City Icon Hotel 2019
Awarded by Metropolitan Magazine

Business Hotel of the Year 2019
Awarded by That's Magazine

iDEAL Business Hotel 2018
Awarded by Shanghai Daily

Choice New Hotel – Golfers' Choice Award 2018
Awarded by Golf Vacation

Best New Wedding Venue – Hotel Wedding Award 2018
Awarded by Hotel Wedding China

City Travel Hotel Awards 2018 – Business Hotel Awards of the Year
Awarded by City Travel Hong Kong

Gold Circle Award 2018
Awarded by Agoda

Xinmin Newspaper Lifestyle Awards 2018 – The City Hotel Awards of the Year
Awarded by Xinmin Newspaper China

The Best Landmark Hotel 2018 – T+ City Hotel Selection Awards
Awarded by T+ City Urbanspace

China Premium Traveler Award 2018 – Wedding Hotels of the Year in Greater China
Awarded by Premium Traveler China

China Premium Traveler Award 2018 – Business Hotels of the Year in Greater China
Awarded by Premium Traveler China

BLU

Hotel Global Buffet of the Year 2019
Awarded by That's Magazine

Best Cuisine (Singapore) Restaurant 2019
Awarded by China Best Hotels Awards

AMARA SANCTUARY RESORT, SENTOSA

Green Mark Platinum Award 2019
Awarded by Building and Construction Authority

Preferred Hotel Partner Award 2019
Awarded by Ctrip

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

Best Outdoor Solemnisation Venue 2018
Awarded by Her World Brides

Best for Staycation Award 2017
Awarded by TripZilla.com

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

Singapore Service Class 2012 & 2015
Awarded by SPRING Singapore

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

Awards and Accolades

Hotel Investment and Management

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

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

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

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

Travel Award 2018 – Bronze
Awarded by Rakuten

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

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

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

Best Wedding Setting & Ambience (4 star) 2018
Best Modern Wedding Theme (4 star)
Awarded by Her World Brides

National Safety and Security Awards 2018
Awarded by Singapore Police and Singapore Civil Defence Force

RAS Epicurean Star Award (Western Culinary) 2018
2nd runner up for Chef Jason Tang and Chef Chew Kam Wah
Awarded by Restaurant Association of Singapore

Excellent Service Award 2017
(33 Star, 14 Gold, 24 Silver)
Awarded by Singapore Hotel Association and SPRING Singapore

SHA Bravery Award 2016-2017
Awarded by Singapore Hotel Association

SHA Honesty Award 2016-2017
Awarded by Singapore Hotel Association

SHA Vigilance Award 2016-2017
Awarded by Singapore Hotel Association

Certificate of Excellence 2015 & 2017-2018
Awarded by TripAdvisor

Hotel Security Awards 2011-2013, 2015, 2017-2018
Certificate of Excellence
Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

National Kindness Award 2012, 2014, 2016-2018
Awarded by Singapore Kindness Movement and Singapore Hotel Association

Excellent Service Award 2016
(34 Star, 10 Gold, 25 Silver)
Awarded by Singapore Hotel Association and SPRING Singapore

Singapore Productivity Awards 2016
Awarded by Singapore Business Federation

Excellent Service Award 2015
Awarded by Singapore Hotel Association and SPRING Singapore

Certificate of Recognition
for Skills Future Earn and
Learn Programme 2015
Awarded by WDA

Excellent Service Awards 2014
Awarded by Singapore
Hotel Association and
SPRING Singapore

Recommended by
TripAdvisor 2010-2013

Arts Supporter Award 2013
Awarded by National Arts Council
Patrons of the Arts Awards

Singapore Service Class 2006-2013
Awarded by SPRING Singapore

Excellent Service Awards 2011
(7 Star, 18 Gold & 13 Silver)
Awarded by Singapore
Hotel Association and
SPRING Singapore

HAPA Service Excellence
(Top 10) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA Best Deluxe Hotel
(Top 5) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA Best Pastry Chef
(Top 5) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA Executive Chef
of the Year (Top 5) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

Hotel Security Award 2010
Certificate of Commendation
Jointly awarded by Singapore
Hotel Association, National
Crime Prevention Council and
F1 & Sports and Hospitality
Singapore Tourism Board

Signature Deluxe Hotel 2008-2010
Awarded by Hospitality Asia
Platinum Awards Regional Series

Fire Safety Excellence Award 2009
Awarded by National Fire And Civil
Emergency Preparedness Council
and Singapore Civil Defence Force

Excellent Service Awards 2009
(8 Star, 38 Gold & 20 Silver)
Awarded by Singapore
Hotel Association and
SPRING Singapore

Excellent Service Awards 2008
Awarded by SPRING Singapore

SHA Courtesy Award 2008
Awarded by Singapore
Hotel Association

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

Certificate of Excellence 2019
Awarded by TripAdvisor

Singapore's Top Restaurants
2004, 2007, 2012-2013, 2018
Awarded by Wine & Dine

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

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

Specialty Restaurants and Food Services

THANYING RESTAURANT

Singapore's Best Restaurants 1992-2019
Awarded by Singapore Tatler

Certificate of Excellence 2016-2018
Awarded by TripAdvisor

Singapore's Top Restaurants 1997-2013
Awarded by Wine & Dine

Simply Her Editor's Rave on Roast Turkey December 2011
Awarded by Simply Her

Luxe Dining Singapore's Best Restaurant 2011
Awarded by Singapore Tatler

Best Eats 2010
Awarded by CNNGo.com

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

Citibank-The Business Times Gourmet Choice Awards 2009
Winner Thai/Vietnamese/Korean Category

Singapore Service Star 2009-2010
Awarded by Singapore Tourism Board

Gold Plate Awards 2007
Awarded by The Singapore Women's Weekly

"THAI SELECT" Seal of Approval For Thai Cuisine
Awarded by Ministry of Commerce Thailand

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

The Best Thai Restaurant 2004
Awarded by The Straits Times – Life! eats

Excellence in Service Asian Restaurant 1993
Awarded by Singapore Tourism Board

Excellence in Service Asian Restaurant (Merit) 1991
Awarded by Singapore Tourism Board

SILK ROAD RESTAURANT

Certificate of Excellence 2019
Awarded by TripAdvisor

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

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

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

Singapore Service Class 2006-2012
Awarded by SPRING Singapore

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

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

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

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

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

Healthier Restaurant Award 2009-2011
Awarded by Health Promotion Board

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

Singapore Service Star 2009-2010
Awarded by Singapore Tourism Board

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

SuperStar Finalist Excellent Service Award 2008
Awarded by SPRING Singapore

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

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

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

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

A Great Table of Singapore 2003-2005
Awarded by Tables

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

National Model for Work Redesign 2002
Awarded by SPRING Singapore

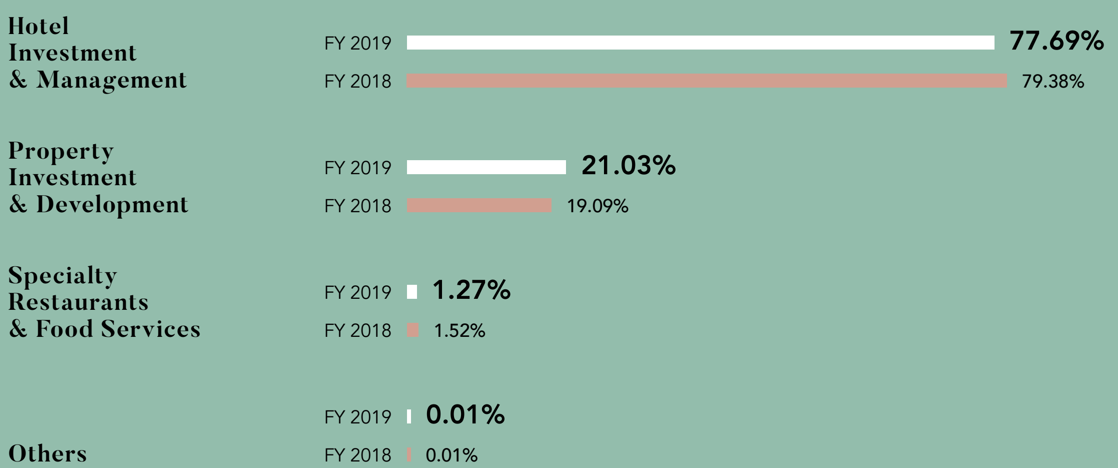
Editor's Choice
IS Magazine

Financial Highlights

Financial Year Ended 31 December 2019

	FY 2019	FY 2018
Income Statement	**S$'000**	S$'000
Revenue	105,295	104,160
Profit before tax	34,844	36,629
Income tax expense	(6,666)	(4,663)
Profit attributable to shareholders	28,178	31,966
Financial Ratios	**%**	%
Profit attributable to shareholders as percentage of revenue	26.76	30.69
Gearing ratio	47.41	44.49
Per Share Unit	**Cents**	Cents
Earnings per share	4.90	5.56
Net tangible assets per share	70.04	69.25
Net assets value per share	70.25	69.46
Revenue By Country (%)	**%**	%
Singapore	71.12	77.14
Thailand	10.65	10.69
People's Republic of China	18.23	12.17
Revenue By Activity (%)	**%**	%
Hotel Investment & Management	77.69	79.38
Property Investment & Development	21.03	19.09
Specialty Restaurants & Food Services	1.27	1.52
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%** 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%** Amara Investments (Europe) Pte.Ltd. *(Formerly known as Myanmar Central Investment Pte.Ltd.)*

Sustainability Report FY 2019

Contents

38 Board Statement

39 About The Report

40 Stakeholder Engagement

41 Materiality Assessment

42 Our Achievements

43 Environmental - Energy and Emissions

45 Environmental - Water

46 Environmental - Effluents and Waste

47 Social - Talent Retention

47 Social - Occupational Health and Safety

48 Social - Customer Health and Safety

48 Social - Corporate Social Responsibility

49 Governance - Regulatory Compliance

50 GRI Content Index

Board Statement

The Board of Directors (the "Board") of Amara Holdings Limited ("Amara") is pleased to present Amara's third annual Sustainability Report for the financial year ended 31 December 2019.

During the year, we have deepened our commitment to sustainable practices and continue to strive to enhance our approach to help shape a better world where both our planet and people benefit.

In the past year, more than ever, global issues such as climate change, waste management, and resource scarcity have resulted in increasing public attention on the topic of sustainability. We are aware of the rise in green consumerism – customers are more attracted to companies that offer environmentally-friendly products than companies that do not. It is hence important to understand the risks and opportunities, to ensure the sustainability and growth of our business in the long term.

In 2019, we continue to drive initiatives such as energy and waste reduction, and community development programmes. We continuously engage our employees to cultivate a healthy and inclusive workplace, as we recognise that our employees are our invaluable assets.

The Board remains steadfast in providing guidance and oversight over the management and monitoring of the identified material factors, and is supported by the Sustainability Steering Committee ("SSC") and Sustainability Task Force ("STF").

We are excited to present more information on our sustainability progress and achievements in this Report.

The Board of Directors
Amara Holdings Limited

About The Report

This Sustainability Report (the "Report") summarises Amara's commitment, approach, and sustainability performance through its business practices for the period of 1 January to 31 December 2019. Together with other information disclosed in the Annual Report, this report aims to communicate and promote transparent reporting to Amara's stakeholders.

REPORTING STANDARD

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

REPORTING SCOPE

This report includes the activities and performance of our businesses – hotels, mall and office building and restaurants in Singapore and Thailand, as listed below:

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

The above reporting scope remains the same as 2018.

SUSTAINABILITY GOVERNANCE AND REPORT DEVELOPMENT

The SSC and STF continue to support the Board in driving the sustainability agenda in Amara.

Overseen by the Board, the SSC and STF perform regular review and assessment of Amara's sustainability performance to identify and implement action plans for improvement across the business.

FEEDBACK

We seek to continuously improve our sustainability reporting and practices, and your feedback is important to enable us to do so effectively.

If you wish to provide comments or feedback on our sustainability practices, please write to corporate@amaraholdings.com.

Stakeholder Engagement

Stakeholder engagement is essential to Amara's core values and business. We believe that understanding our stakeholders is key to improving our business performance. By engaging our stakeholders on a regular basis, we are enabled to make informed decisions and implement the right strategies.

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 corporate website	Throughout the year	• Sustain profitability and enhance shareholder returns • Transparent reporting • Sound corporate governance practices
	Annual General Meeting	Annually	
Customers	Customer satisfaction and engagement through close monitoring of the 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	Throughout the year	• Equitable remuneration • Fair and competitive employment practices and policies • Safe and healthy work environment • Focus on employee development and well-being
	Training and development programmes	Throughout the year	
	Career development performance appraisals	Throughout the year	
	Recreational and wellness activities	Throughout the year	
	Town hall meetings and regular e-mail communication	Throughout the year	
Communities	Corporate philanthropy and contributing to the medical facility fund-raising drive and assisting a medical health awareness raising drive	Throughout the year	• Contributions to communities • Responsible and ethical business practices
	Corporate volunteering such as participation in Keep Singapore Clean Campaign, organised by the Public Hygiene Council and Christmas Celebration party at Good Shepherd Place	Throughout the year	
	Open communication channels with local communities	Throughout the year	
Regulators	Meetings, seminars, dialogue and workshop sessions	Throughout the year	• In compliance with, and keeping abreast of changes to laws and regulations
	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	
Suppliers	Regular dialogue sessions with key suppliers and service providers	Throughout the year	• Fair and equal treatment of suppliers • Regular and punctual payments upon commencement of service
	Establish channels of communication	Throughout the year	

Materiality Assessment

We conducted our first materiality assessment in 2017 when developing our inaugural Sustainability Report and identified 8 material factors. We regularly review and assess the relevance of the material factors, supported by research and industry trends. We concluded that the material factors remain relevant and have obtained verification from the Board.

In 2018, we began to align our material factors with the relevant United Nation's Sustainable Development Goals ("UNSDGs") to portray how our business has contributed to the achievement of these goals. This year, we have deepened our alignment with the UNSDGs to streamline our efforts.

The following table illustrates how Amara's material factors correspond to the relevant UNSDGs. We have also mapped out our key initiatives where we have positively impacted the UNSDGs.

	Amara's Position	**Amara's Initiatives**	**UNSDGs**
Environmental *Reducing our environmental footprint*	Amara strives to manage and minimise our environmental footprint through improving resource management practices across our business operations	• **Energy and Emissions** We actively manage our energy and invest in systems to reduce our energy consumption (Pgs 43 - 44)	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
		• **Water** We conserve and use water efficiently at our properties and restaurants through effective water usage and management (Pg 45)	6 CLEAN WATER AND SANITATION
		• **Effluents and Waste** We strive to reduce the waste generated from our properties and practise recycling to divert waste from landfills (Pg 46)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social *Managing our talent and our responsibilities*	Amara strives to create meaningful interactions with our employees, guests, visitors, and the communities across the different geographies to build long-lasting relationships	• **Talent Retention** We provide a fair and inclusive workplace. We are signatory to the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFPEP") and invest in developing our people through skills training and education (Pg 47)	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
		• **Occupational Health and Safety** We provide a safe workplace for our people. Our Fire and Safety Committee is responsible for overseeing our safety agenda beyond regulatory compliance requirements (Pg 47)	8 DECENT WORK AND ECONOMIC GROWTH
		• **Customer Health and Safety** We seek to provide a safe environment for our customers and tenants, enabled by our internal practices that focus on customer safety (Pg 48)	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Governance *Complying with applicable laws and regulations*	Amara believes that good corporate governance will drive business growth and success. We are always striving to uphold high standards of business conduct across our business operations	• **Regulatory Compliance** We ensure that our business operates without significant disruptions. We set up robust governance policies and processes that are the cornerstones of the regulatory compliance agenda (Pg 49)	16 PEACE AND JUSTICE STRONG INSTITUTIONS
Economic *Addressing the flow of capital*	Amara's financial performance is key to grow the business and deliver returns to our shareholders, employees, and the community	• **Economic Performance** Please refer to our Annual Report for more information on our economic performance (Pgs 4 - 15 and Pgs 23 - 29)	8 DECENT WORK AND ECONOMIC GROWTH

Our Achievements

Pillar	Material Factors	2019 Targets	2019 Achievements
Environmental *Reducing our environmental footprint*	Energy and emissions	In 2019, Amara aims to reduce or maintain the same consumption and intensity levels as 2018	Achieved reductions in electricity consumption and intensity, and the corresponding greenhouse gas emissions Amara Bangkok was awarded Thailand Building Energy Efficiency Disclosure (Level A) certification by Department of Alternative Energy Development and Efficiency - Ministry of Energy
	Water	Amara strives to reduce or maintain the same water consumption and intensity levels as 2018	Observed increases in water consumption and intensity due to the replacement of air chillers with the more energy-efficient water chillers Amara Sanctuary Resort, Sentosa was certified as a Water Efficient Building by the Public Utilities Board ("PUB")
	Effluents and waste	Amara endeavours to target achieving 0.5 tonnes of waste recycled per day (182.5 tonnes per year), which is in line with the KPI set by the National Environment Agency ("NEA")	Recycled 27 tonnes of food waste and used cooking oil in 2019, with the waste recycled being lower than targeted due to the intentional reduction of food wastages during the year
Social *Managing our talent and our responsibilities*	Talent retention	Amara continues to strive to conduct performance appraisal for 100% of all eligible employees	Conducted performance appraisal for 100% of all eligible employees
	Occupational health and safety	Amara targets to maintain zero workplace incidents leading to employee fatality or permanent disability in the coming 12 months	No incidents resulting in fatalities or permanent injuries during the year
	Customer health and safety	Amara continues to strive to maintain compliance status with regulations and voluntary codes concerning the health and safety of guests, visitors and tenants	Complied with regulations and voluntary codes concerning the health and safety of guests, visitors and tenants
Governance *Complying with applicable laws and regulations*	Regulatory compliance	Amara continues to achieve zero non-compliance in the social and economic segment that resulted in significant fines or sanctions	No incidents of non-compliance during the year

Environmental

Amara strives to manage and minimise our environmental footprint through improving resource management practices across our business operations.

ENERGY AND EMISSIONS

Our business portfolio consists of diversified businesses – hotels, malls, office building and restaurants. Although energy consumption is necessary in our business operations, we continually seek to reduce our environmental footprint and become more efficient in our energy consumption.

In 2019, Amara Sanctuary Resort, Sentosa successfully upgraded its Green Mark Certification to Green Mark Platinum, while Amara Singapore and 100 AM upgraded their Green Mark Certification to Green Mark Gold Plus through energy initiatives.

We have implemented various energy saving initiatives across our properties, including:
- Replaced old chillers with new chillers together with new cooling towers, pumps and Building Management System; and
- Replaced T5 and T8 lightings to LED in gradual phases

We continue to track, monitor, and report our energy consumption across all properties to effectively manage our consumption. This data is reported to the Building and Construction Authority ("BCA").

Amara's total electricity consumption was 21,444,370 kWh in 2019, representing a 2.7% decrease from 2018. This decrease is contributed by our commitment to implementing energy-reduction initiatives, including investments in upgrading our chiller systems and replacing air chillers with the more energy-efficient water chillers. We observed that our gas consumption increased by 16.2% to 1,302,229 litres[1]. Our energy consumption directly impacts our greenhouse gas ("GHG") emissions. Our GHG emissions decreased by 9.3% to 8,981 tonnes of CO_2 equivalent ("tCO_2e"). Please refer to Graphs 1, 2, and 3 for these observed trends.

We note that the intensities[2] have progressively improved year-on-year. In 2019, electricity intensity was reduced by 2.8% from 251 kWh/m^2 to 244 kWh/m^2 and GHG emissions intensity reduced to 0.10 tCO_2e/m^2 compared to 0.11 tCO_2e/m^2 in 2018.

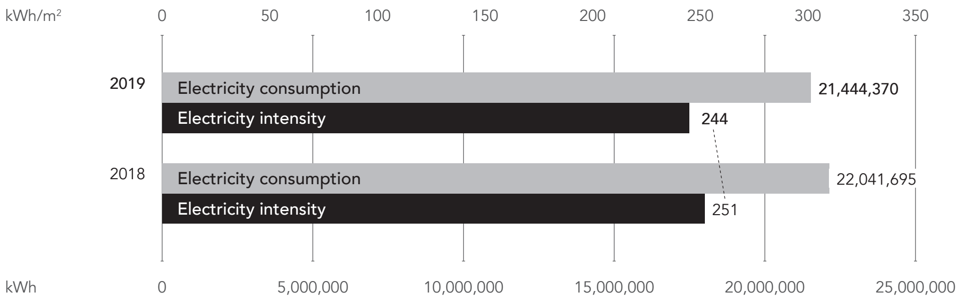
Amara aims to reduce or maintain the same consumption and intensity levels as 2019 in the forthcoming year.

1 Gas consumption has been restated. Actual consumption figures have been updated for Amara's restaurants.

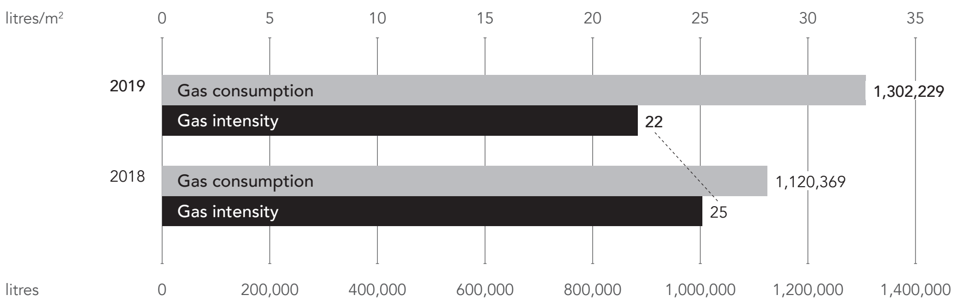
2 Energy intensity is calculated as: Total energy consumed (kWh) / Total Gross Floor Area (m^2).

Environmental

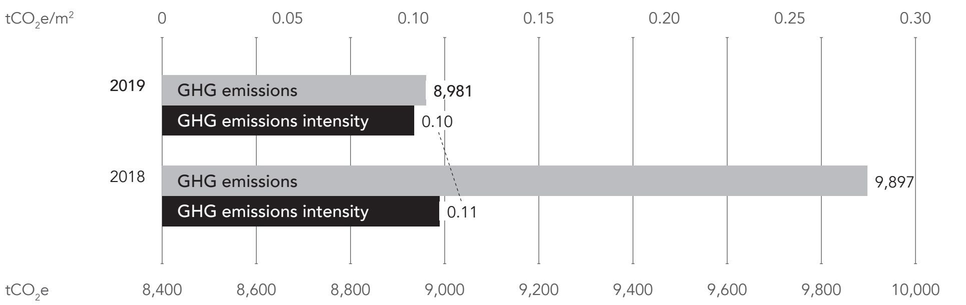
Graph 1 - Electricity consumption (kWh) and electricity intensity (kWh/m²)



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)



Environmental

WATER

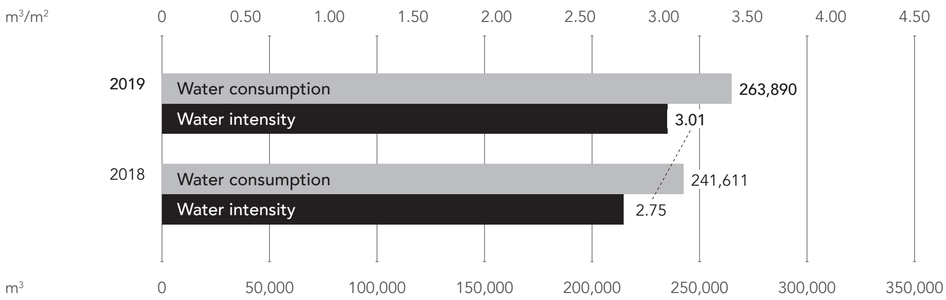
Amara strives to reduce water consumption and improve water usage efficiency. We also improve our water resilience to ensure that this basic amenity is provided to every tenant and customer.

We continue to closely track and monitor our water usage sourced from public utilities and report our water usage data to the PUB through the Water Efficiency Management Plan.

Our hotel, Amara Sanctuary Resort, Sentosa, was certified as a Water Efficient Building by PUB in August 2019. The hotel implemented various measures to achieve this certification, such as installing water efficient fittings and adopting optimal water flow rates.

Our overall water consumption in 2019 increased by 9.2% to 263,890 m^3 as compared to 241,611 m^3 in 2018. Our water intensity[3] also increased from 2.75 m^3/m^2 to 3.01 m^3/m^2. This increase in water usage and intensity in 2019 is due to Amara Sanctuary Resort, Sentosa replacing its air chiller to a water chiller during the year, for improved energy efficiency.

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



For 2020, in consideration of an expected increase in water consumption arising from the replacement of Amara Sanctuary Resort, Sentosa's air chiller to a water chiller, we will strive to manage our water consumption levels to increase by not more than 20% from 2019.

[3] Water intensity is calculated as: Total water consumed (m^3) / Total Gross Floor Area (m^2).

Environmental

EFFLUENTS AND WASTE

Amara adopts good waste management practices and encourages the efficient use of resources. We endeavour to minimise waste generated from our properties, and divert waste from landfills and incineration.

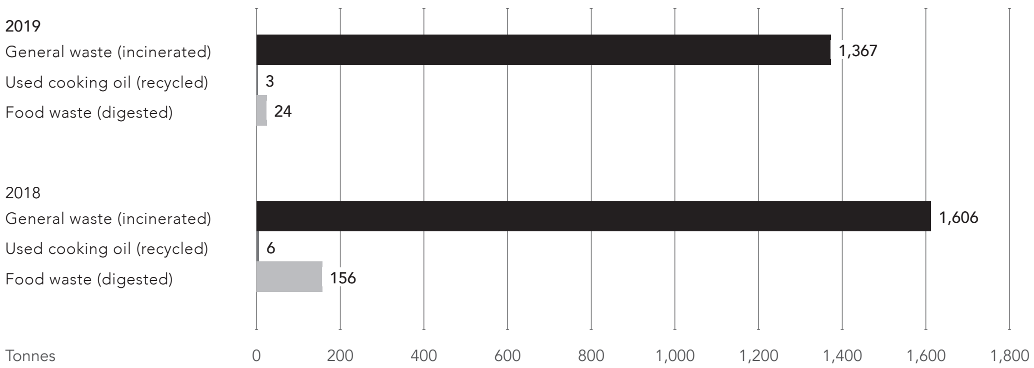
We continue to support Singapore's agenda of becoming a Zero Waste Nation and to achieve a 30% reduction of waste sent to landfills through our waste management practices. Recycling is key to achieving this vision. At Amara, paper, food waste and used cooking oil are recycled. To manage our waste effectively, waste generated from our properties (including food waste) are tracked.

At Amara, we monitor the waste generated from our operations and implement the following waste management practices at our hotels and restaurants:

- 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. The system speeds up decomposition time from 4 weeks to just 24 hours, and has reduced the amount of waste going to incinerators; and
- Started a green initiative to recycle materials such as paper, metal, plastic and glass in partnership with SembCorp

In 2019, the total amount of waste generated was 1,394 tonnes compared to 1,768 tonnes in 2018. Out of the total amount of waste, approximately 2% of the waste generated comprises food waste and used cooking oil which were recycled. The remaining amount of waste generated was sent to the landfill for incineration, as illustrated in Graph 5 below.

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



There was a reduction in food waste recycled in 2019 compared to 2018 due to the intentional cut in food wastages at hotel food and beverage outlets, and the closing of a food court for approximately 3 months due to a change in operator. Amara continues to work with our vendor and engage with our tenants and employees in optimising the use of the eco-Digester to recycle food waste.

In the upcoming year, we will target to reduce our total amount of waste generated by 10%, and also increase the proportion of recycled waste by 10% compared to 2019.

Social

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

TALENT RETENTION

Amara believes in the inherent strength of its human resources. It is integral to the business' long-term growth and success. We provide a work environment that is diverse, collaborative, and inclusive.

Amara has 495 permanent employees, a decrease of 24 employees compared to a year ago. Our female employees represent 48% of the workforce. Our headcount decreased due to job redesign.

Permanent Employees	As of 31 December 2018	As of 31 December 2019
Male	272	258
Female	247	237
Grand Total	**519**	**495**

We practise fair employment, aligned with the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFPEP") and empower our employees by investing in training and development programmes to continuously upskill and deliver excellent customer service. We believe in rewarding our employees based on merit, and hence conduct annual performance appraisals to engage and understand our employees. This year, appraisals were conducted for 100% of all eligible employees, hitting our 2019 target. We aim to continue this practice in 2020.

OCCUPATIONAL HEALTH AND SAFETY

Amara believes a healthy and safe workplace is key to creating a conducive work environment for our employees. We continue to uphold our internal policies and controls to minimise the risk of workplace incidents and consciously improve our health and safety performance.

In 2019, we conducted regular potential hazard identification checks and fire safety audits and drills at our properties. We take measures to ensure that reported incidents by our employees, guests, tenants and visitors are promptly investigated, and preventive or corrective actions are taken.

We are pleased to report that we did not have any incidents resulting in fatality or permanent injury in 2019. Our Accident Frequency Rate[4] in 2019 was 10.9 per million man-hours worked, a decrease of 6.0% compared to 11.6 per million man-hours worked in 2018.

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

4 Accident Frequency Rate is calculated as: Number of workplace fatalities and injuries / million man-hours worked.

Social

CUSTOMER HEALTH AND SAFETY

Food Safety
As we operate and manage hotels and restaurants, food safety is our utmost concern and responsibility. Our responsibility extends beyond compliance – our approach to food safety encompasses food management safety and practices.

Amara maintains a Standard Operating Procedure ("SOP") to oversee the management of food safety and practises a First-In-First-Out ("FIFO") food inventory system. Both the SOP and FIFO systems 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 in our employees, we provide food safety trainings that introduce them to regulations and requirements on food safety and hygiene. We also conduct regular laboratory testing on our food items as a quality control measure.

Building Safety
As an owner and operator of properties, we are committed to providing a safe environment for our guests, visitors, and tenants. Our practices on building safety measures are governed by building safety laws and regulations, with focus placed on fire safety. Fire drills are conducted twice a year and our employees attend fire safety training courses on a regular basis. We conduct regular fire safety inspections throughout the year.

Amara also identifies 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 2-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 fines, penalties or warnings, allowing us to achieve our 2019 target.

We will continue to strive to maintain this compliance status in the forthcoming year.

CORPORATE SOCIAL RESPONSIBILITY

Investing in the community is an integral part of Amara's commitment to support communities in need. Through our partnerships and programmes, our combined collective efforts positively impact the communities in the locations where we operate.

In 2019, we organised several community engagement programmes in Singapore and Thailand.

In Singapore, our employees participated in various community events such as "Run For Hope" to raise funds and awareness for cancer research, and also participated in the annual "Keep Clean Singapore" event. Amara Singapore provided volunteers to support Project We Care, an event hosted by Singapore's President that benefited 1,500 less fortunate people. 100 AM's atrium space hosted a Bone Marrow Donor Programme Roadshow in September 2019 – the event created awareness and reached out to the office crowd and residents for potential donors. Furthermore, during the December festive season, Amara associates visited the Good Shepherd Place and celebrated with the residents over games and sponsorship of prizes.

In Thailand, Amara Bangkok hosted a heart-warming lunch at the Bangkok School for the Blind and donated necessity items, including monetary donations to the school for the benefit of the students. 20 staff volunteers came together to interact with the students during the event. In July 2019, the hotel commemorated the Thailand King's birthday with a tree planting event in collaboration with the Bangrak District Office. During Christmas, Amara Bangkok together with two other hotel chains raised funds for the Bangkok Christian and House of Blessing by hosting Christmas carolling at the hotel.

Governance

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

REGULATORY COMPLIANCE

Amara's approach to operating its business is anchored upon high standards of ethics and integrity. To proactively manage the risks of non-compliance, Amara has instituted several internal controls to guide its business conduct.

We continue to make reference to the Code of Corporate Governance 2018, and adhere to rules and regulations in the countries where we operate. Amara is subjected to environmental laws and regulations such as Building Control (Environmental Sustainability) Regulations administered by BCA, and the Energy Conservation Act and Environmental Protection and Management Act governed by NEA.

Our policies such as the Employee Code of Conduct, Whistle-blowing Policy, Anti-corruption and Anti-Money Laundering Policy reinforces our commitment to ethical business conduct. These policies provide guidance to our employees in carrying out their daily jobs.

During the year, there were no incidents of corruption, in line with our target for 2019. 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 2020.

Since 2014, we have instituted a Personal Data Protection Act ("PDPA") Policy with a guidebook for our employees – which is in compliance with the Singapore Personal Data Protection Act (No. 26 of 2012). The policy helps to ensure that the personal data of our guests and employees are managed securely and protected. This policy is also adopted by our overseas affiliates, unless should the local laws be more restrictive, the local privacy laws shall apply. The policy clearly states the information that we may collect, use and disclose in the course of providing services and products to our guests as well as improving guest experiences and providing updates on new developments and promotions at Amara. The guidebook describes the various measures to secure and protect data that are to be adhered by our employees. A general mailbox was created for guests should they have any queries on data protection matters. In 2019, there was no feedback on any data breach.

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 (Pgs 2 - 3)
	102-3	Location of headquarters	Annual Report: Corporate Data (Pg 144)
	102-4	Location of operations	Annual Report: Our Business Portfolio (Pgs 10 - 13)
	102-5	Ownership and legal form	Annual Report: Statistics of Shareholdings (Pgs 145 - 146)
	102-6	Markets served	Annual Report: Our Business Portfolio (Pgs 10 - 13)
	102-7	Scale of the organisation	Sustainability Report: Talent Retention (Pg 47)
	102-8	Information on employees and other workers	Sustainability Report: Talent Retention (Pg 47)
	102-9	Supply chain	Amara does not specifically disclose its supply chain
	102-10	Significant changes to 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 38)
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Annual Report: Amara Vision and Brand (Pgs 2 - 3)
	Governance		
	102-18	Governance structure	Sustainability Report: Sustainability Governance and Report Development (Pg 39)

GRI Content Index

GRI 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 40)
	102-41	Collective bargaining agreements	Amara's employees are free to join or not join recognised labour unions or other bona fide representatives within the framework of Company procedures, applicable local laws and regulations and prevailing industrial relations and practices
	102-42	Identifying and selecting stakeholders	Sustainability Report: Stakeholder Engagement (Pg 40)
	102-43	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 40)
	102-44	Key topics and concerns raised	Sustainability Report: Stakeholder Engagement (Pg 40)
	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Annual Report: Financial Statements (Pgs 71 - 143)
	102-46	Defining report content and topic Boundaries	Sustainability Report: About The Report (Pg 39)
	102-47	List of material topics	Sustainability Report: Materiality Assessment (Pg 41)
	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	1 January – 31 December 2019
	102-51	Date of most recent report	31 December 2018
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Sustainability Report: About The Report (Pg 39)
	102-54	Claims of reporting in accordance with GRI Standards	Sustainability Report: About The Report (Pg 39)
	102-55	GRI content index	Sustainability Report: GRI Content Index (Pgs 50 - 54)
	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 Retention Material factors with internal and external boundaries: • Energy and Emissions • Water • Effluents and Waste • Occupational Health and Safety • Customer Health and Safety • Regulatory Compliance
TOPIC-SPECIFIC STANDARDS			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Annual Report: Financial Statements (Pgs 71 - 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: Regulatory Compliance (Pg 49)
	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 43 - 44)
	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 45)
Effluents and Waste			
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	Sustainability Report: Effluents and Waste (Pg 46)
Occupational Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	Sustainability Report: Occupational Health and Safety (Pg 47)
	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 47)
	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 48)
	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 2018 (the "Code"). There are other sections of this Annual Report that contain information required by the Code and these should be read together with this Report.

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

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1
Directors as Fiduciaries

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

Provision 1.2
Directors' Duties and Responsibilities

Board's Role

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

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

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

Compliance with Regulatory Requirements

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

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

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Continuous Training and Development of Directors

The Company has in place an orientation program for new Directors. Newly appointed Directors are briefed by the Board to familiarise them with the Group's business and strategic directions. The Company will arrange an incoming Director to meet up with the 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 Nominating Committee ("NC) is charged with reviewing the training and professional development of Directors. All Directors are provided with regular updates on the latest governance and listing policies. The NC will recommend appropriate courses and seminars and arrange for updates by professionals as it deems relevant to improving the performance of the individual Directors and the Board.

Briefings and updates provided for Directors in FY 2019 included the following:

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

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

Provision 1.3
Internal Guidelines on Matters Requiring Board Approval

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

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

Provision 1.4
Delegation of Authority to Board Committees

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

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

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

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

Provision 1.5
Meetings of Board and Board Committees

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

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	5	4	3	1
Name of Directors		**Number of meetings attended**		
Albert Teo Hock Chuan	5	4	3	1
Susan Teo Geok Tin	5	4	3	1
Lawrence Mok Kwok Wah	5	4	3	1
Foo Ko Hing	5	4	3	1
Chia Kwok Ping	5	4	3	1
Tan Tiong Cheng	5	4	3	1

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

The Board comprises a majority of Non-Executive Directors, with relevant and diverse experiences necessary to contribute effectively and objectively to the Group. The 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.

Provision 1.6
Board's Access to Information

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

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

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

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

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

BOARD COMPOSITION AND GUIDANCE

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

Provision 2.1
Independence of Directors

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

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Provision 2.4
Composition and Size of the Board

The Board is of the view that the current Board comprises members whose diverse skills, experience and attributes provide effective direction for the Group. The Board will constantly examine its size with a view to determine its impact upon its effectiveness taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions caused by changes to the composition of the Board and Board Committees.

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

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

Provision 2.5
Role of Non-Executive Directors

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

Provision 3.3
Lead Independent Director

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

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises:

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

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

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

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

Provision 4.3
Process for the Selection and Appointment of New Directors

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

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

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

The Directors due to retire at the forthcoming AGM pursuant to the Constitution are Mr Foo Ko Hing and Mr Chia Kwok Ping. In accordance with the Listing Rules, their particulars as set out in accordance with Appendix 7.4.1 of the Listing Manual are provided under the "Additional Information on Directors Seeking Re-Election" section of this Annual Report.

BOARD MEMBERSHIP (CONTINUED)

Provision 4.4
Determining Directors' Independence

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

Provision 4.5
Multiple Board Representations

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

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

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2
Conduct of Board Performance

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

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

REMUNERATION MATTERS

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

Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises:

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

REMUNERATION MATTERS (CONTINUED)

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

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

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

Provision 6.3
Review of Remuneration

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

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

Provision 6.4
Engagement of Remuneration Consultants

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The professional advisers, if engaged, shall be free from any relationships with the Company as that will affect their objectivity and independence. The expenses of such professional services shall be borne by the Company. For FY 2019, an independent professional advisor has been engaged to assist the RC on the remuneration matters.

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1
Remuneration of Executive Directors and Key Management Personnel

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

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

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

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

LEVEL AND MIX OF REMUNERATION (CONTINUED)

Provision 7.2
Remuneration of Non-Executive Directors

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

Provision 7.3
Remuneration Framework

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

DISCLOSURE ON REMUNERATION

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

Provision 8.1
Remuneration Report

Directors

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

	No. of Directors	
Remuneration Band	**2019**	**2018**
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	4
Total	6	6

Key Management Personnel of the Group

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

Provision 8.2
Remuneration of Employees who are Immediate Family Members of a Director 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 S$100,000 during the year.

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

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

DISCLOSURE OF REMUNERATION (CONTINUED)

Provision 8.3
Employee Share Scheme

Amara Performance Share Plan ("Plan")

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

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

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

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

The aggregate number of shares available to eligible controlling shareholders and their associates under the Plan shall not exceed twenty-five per cent (25%) of the shares available under the Plan. In addition, the number of shares available to each controlling shareholder or his associate shall not exceed ten per cent (10%) of the shares available under the Plan.

There were no shares awarded under the Plan since its inception to the end of the financial year.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1
Risk Management

The Board is responsible for the governance of risk management and internal controls, and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives and value creation. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the Enterprise Risk Management Working Committee.

To enhance the Group's continuous effort in Enterprise Risk Management ("ERM"), the Group has consulted with a reputable risk consulting firm to assist with formalising an ERM Programme and documenting an ERM Framework Manual to ensure consistency in application across the Group and sustainability of the programme.

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Provision 9.2
Assurances to the Board

The Board has received the following assurances for FY 2019:

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

Board's Comment on Adequacy and Effectiveness of Internal Controls

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

AUDIT COMMITTEE

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

Provisions 10.1 and 10.2
Audit Committee Membership and Duties

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

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

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

Roles, Responsibilities and Authorities of Audit Committee

The AC has 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 its terms of reference, Section 201B(5) of the Companies Act and the Code, including the following:

- reviews with the external auditors, the audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of Management, where necessary);
- reviews with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;
- reviews any significant findings of internal investigations and Management's response;
- reviews the independence of the external and internal auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- makes recommendations to the Board on the appointment of external auditors, the audit fee and any matters of their resignation or dismissal;

AUDIT COMMITTEE (CONTINUED)

- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of Management integrity;
- reviews the assurances from the CEO and the Financial Controller on the financial records and financial statements;
- reviews 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; and
- reviews arrangements by which the staff of the Company and the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting and any other matters to be independently investigated and appropriately followed up on.

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

The AC has free and independent access to the external auditors and the internal auditors, and 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.

Whistleblowing Policy

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

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

Provision 10.3
Restriction on Acting as Audit Committee Member

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

AUDIT COMMITTEE (CONTINUED)

Provision 10.4
Internal Audit Function

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

IA is an independent function within the Company, and it has unfettered access to all the Group's documents, records, properties and personnel, including unrestricted direct access to the AC. The in-house internal audit function is complemented by outsourced Internal Audit firm. IA carries out its functions according to the 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.

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

Provision 10.5
Meeting with External Auditors and Internal Auditors

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

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

Shareholders are encouraged to attend the AGM and Extraordinary General Meeting ("EGM") (if any) to ensure high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meetings will be 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. Shareholders will be briefed by the Company on the poll voting procedures at general meetings. The poll voting results will be announced after the general meetings via SGXNET.

Provision 11.2
Separate Resolutions at General Meetings

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

Provision 11.3
Attendance of Directors and Auditors at General Meetings

The Board, together with the Management and the external auditors, are normally present at the AGM to address shareholders' queries, if any. In 2019, the Company held one general meeting which was attended by all the current Directors.

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONTINUED)

Provision 11.4
Absentia Voting

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

Provision 11.5
Minutes of General Meetings

Minutes of general meetings, including comments and queries from shareholders and responses from the Board and Management, will be published on the Company's corporate website at www.amaraholdings.com.

Provision 11.6
Dividend Policy

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

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

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1
Avenues for Communication Between the Board and Shareholders

The Company strives for transparency in its disclosures to the shareholders and the public. This is done through the timely release of information through SGXNET. However, the Company does not practise selective disclosure as all price-sensitive and/or trade-sensitive information is released through SGXNET. The Company also maintains a website at www.amaraholdings.com, at which shareholders can access information on the Group such as corporate information, annual report and core businesses of the Group. The Company also responds to enquiries from investors, analysts, fund managers and the press.

For FY 2019, financial results of the Group were 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's AGM is the principal forum for dialogues with shareholders.

Provisions 12.2 and 12.3
Investor Relations

The Company has retained the services of a public relations firm to assist in its communication with the shareholders.

The Company's investor relations policy is to communicate with its shareholders and the investment community through the timely and equal dissemination of information and news via announcements to the SGX-ST through SGXNET. As mentioned above, the Company does not practise selective disclosure.

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at www.amaraholdings.com where it updates shareholders and investors on the latest news and business developments of the Group. Shareholders and investors are also provided with investor relations contacts under the "Corporate Data" section of this Annual Report where they can send their queries.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2
Engagement with Material Stakeholder Groups

The Group's material stakeholders are its shareholders, customers, employees, business partners and the community and the Company engages with them through its sustainability initiatives and corporate social responsibility programmes as set out under the "Sustainability Report" section of this Annual Report. Please refer to the "Sustainability Report" for details.

Provision 13.3
Corporate Website for Communication and Engagement with Stakeholders

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

OTHER CORPORATE GOVERNANCE MATTERS
INTERESTED PERSON TRANSACTIONS

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

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

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

DEALINGS IN SECURITIES

In line with Listing Rule 1207(19) on Dealings in Securities, the Company has adopted the SGX-ST best practices on dealings in securities in its Internal Code of Dealings in Securities ("Internal Code") to prescribe the internal regulations pertaining to the securities of the Company. Under the Internal Code, in respect of the release of quarterly and full year financial statements to SGX-ST for FY 2019, all Directors and employees of the Group are prohibited from dealing in the Company's securities two weeks before and up to the release of the quarterly financial statements or one month before and up to the release of the full year financial statements, as the case may be. With the adoption of semi-annual reporting of the financial statements from FY 2020, all Directors and employees of the Group are prohibited from dealing in the Company's securities one month before and up to the release of the half year and full year financial statements, as the case maybe.

The Directors and these employees are also prohibited from dealing in the securities of the Company on short-term considerations or at any time when in possession of price-sensitive and/or trade-sensitive information (including during non-prohibited periods).

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

Contents

72	Directors' Statement
76	Independent Auditor's Report to the Members of Amara Holdings Limited
80	Statements of Financial Position
81	Consolidated Statement of Profit or Loss and Other Comprehensive Income
82	Statements of Changes in Equity
84	Consolidated Statement of Cash Flows
86	Notes to Financial Statements
144	Corporate Data
145	Statistics of Shareholdings
147	Additional Information on Directors Seeking Re-Election

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 2019.

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 80 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 2019, and the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1. DIRECTORS

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

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

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

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act 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 2020	At beginning of year	At end of year	At 21 January 2020
Amara Holdings Limited (Ordinary shares)						
Albert Teo Hock Chuan	35,291,404	35,291,404	35,291,404	152,997,990	153,968,290	153,968,290
Susan Teo Geok Tin	35,162,232	35,162,232	35,162,232	152,987,990	152,987,990	152,987,990
Lawrence Mok Kwok Wah	710,030	710,030	710,030	35,441,205*	35,441,205*	35,441,205*

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

Name of directors and companies in which interests are held	Shareholdings registered in name of director/nominee: At beginning of year	At end of year	At 21 January 2020	Shareholdings in which a director is deemed to have an interest: At beginning of year	At end of year	At 21 January 2020
Immediate and ultimate holding company						
First Security Pte Ltd (Ordinary shares)						
Albert Teo Hock Chuan	5,000,025	5,000,025	5,000,025	-	-	-
Susan Teo Geok Tin	2,499,975	2,499,975	2,499,975	-	-	-
Related companies						
Firstrust Equity Pte Ltd[1] (Ordinary shares)						
Albert Teo Hock Chuan	-	-	-	5,171,935	-	-
Susan Teo Geok Tin	674,600	-	-	5,171,935	-	-
Lawrence Mok Kwok Wah	-	-	-	1,349,200	-	-
Amara Ventures Pte Ltd (Ordinary shares)						
Albert Teo Hock Chuan	882	882	882	6,114	6,114	6,114
Susan Teo Geok Tin	797	797	797	6,114	6,114	6,114
Lawrence Mok Kwok Wah	-	-	-	797	797	797

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

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

4. SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

5. **AUDIT COMMITTEE**

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

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

This subcommittee of the Board had 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 of Corporate Governance 2018, including the following:

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

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

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

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

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

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

vii) monitors interested person transactions and conflict of interest situation that may arise within the group including any transaction, procedure or course of action that raises questions of Management integrity;

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

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

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

5. AUDIT COMMITTEE (CONTINUED)

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

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

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

iii) compliance with legal and other regulatory requirements; and

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

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

6. AUDITORS

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

ON BEHALF OF THE DIRECTORS

Albert Teo Hock Chuan
Director

Foo Ko Hing
Director

25 March 2020

Independent Auditor's Report to the Members of Amara Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Amara Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2019, 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 80 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and of the changes in equity of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory *Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation for investment properties

Investment properties of the group comprise commercial properties located in Singapore and The People's Republic of China which amounted to $417.5 million and accounted for 51% of the group's total assets as at 31 December 2019. 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.

Our audit performed and responses thereon

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

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.

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 16 to the financial statements.

Valuation of development properties under development and completed properties held for sale

The group has development properties under development and completed residential properties held for sale in Singapore. These are stated at the lower of cost and their net realisable value, amounting to $104.3 million as at 31 December 2019. 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.

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.

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

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

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

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

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

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

Independent Auditor's Report
to the Members of Amara Holdings Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2020

Statements of Financial Position

31 December 2019

	Notes	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Assets					
Current assets					
Cash and cash equivalents	7	10,211	14,976	39	41
Trade and other receivables	8	14,357	13,038	73,017	72,661
Inventories	9	538	587	-	-
Development properties	10	104,250	109,803	-	-
Contract assets	11	2,354	-	-	-
Total current assets		131,710	138,404	73,056	72,702
Non-current assets					
Trade and other receivables	8	355	472	-	-
Financial assets at fair value through profit or loss ("FVTPL")	12	966	1,049	167	160
Intangible assets	13	1,178	1,178	-	-
Investment in a jointly-controlled entity	14	474	1,691	-	-
Investment in subsidiaries	15	-	-	40,987	40,987
Investment properties	16	417,477	398,085	-	-
Property, plant and equipment	17	228,800	239,652	-	-
Land use rights	18	-	6,618	-	-
Other asset	19	6,132	6,243	-	-
Deferred tax assets	20	648	97	-	-
Right-of-use assets	21	33,951	-	-	-
Total non-current assets		689,981	655,085	41,154	41,147
Total assets		821,691	793,489	114,210	113,849
Liabilities and Equity					
Current liabilities					
Trade and other payables	22	20,105	30,584	373	333
Contract liabilities	11	-	7,661	-	-
Income tax payable		4,238	3,737	-	-
Bank loans	23	38,400	8,288	-	-
Lease liabilities	24	2,259	-	-	-
Finance lease liabilities	25	-	1,363	-	-
Total current liabilities		65,002	51,633	373	333
Non-current liabilities					
Trade and other payables	22	4,514	3,840	-	-
Bank loans	23	297,208	321,313	-	-
Lease liabilities	24	36,485	-	-	-
Finance lease liabilities	25	-	4,109	-	-
Deferred tax liabilities	20	14,586	13,226	-	-
Total non-current liabilities		352,793	342,488	-	-
Capital, reserves and non-controlling interest					
Share capital	26	125,646	125,646	125,646	125,646
Treasury shares	27	(996)	(996)	(996)	(996)
Reserves	28	279,246	274,718	(10,813)	(11,134)
Total equity		403,896	399,368	113,837	113,516
Total liabilities and equity		821,691	793,489	114,210	113,849

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2019

	Notes	Group 2019 $'000	2018 $'000
Revenue	29	105,295	104,160
Fair value gains of investment properties	16	20,385	22,777
Other income	30	2,172	1,005
Changes in inventories of finished goods		(49)	120
Cost of properties sold/consumables used		(8,924)	(10,168)
Staff costs	31	(28,603)	(28,548)
Depreciation		(11,059)	(9,995)
Finance costs	32	(12,574)	(9,912)
Other expenses	34	(31,782)	(33,043)
Share of results of a jointly-controlled entity, net of tax	14	(17)	233
Profit before tax		34,844	36,629
Income tax expense	33	(6,666)	(4,663)
Profit for the year	34	28,178	31,966
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		(3,715)	(5,248)
Total comprehensive income for the year		24,463	26,718
Profit attributable to:			
Owners of the company		28,178	31,966
Non-controlling interests		-	-*
		28,178	31,966
Total comprehensive income attributable to:			
Owners of the company		24,463	26,718
Non-controlling interests		-	-*
		24,463	26,718
Earnings per share:			
Basic and diluted (cents)	36	4.90	5.56

* Amount less than $1,000.

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended 31 December 2019

	Notes	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Retained earnings and other reserve** $'000	Total reserves $'000	Equity attributable to owners of the company $'000	Non - controlling interests $'000	Total $'000
Group									
Balance at 1 January 2018		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	35	-	-	-	(5,750)	(5,750)	(5,750)	-	(5,750)
Effect of disposal of 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
Effects of adopting SFRS(I) 16		-	-	-	(8,436)	(8,436)	(8,436)	-	(8,436)
Balance at 1 January 2019		125,646	(996)	(6,511)	272,793	266,282	390,932	-	390,932
Total comprehensive income/(loss) for the year:									
Profit for the year		-	-	-	28,178	28,178	28,178	-	28,178
Other comprehensive loss		-	-	(3,715)	-	(3,715)	(3,715)	-	(3,715)
Total		-	-	(3,715)	28,178	24,463	24,463	-	24,463
Transactions with owners, recognised directly in equity:									
Dividends paid relating to 2018, representing total transactions with owners recognised directly in equity	35	-	-	-	(11,499)	(11,499)	(11,499)	-	(11,499)
Balance at 31 December 2019		125,646	(996)	(10,226)	289,472	279,246	403,896	-	403,896

(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 2019 (2018 : $112,000).

See accompanying notes to financial statements.

Statements of Changes in Equity (continued)

Year ended 31 December 2019

	Notes	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Other reserves $'000	Total reserves $'000	Total $'000
Company							
Balance at 1 January 2018		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	35	-	-	(5,750)	-	(5,750)	(5,750)
Balance at 31 December 2018		125,646	(996)	(12,060)	926	(11,134)	113,516
Profit for the year, representing total comprehensive income for the year		-	-	11,820	-	11,820	11,820
Dividends paid relating to 2018, representing total transactions with owners recognised directly in equity	35	-	-	(11,499)	-	(11,499)	(11,499)
Balance at 31 December 2019		125,646	(996)	(11,739)	926	(10,813)	113,837

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2019

		Group	
	Notes	**2019 $'000**	2018 $'000
Operating activities			
Profit before tax		34,844	36,629
Adjustments for:			
Fair value gains of investment properties	16	(20,385)	(22,777)
Amortisation of other asset	19	111	109
Amortisation of land use rights	18	-	286
Depreciation of property, plant and equipment	17	9,364	9,995
Depreciation of right-of-use assets	21	1,695	-
Property, plant and equipment written off	34	109	481
Gain on disposal of property, plant and equipment	30	(38)	(3)
Dividend income from financial assets at FVTPL	30	(156)	(39)
Gain on disposal of financial assets at FVTPL	30	-	(69)
Loss on fair value adjustment of financial assets at FVTPL	30	83	211
Interest income – fixed deposits	30	(23)	(17)
Interest expense	32	12,574	9,912
Loss allowance	8	-	64
Share of results of a jointly-controlled entity, net of tax	14	17	(233)
Exchange differences		688	(280)
Operating cash flows before movements in working capital		38,883	34,269
Inventories		49	(120)
Trade and other receivables		(1,202)	(3,218)
Trade and other payables		(9,382)	5,564
Contract assets/liabilities		(10,015)	5,764
Development properties		5,553	(8,767)
Cash generated from operations		23,886	33,492
Income tax paid		(3,803)	(3,591)
Net cash from operating activities		20,083	29,901
Investing activities			
Proceeds on disposal of financial assets at FVTPL		-	89
Proceeds on disposal of property, plant and equipment		50	8
Payments for property, plant and equipment (Note A)	17	(5,133)	(5,306)
Payment for right-of-use assets	21	(29)	-
Payment for land use rights	18	-	(997)
Additional costs incurred on investment properties	16	(528)	(3,892)
Dividend received from financial assets at FVTPL	30	156	39
Interest received	30	23	17
Dividend received from a jointly-controlled entity		1,200	520
Net cash used in investing activities		(4,261)	(9,522)

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows (continued)

Year ended 31 December 2019

	Note	Group 2019 $'000	2018 $'000
Financing activities			
Interest paid		(12,574)	(9,912)
Payment of dividends on ordinary shares	35	(11,499)	(5,750)
Repayment of lease liabilities	23	(1,145)	-
Repayment of finance lease liabilities		-	(1,744)
Repayment of bank borrowings		(187,648)	(132,532)
Proceeds from bank borrowings		192,264	135,540
Net cash used in financing activities		(20,602)	(14,398)
Net (decrease)/increase in cash and cash equivalents		(4,780)	5,981
Cash and cash equivalents at beginning of year		14,976	8,983
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		15	12
Cash and cash equivalents at end of year	7	10,211	14,976

Note A:

During the financial year, the group acquired property, plant and equipment with an aggregate cost of $5,133,000 (2018 : $12,501,000) of which $Nil (2018 : $6,844,000) was financed by means of finance lease and transfer from land use rights of $Nil (2018 : $351,000). Cash payment of $5,133,000 (2018 : $5,306,000) was made to purchase property, plant and equipment.

See accompanying notes to financial statements.

1. GENERAL

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

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

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 25 March 2020.

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) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards

On 1 January 2019, the group and the company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exceptions for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the group is 1 January 2019.

The group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- requires the group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and

- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 and SFRS(I) INT 4.

(a) Impact of the new definition of a lease

The group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17 and SFRS(I) INT 4.

The group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SFRS(I) 16 *Leases* (continued)

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16.C8(b)(ii) except for the right-of-use asset for land leases which were measured on a retrospective basis as if the standard has been applied since the commencement date;

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 Impairment of Assets.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

The group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Former finance leases

For leases that were classified as finance leases applying SFRS(I) 1-17, the carrying amount of the leased assets and obligations under finance leases measured applying SFRS(I) 1-17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying SFRS(I) 16 from 1 January 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SFRS(I) 16 *Leases* (continued)

(c) Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

(d) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on 1 January 2019 is 4.52%.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	$'000
Operating lease commitments at 31 December 2018	89,429
Less: Short-term leases and leases of low value assets	(40)
Less: Effect of discounting the above amounts	(56,389)
Add: Finance lease liabilities recognised under SFRS(I) 1-17 at 31 December 2018	5,472
Add: Present value of the lease payments not previously included in operating lease commitments	1,012
Lease liabilities recognised at 1 January 2019	39,484

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application, except for the right-of-use assets for land leases measured on a retrospective basis as if the Standard had been applied since the commencement date. Consequently, the impact on the statement of financial position is as follows:

- Adjustment of $8.44 million was made to the opening retained earnings out of which $1.55 million relates to the effect of deferred tax asset/credit at date of initial application;
- Reclassification of property, plant and equipment of $5.24 million under finance leases as of 31 December 2018 to right-of-use assets on 1 January 2019; and
- Reclassification of land use rights of $6.62 million as of 31 December 2018 to right-of-use assets on 1 January 2019.

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.

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.

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.

<u>Classification of financial assets</u>

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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Classification of financial assets (continued)

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.

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 30).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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

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 30) or "other expenses" (Note 34) 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 30) or "other expenses" (Note 34) line item.

Impairment of financial assets

The group always recognises lifetime ECL for trade receivables and contract assets. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

<u>Credit-impaired financial assets</u>

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.

<u>Write-off policy</u>

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.

<u>Measurement and recognition of expected credit losses</u>

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.

<u>Derecognition of financial assets</u>

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 30) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (continued)

<u>Offsetting arrangements</u>

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 (Before 1 January 2019)

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.

<u>The group as lessor</u>

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.

<u>The group as lessee</u>

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.

Leases (From 1 January 2019)

<u>The group as lessee</u>

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (From 1 January 2019) (continued)

The group as lessee (continued)

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

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

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

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

The right-of-use assets are presented as a separate line in the statement of financial position.

The group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (From 1 January 2019) (continued)

The group as lessee (continued)

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

The group as lessor

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

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

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

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

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

Inventories

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

Development properties

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 $33\frac{1}{3}$
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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The group recognises revenue from the following major sources:

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

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

Hotel operations, restaurant operations and other related services rendered

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

Rental from leases of investment properties

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions and translation (continued)

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.

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.

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.

<u>Valuation for investment properties</u>

The group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The group engaged independent valuation specialists to determine the investment properties' fair values annually. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield and terminal yield. In relying on the valuation reports, Management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuation technique and inputs used to determine the fair value of the investment properties are further explained in Note 16.

The carrying amounts of the group's investment properties at the end of the reporting period are disclosed in Note 16 to the financial statements.

<u>Valuation of development properties under development and completed properties for sale</u>

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

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

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

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

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

(ii) Key sources of estimation uncertainties (continued)

Revenue recognition for sales of properties under development

Revenue and costs arising from contracts are recognised using the percentage of completion method determined by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total construction costs at the end of each reporting period. Management exercises considerable judgement in estimating the projected total costs to completion, including the likely amounts at which additional claims from the contractors would eventually be settled. Total revenue recognised based on percentage of completion amounted to $3,241,000 (2018 : $3,822,000).

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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Financial assets				
At amortised cost	17,359	21,096	73,046	72,696
At FVTPL	966	1,049	167	160
	18,325	22,145	73,213	72,856
Financial liabilities				
Financial liabilities at amortised cost	358,963	362,659	373	333
Lease liabilities/Finance lease liabilities	38,744	5,472	-	-
	397,707	368,131	373	333

At the reporting date, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the group's maximum exposure to credit risk for such assets.

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The group and company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar agreements.

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

(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		Group Liabilities	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
United States Dollar	61,747	60,320	61,426	60,284
Singapore Dollar	445	458	-	-

Sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss and equity are considered not significant if USD changes against the SGD by 3% (2018 : 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 2019, the group entered into interest rate swaps and interest rate caps at nominal amounts of $73,040,000 (2018 : $89,290,000).

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

The interest rates and terms of repayment for bank loans and finance leases of the group are disclosed in Notes 23 and 25 to the financial statements.

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 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 (2018 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been $704,000 (2018 : $691,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans.

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

(iii) Equity price risk management

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

Further details of these equity investments can be found in Note 12 to the financial statements.

Sensitivity analysis for market price risk is not disclosed as the effect on the group's profit is considered not significant if equity prices had been 5% (2018 : 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

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 2019						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	3,894	(38)	3,856
Other receivables	8	Performing	12-month ECL	8,658	(5,366)	3,292
Contract assets	11	(i)	Lifetime ECL (simplified approach)	2,354	-	2,354
					(5,404)	
31 December 2018						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	5,166	(110)	5,056
Other receivables	8	Performing	12-month ECL	6,430	(5,366)	1,064
					(5,476)	
Company						
31 December 2019						
Other receivables	8	Performing	12-month ECL	73,007	-	73,007
31 December 2018						
Other receivables	8	Performing	12-month ECL	72,655	-	72,655

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

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

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 2019 and 2018, 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.

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	More than 5 years $'000	Adjustments $'000	Total $'000
Group						
31 December 2019						
Non-interest bearing	-	18,841	4,514	-	-	23,355
Lease liabilities (fixed rate)	6.45	3,153	9,422	82,180	(56,011)	38,744
Variable interest rate instruments	2.93	39,525	306,709	11,701	(22,327)	335,608
		61,519	320,645	93,881	(78,338)	397,707
31 December 2018						
Non-interest bearing	-	29,218	3,840	-	-	33,058
Finance lease liabilities (fixed rate)	6.05	1,715	4,907	-	(1,150)	5,472
Variable interest rate instruments	3.10	8,545	319,531	14,950	(13,425)	329,601
		39,478	328,278	14,950	(14,575)	368,131

The company's financial liabilities as at 31 December 2018 and 2019 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

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 2019				
Non-interest bearing	-	17,897	-	17,897
Fixed interest rate instrument	0.75 to 0.95	1,834	(18)	1,816
		19,731	(18)	19,713
31 December 2018				
Non-interest bearing	-	19,824	-	19,824
Fixed interest rate instrument	0.85 to 0.95	1,284	(11)	1,273
		21,108	(11)	21,097

The company's financial assets as at 31 December 2018 and 2019 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

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) **2019 Assets**	2018 Assets	Fair value hierarchy	Valuation technique(s) and key input(s)
Group				
Financial assets at FTVPL (Note 12)	966	1,049	Level 1	Quoted prices in an active market
Company				
Financial assets at FTVPL (Note 12)	167	160	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 $4,323,000 (2018 : $3,668,000) based on a discount rate of 2.93% (2018 : 3.10%) 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 2019 and 2018.

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 2019 and 2018.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

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

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

	Group	
	2019	2018
	$'000	$'000
Dividend paid to holding company	3,060	1,530

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	
	2019	2018
	$'000	$'000
Short-term benefits	2,575	2,582
Post-employment benefits	53	55
	2,628	2,637

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 $1,452,000 (2018 : $1,482,000), excluding directors' fee which is disclosed in Note 34 to the financial statements.

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	8,395	13,703	39	41
Fixed deposits	1,816	1,273	-	-
	10,211	14,976	39	41

Included in the above is an amount of $1,201,000 (2018 : $6,543,000) held under the Housing Developers (Project Account) Rules (1997 Ed) where withdrawals from which are for project expenditure incurred.

The group's fixed deposits with banks mature on varying dates within 1 to 3 months (2018 : 1 to 3 months) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2019 ranges from 0.75% to 0.95% (2018 : 0.85% to 0.95%) per annum.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables	8,953	10,269	5	1
Non-trade receivables due from third parties	7,374	6,094	-	-
Non-trade receivables due from subsidiaries	-	-	73,007	72,655
Other receivables	487	10	-	-
Deposit	797	326	-	-
Prepayments	2,505	2,287	5	5
	20,116	18,986	73,017	72,661
Less: Loss allowance	(5,404)	(5,476)	-	-
	14,712	13,510	73,017	72,661
Less: Amount receivable after 12 months	(355)	(472)	-	-
Amount receivable within 12 months	14,357	13,038	73,017	72,661

The average credit period on sales of goods is 0 to 60 days (2018 : 0 to 60 days). Trade and other receivables are unsecured and interest-free.

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

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

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

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 2019					
Estimated total gross carrying amount at default	7,948	677	128	200	8,953
Lifetime ECL	-	-	-	(38)	(38)
					8,915
31 December 2018					
Estimated total gross carrying amount at default	9,079	605	313	272	10,269
Lifetime ECL	-	-	-	(110)	(110)
					10,159

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL credit-impaired $'000
Group	
Balance as at 1 January 2018	79
Change in loss allowance	64
Amounts written off	(33)
Balance as at 31 December 2018	110
Amounts written off	(72)
Balance as at 31 December 2019	38

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

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

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

	12-month ECL Financial assets at amortised cost $'000
Group	
Balance as at 1 January 2018, 31 December 2018 and 2019	5,366

9. INVENTORIES

	Group 2019 $'000	2018 $'000
Food and beverage	243	248
Other hotel and catering supplies	295	339
	538	587

10. DEVELOPMENT PROPERTIES

	Group 2019 $'000	2018 $'000
Properties under development	102,077	107,630
Completed properties held for sale	2,173	2,173
	104,250	109,803

62% (2018 : 57%) 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 and 2019 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/ 2020 [(a)]	2,345	Residential development of 1 block of 12 storey apartments	100
(iii)	10 Evelyn Road, Singapore	Freehold	Under development/ 2021	3,941	Proposed residential development	100
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2020	1,076	Proposed residential development	100

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

Certain development properties of the group with carrying amount of $87,797,000 (2018 : $94,507,000) (Note 23) are pledged as security for banking facilities at the end of the financial year.

11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2019	2018
	$'000	$'000
Amount related to construction contracts	2,354	(7,661)
Analysed as:		
Current	2,354	(7,661)

Contract assets relating to construction contracts are balances due from customers under construction contracts that arise when the group's right to consideration for work completed but not billed at the reporting date. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Contract liabilities relating to construction contracts are balances due from customers under construction contracts. These arise when a particular milestone payment exceeds the revenue recognised to date. The changes in contract assets (liabilities) are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from customers at the end of the reporting period is past due.

As there was no historical credit loss experience by the group, the ECL is assessed by Management to be insignificant.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Quoted equity shares at fair value through profit or loss	966	1,049	167	160

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 30).

13. INTANGIBLE ASSETS

	Group	
	2019	2018
	$'000	$'000
Club memberships	564	564
Less: Impairment loss	(175)	(175)
	389	389
Goodwill	789	789
	1,178	1,178

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

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

14. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	Group	
	2019	2018
	$'000	$'000
Unquoted equity shares, at cost	400	400
Fair value adjustment	2,139	2,139
Share of accumulated profits, net of tax	74	1,291
	2,613	3,830
Provision for impairment in value on investment	(2,139)	(2,139)
	474	1,691

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 was computed based on cash flows discounted at market borrowing rate of 1.8% per annum.

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	
		2019	2018
		%	%
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	
	2019	2018
	$'000	$'000
Current assets	6,336	9,502
Current liabilities	(5,018)	(5,143)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	6,254	9,242
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	-	2,551
(Loss)/Profit for the year	(42)	582
Total comprehensive (loss)/income for the year	(42)	582
Dividend paid	3,000	1,300
The above (loss)/profit for the year includes the following:		
Interest income	1	14
Income tax expense	-	(116)

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2019	2018
	$'000	$'000
Unquoted equity investment, at cost	50,816	51,816
Less: Impairment loss	(9,829)	(10,829)
	40,987	40,987

Movement in unquoted equity investment, at cost:	**2019** **$'000**	2018 $'000
At beginning of year	51,816	51,816
Liquidation of subsidiary	(1,000)	-
At end of year	50,816	51,816

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

Allowance for impairment loss balance is as follows:

	Company	
	2019	2018
	$'000	$'000
At beginning of year	10,829	9,829
Charge to profit or loss	-	1,000
Written off	(1,000)	-
At end of year	9,829	10,829

During the year ended 31 December 2018, 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.

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the group's subsidiaries at 31 December are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest		Cost of investment	
			2019 %	2018 %	**2019 $'000**	2018 $'000
Held by the company						
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	Singapore	100	100	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100	6,704	6,704
Creslin Pte Ltd [(a)]	Property development and provision of construction services	Singapore	-	100	-	1,000
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100	-	-[(b)]
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	Singapore	100	100	50	50
AOI Saigon Pte Ltd [(c)]	Dormant	Singapore	100	100	4,773	4,773
Amara Hospitality Capital Pte Ltd	Investment holding	Singapore	100	100	7,616	7,616
Amara Sentosa Investments Pte. Ltd.	Hotelier, restaurateur and investment holding	Singapore	100	100	8,000	8,000
Residential Development Pte Ltd	Property development	Singapore	100	100	1,000	1,000
					50,816	51,816

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			2019 **%**	2018 %
Held by PCS Restaurants Pte Ltd				
Julius Estates Pte. Ltd.	Property investment and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte. Ltd.	Restaurateur	Singapore	100	100
Held by Amara Hospitality Capital Pte Ltd				
Amara Hospitality (Thailand) Co., Ltd. [d]	Hotel development and ownership	Thailand	100	100
Myanmar Central Investment Pte. Ltd. [e]	Dormant	Singapore	100	100
Held by Amara China Investments Pte Ltd				
Amara Shanghai Pte Ltd	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. [d]	Hotel development and ownership	The People's Republic of China	5	5
Held by Amara Shanghai Pte Ltd				
Shanghai Amara Hotel Co., Ltd. [d]	Hotel development and ownership	The People's Republic of China	95	95

[a] During the year ended 31 December 2019, the subsidiary has been liquidated.
[b] Cost of investment less than $1,000.
[c] During the year ended 31 December 2018, the company 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 became a wholly-owned subsidiary of the group.
[d] Audited by member firms of Deloitte Touche Tohmatsu Limited.
[e] No audit required as dormant. Subsequent to the year ended 31 December 2019, Myanmar Central Investment Pte. Ltd. has changed its name to Amara Investments (Europe) Pte. Ltd.

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

16. INVESTMENT PROPERTIES

	Group	
	2019	2018
	$'000	$'000
At beginning of year	398,085	373,660
Additions through subsequent expenditure	528	3,892
Gain from fair value adjustments included in profit or loss	20,385	22,777
Currency realignment	(1,521)	(2,244)
At end of year	417,477	398,085

The group's investment properties as at 31 December 2018 and 2019 are set out below:

Address	Held by	Title	Description
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years from 1979	100 AM, shopping centre with 3 levels of basement carpark
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years from 1979	100 AM, 12-storey office building
118 Killiney Road, #01-01, Singapore	Julius Estates Pte Ltd	Freehold	1st floor commercial space within a 6-storey apartment
582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	100 AM, shopping centre with 3 levels of basement carpark
582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	100 AM, 5-storey office building

In the consolidated statement of profit or loss and other comprehensive income, rental income of $18,902,000 (2018 : $16,058,000) was generated from investment properties, and direct operating expenses include $4,390,000 (2018 : $3,509,000) relating to investment properties that generated rental income during the year.

At the end of the reporting period, certain investment properties with aggregate carrying amount of $321,500,000 (2018 : $307,000,000) was mortgaged as security to banks for bank loans and bank facilities for the group (Note 23).

16. 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 and terminal yield. In relying on the valuation reports, Management has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuers have considered valuation techniques including the capitalisation approach and direct comparison approach in arriving at the open market value at the end of the reporting period (2018 : capitalisation approach and direct comparison approach). The direct comparison approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using the revenue multipliers or single-year capitalisation rates. The highest and best use of the properties is their current use.

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value $'000
As at 31 December 2019	-	-	417,477	417,477
As at 31 December 2018	-	-	398,085	398,085

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% (2018 : 3.50% to 4.50%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: $2,435 to $7,368 per sq ft (2018 : $3,464 to $4,977 per sq ft)	The estimated fair value increases with higher comparable price.
The People's Republic of China	Capitalisation approach	Capitalisation rate: 3.25% to 4.20% (2018 : 3.50%)	The estimated fair value increases with lower capitalisation rate.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold property $'000	Leasehold land and buildings $'000	Plant and machinery, furniture, fixtures and equipment $'000	Motor vehicles $'000	Renovations $'000	Operating supplies $'000	Capital project in progress $'000	Total $'000
Group								
Cost								
At 1 January 2018	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 18)	-	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
Adoption of SFRS(I) 16	-	(1,540)	(4,037)	(644)	-	-	-	(6,221)
At 1 January 2019	491	269,454	31,166	1,208	8,879	3,217	2,542	316,957
Currency realignment	-	(1,187)	142	7	7	21	-	(1,010)
Additions	-	151	3,633	439	718	40	152	5,133
Transfer upon completion	-	-	-	-	2,343	-	(2,343)	-
Disposals/Write off	-	(2)	(1,015)	(331)	(87)	(102)	-	(1,537)
At 31 December 2019	491	268,416	33,926	1,323	11,860	3,176	351	319,543
Accumulated depreciation								
At 1 January 2018	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
Adoption of SFRS(I) 16	-	(51)	(632)	(294)	-	-	-	(977)
At 1 January 2019	218	53,492	22,385	1,012	5,442	-	-	82,549
Currency realignment	-	85	146	8	7	-	-	246
Depreciation	10	6,367	1,978	161	848	-	-	9,364
Disposals/Write off	-	(1)	(997)	(331)	(87)	-	-	(1,416)
At 31 December 2019	228	59,943	23,512	850	6,210	-	-	90,743
Carrying amount								
At 31 December 2019	263	208,473	10,414	473	5,650	3,176	351	228,800
At 1 January 2019	273	215,962	8,781	196	3,437	3,217	2,542	234,408
At 31 December 2018	273	217,451	12,186	546	3,437	3,217	2,542	239,652

In 2018, the group had property, plant and equipment under finance lease agreements with the following net carrying amount:

	Group 2018 $'000
Plant and machinery, furniture, fixtures and equipment	4,893
Motor vehicles	350
	5,243

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 $88,714,000 (2018 : $88,674,000) and were mortgaged as security to banks for borrowings (Note 23).

The group's properties as at 31 December 2019 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

18. LAND USE RIGHTS

	Group
	$'000
Cost	
At 1 January 2018	10,777
Additions	997
Transfer to property, plant and equipment (Note 17)	(351)
Currency realignment	(323)
At 31 December 2018	11,100
Adoption of SFRS(I) 16 (Note 2)	(11,100)
At 1 January 2019 and 31 December 2019	-
Accumulated amortisation	
At 1 January 2018	4,326
Amortisation	286
Currency realignment	(130)
At 31 December 2018	4,482
Adoption of SFRS(I) 16 (Note 2)	(4,482)
At 1 January 2019 and 31 December 2019	-
Carrying amount	
At 31 December 2019	-
At 1 January 2019	-
At 31 December 2018	6,618

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

19. OTHER ASSET

Other asset comprises fees paid in respect of the service fee arising from a lease arrangement entered into by the group.

	Group	
	2019	2018
	$'000	$'000
At beginning of year	6,243	6,352
Amortisation	(111)	(109)
At end of year	6,132	6,243

The amortisation rate for the prepaid lease is 1.47% (2018 : 1.47%) per annum.

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

20. DEFERRED TAXES

The movements in the group's deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred tax assets

	Group
	$'000
Tax losses:	
At 1 January 2018	(157)
Charge to profit or loss	60
At 31 December 2018	(97)
Adoption of SFRS(I)16	(641)
At 1 January 2019	(738)
Charge to profit or loss	90
At 31 December 2019	(648)

Deferred tax liabilities

	Accelerated tax depreciation $'000	Unremitted foreign sourced income $'000	Provisions $'000	Total $'000
Group				
At 1 January 2018	5,391	543	6,570	12,504
Charge to profit or loss	25	321	578	924
Currency realignment	-	-	(202)	(202)
At 31 December 2018	5,416	864	6,946	13,226
Adoption of SFRS(I) 16	(946)	-	34	(912)
At 1 January 2019	4,470	864	6,980	12,314
Under provision in prior year	-	-	185	185
(Credit)/Charge to profit or loss	(76)	334	2,087	2,345
Currency realignment	-	-	(258)	(258)
At 31 December 2019	4,394	1,198	8,994	14,586

20. 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	
	2019	2018
	$'000	$'000
Deferred tax assets	(648)	(97)
Deferred tax liabilities	14,586	13,226
	13,938	13,129

The group has unrecognised tax losses of $3,205,000 (2018 : $6,361,000) 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 $641,000 (2018 : $1,272,000) 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.

21. RIGHT-OF-USE ASSETS

The group leases several leasehold land, plant and machinery, furniture, fixture and equipment, motor vehicles and land use rights. The average lease term ranges from 2 to 70 years (2018 : 2 to 70 years).

The group's obligations are secured by the lessors' title to the leased assets for such leases.

	Leasehold land[1] $'000	Plant and machinery furniture, fixtures and equipment $'000	Motor vehicles $'000	Land use rights $'000	Total $'000
Group					
Cost					
At 1 January 2019	28,730	5,577	644	11,100	46,051
Currency realignment	515	(160)	-	(304)	51
Additions	-	-	-	29	29
At 31 December 2019	29,245	5,417	644	10,825	46,131
Accumulated depreciation					
At 1 January 2019	5,129	684	294	4,482	10,589
Currency realignment	69	(32)	-	(141)	(104)
Depreciation	596	687	129	283	1,695
At 31 December 2019	5,794	1,339	423	4,624	12,180
Carrying amount					
At 31 December 2019	23,451	4,078	221	6,201	33,951
At 1 January 2019	23,601	4,893	350	6,618	35,462

(1) These pertain to leasehold land, where the group makes periodic lease payment, which are for the purpose of the group's hotel operations.

In addition, the group also made payment in full to secure the right-of-use of certain leasehold land. This leasehold land, amounting to $9.8 million (2018 : $10.2 million) is presented within property, plant and equipment (Note 17).

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade payables	4,554	5,341	-	-
Other payables	1,555	2,471	89	55
Due to related party	25	30	-	-
Accrued operating expenses	8,298	8,450	284	278
Accrued construction costs	3,542	11,634	-	-
Deposits received [(a)]	6,521	6,448	-	-
Retention sum payable to contractor	124	50	-	-
Total	24,619	34,424	373	333
Less: Amount due for settlement after 12 months	(4,514)	(3,840)	-	-
Amount due for settlement within 12 months	20,105	30,584	373	333

The average credit period on purchase of goods is 30 days (2018 : 30 days).

The amounts due to related party are unsecured, interest-free and repayable on demand. Related party refers to a company which is controlled by the holding company (Note 5).

(a) Included in the deposits received are deposits received in advance for banquets sales. As of 31 December 2019, the group has the right to invoice the customers based on services rendered.

23. BANK LOANS

	Group	
	2019	2018
	$'000	$'000
Bank loans, secured	335,608	329,601
Less: Amount due for settlement within 12 months (shown under current liabilities)	(38,400)	(8,288)
Amount due for settlement after 12 months	297,208	321,313

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	
	2019	2018
	$'000	$'000
Development properties	87,797	94,507
Investment properties	321,500	307,000
Hotel properties	88,714	88,674
	498,011	490,181

The weighted average effective interest rates for the bank loans is 2.93% (2018 : 3.10%) for the group per annum. These loans have maturity dates ranging from June 2020 to July 2026 (2018 : January 2020 to July 2026) and are based on floating rates.

23. BANK LOANS (CONTINUED)

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

	31 December 2018 $'000	Adoption of SFRS(I) 16	1 January 2019 $'000	Financing cash flows[i] $'000	Non-cash changes - Foreign exchange movement $'000	**31 December 2019 $'000**
Bank loans (Note 23)	329,601	-	329,601	4,616	1,391	335,608
Lease liabilities (Note 24)	-	39,484	39,484	(1,145)	405	38,744
Finance lease liabilities (Note 25)	5,472	(5,472)	-	-	-	-
	335,073	34,012	369,085	3,471	1,796	374,352

[i] The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

24. LEASE LIABILITIES (THE GROUP AS LESSEE)

	Group 2019 $'000
Maturity analysis:	
Year 1	3,153
Year 2	3,129
Year 3	3,104
Year 4	1,603
Year 5	1,586
Year 6 onwards	82,180
	94,755
Less: Unearned interest	(56,011)
	38,744
Analysed as:	
Current	2,259
Non-current	36,485
	38,744

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

As at 31 December 2019, the group leased certain of its leasehold land, motor vehicles, plant and machinery and office equipment. The net carrying value of right-of-use assets are disclosed in Note 21.

The weighted average effective interest rates for the lease liabilities as at 31 December 2019 is disclosed in Note 4(c)(vi).

25. FINANCE LEASE LIABILITIES

	Group	
	Minimum lease payments 2018 $'000	Present value of minimum lease payments 2018 $'000
Amounts payable under finance leases:		
Within one year	1,715	1,363
In the second to fifth year inclusive	4,907	4,109
	6,622	5,472
Less: Future finance charges	(1,150)	N/A
Present value of leases	5,472	5,472
Less: Amount due for settlement within 12 months (shown under current liabilities)		(1,363)
Amount due for settlement after 12 months		4,109

As at 31 December 2018, the group leased certain of its motor vehicles, plant and machinery and office equipment under finance leases. The net carrying value of property, plant and equipment acquired under finance lease agreements are disclosed in Note 17.

The weighted average effective interest rates for the finance leases as at 31 December 2018 was 6.05% per annum for the group.

26. SHARE CAPITAL

	Group and Company			
	2019 No. of shares issued '000	2018 No. of shares issued '000	**2019 $'000**	2018 $'000
At beginning and end of year	576,936	576,936	125,646	125,646

All issued ordinary shares are fully paid with no par value.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

27. TREASURY SHARES

	Group and Company			
	2019 No. of shares '000	2018 No. of shares '000	**2019 $'000**	2018 $'000
At beginning and end of year	1,968	1,968	996	996

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

28. RESERVES

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve	(10,226)	(6,511)	-	-
Retained earnings/(Accumulated losses)	289,360	281,117	(11,739)	(12,060)
Other reserves	112	112	926	926
	279,246	274,718	(10,813)	(11,134)

29. 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 37).

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

	Timing of revenue recognition	Group	
		2019	2018
		$'000	$'000
Hotel investment and management	At a point in time	81,806	82,678
Property investment and development			
Sale of development properties under construction	Over time	3,241	3,822
Rental income of investment properties		18,902	16,058
		22,143	19,880
Specialty restaurant and food service			
Food and beverage revenue	At a point in time	1,337	1,597
Other			
Others	At a point in time	9	5
		105,295	104,160

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sale of development properties as at the end of the reporting period is $3,513,000 (2018 : $2,315,000). Management expects that 90% to 95% (2018 : 13% to 92%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue during the next reporting period.

30. OTHER INCOME

	Group	
	2019	2018
	$'000	$'000
Gain on disposal of financial assets at FVTPL	-	69
Gain on disposal of property, plant and equipment	38	3
Dividend income from financial assets at FVTPL	156	39
Interest income - fixed deposits	23	17
Foreign exchange gain, net	-	651
Income arising from call on performance bond	1,619	-
Others	419	437
Fair value loss of financial assets at FVTPL	(83)	(211)
	2,172	1,005

31. STAFF COSTS

	Group	
	2019 $'000	2018 $'000
Wages and salaries	23,359	23,171
Defined contribution plans	2,497	2,420
Other benefits	2,747	2,957
	28,603	28,548

32. FINANCE COSTS

	Group	
	2019 $'000	2018 $'000
Interest expense:		
- Finance leases/Lease liabilities	2,044	526
- Bank loans and overdraft	10,530	9,386
	12,574	9,912

33. INCOME TAX EXPENSE

	Group	
	2019 $'000	2018 $'000
Tax expense attributable to the results is made up of:		
Current income tax	3,582	4,185
Deferred income tax	2,435	984
	6,017	5,169
Under/(Over) provision in preceding financial years:		
- Current income tax	464	(506)
- Deferred income tax	185	-
	6,666	4,663

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	
	2019 $'000	2018 $'000
Profit before income tax	34,844	36,629
Share of results of a jointly-controlled entity, net of tax	17	(233)
Profit before tax and share of results of a jointly-controlled entity	34,861	36,396
Tax calculated at a tax rate of 17%	5,926	6,187
Singapore statutory stepped income exemption	(70)	(78)
Effect of different tax rates in other countries	281	50
Expenses not deductible for tax purposes	1,268	2,920
Income not taxable	(2,578)	(3,721)
Corporate income tax rebate and tax incentives	(56)	(30)
Deferred tax assets not recognised	1,246	-
Utilisation of deferred tax asset previously not recognised	-	(391)
Under/(Over) provision of prior years' current income tax	464	(506)
Underprovision of prior years' deferred income tax	185	-
Others	-	232
	6,666	4,663

34. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2019	2018
	$'000	$'000
Audit fees:		
- paid to auditors of the company	164	141
- paid to other auditors	104	70
	268	211
Non-audit fees:		
- paid to auditors of the company	15	17
- paid to other auditors	29	26
	44	43
Directors' fees	167	148
Other expenses include:		
Advertising and marketing expenses	2,578	4,453
Cleaning expenses	3,871	3,927
Commission charges	3,803	3,365
Property, plant and equipment written off	109	481
Foreign exchange loss/(gain), net	204	(651)
Operating supplies	1,076	1,065
Property tax	3,900	4,131
Payment recognised as an expense during the year:		
- minimum lease payments under operating leases	-	2,525
Expense relating to short-term leases	207	-
Expense relating to variable lease payments not included in the measurementt of the lease liabilities	380	-
Repair and maintenance	3,477	2,816
Utilities expenses	4,682	4,473

35. DIVIDENDS

	Group and Company	
	2019	2018
	$'000	$'000
Ordinary dividends		
Final tax exempt dividend of 1 cent per share		
(2018 : 1 cent per share) in respect of previous financial year	5,750	5,750
Special tax exempt dividend of 1 cent per share		
(2018 : Nil cents per share) in respect of previous financial year	5,749	-
	11,499	5,750

Subsequent to 31 December 2019, 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 2019. 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.

36. EARNINGS PER ORDINARY SHARE

	Group	
	2019	2018
Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	28,178	31,966
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	574,968	574,968
Basic and diluted earnings per ordinary share (cents)	4.90	5.56

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.

37. 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.

37. 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 2019						
Segment revenue						
Sales to external customers	81,806	22,143	1,337	9	-	105,295
Intersegment sales/income	4,446	94	-	11,000	(15,540)	-
Total revenue	86,252	22,237	1,337	11,009	(15,540)	105,295
Segment profit	18,263	29,439	69	66	-	47,837
Depreciation and amortisation	11,156	-	14	-	-	11,170
Share of results of a jointly-controlled entity	-	(17)	-	-	-	(17)
Other significant non-cash expenses	109	80	-	-	-	189
Segment assets	286,870	531,101	799	2,273	-	821,043
Unallocated assets						648
Total assets						821,691
Segment assets include:						
Investment in a jointly-controlled entity	-	474	-	-	-	474
Additions to						
- Property, plant and equipment	4,752	-	381	-	-	5,133
- Investment properties-	-	528	-	-	-	528
Segment liabilities	(14,402)	(9,495)	(337)	(385)	-	(24,619)
Unallocated liabilities						(393,176)
Total liabilities						(417,795)
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

37. 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 2018 (continued)						
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)

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	
	2019 $'000	2018 $'000
Segment profit	47,837	47,033
Interest income	23	17
Interest expense on borrowings	(12,574)	(9,912)
Unallocated corporate expenses	(442)	(509)
Profit before tax	34,844	36,629

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.

37. SEGMENT INFORMATION (CONTINUED)

Geographical segments

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

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

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

	Revenue		Non-current assets	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Singapore	74,882	80,345	452,832	421,686
PRC	19,193	12,682	185,165	190,091
Thailand	11,220	11,133	50,370	42,162
	105,295	104,160	688,367	653,939

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.

38. OPERATING LEASE ARRANGEMENTS

The group as lessee

Disclosure required by SFRS(I) 16

At 31 December 2019, the group is committed to $46,000 for short-term leases.

Disclosure required by SFRS(I) 1-17

At 31 December 2018, the group had outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group
	2018
	$'000
Within one year	1,493
In the second to fifth year inclusive	4,566
After five years	83,370
Total	89,429

38. OPERATING LEASE ARRANGEMENTS (CONTINUED)

The group as lessor

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

Disclosure required by SFRS(I) 16

Operating leases, in which the group is the lessor, relate to investment properties owned by the group with lease terms of between 2 to 12 years.

The unguaranteed residual values do not represent a significant risk for the group.

Maturity analysis of operating lease receivables:

	Group
	2019
	$'000
Year 1	17,505
Year 2	14,730
Year 3	10,195
Year 4	6,184
Year 5	3,809
Year 6 and onwards	9,591
Total	62,014

Disclosure required by SFRS(I) 1-17

During the year ended 31 December 2018, property rental income earned was $16,058,000. All of the properties held had committed tenants for the next 2 to 12 years.

At the end of the reporting period, the group had contracted with tenants for the following future minimum lease payments:

	Group
	2018
	$'000
Within one year	14,017
In the second to fifth years inclusive	27,372
After five years year	4,607
	45,996

39. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncements relevant to the group and company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*

- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*

- Amendments to References to the Conceptual Framework in SFRS(I) Standards

Effective date is deferred indefinitely

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

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

40. SUBSEQUENT EVENTS

Subsequent to the year end 31 December 2019, the outbreak of COVID-19 is expected to impact the group's business in the coming year. Management is currently assessing the impact on its financial performance.

Corporate Data

BOARD OF DIRECTORS

Albert Teo Hock Chuan
Chief Executive Officer

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

COMPANY SECRETARIES

Susan Teo Geok Tin
Foo Soon Soo

AUDIT COMMITTEE

Foo Ko Hing
Chairman

Lawrence Mok Kwok Wah
Chia Kwok Ping
Tan Tiong Cheng

NOMINATING COMMITTEE

Chia Kwok Ping
Chairman

Albert Teo Hock Chuan
Foo Ko Hing

REMUNERATION COMMITTEE

Tan Tiong Cheng
Chairman

Chia Kwok Ping
Lawrence Mok Kwok Wah
Foo Ko Hing

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
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REGISTERED OFFICE

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External : Citigate Dewe Rogerson Singapore Pte Ltd

Dolores Phua
Executive Director
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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
(Appointed in the financial year ended 31 December 2017)

Statistics of Shareholdings

As at 16 March 2020

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	5,120
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	504	9.84	481,300	0.09
1,001 - 10,000	3,204	62.58	16,977,000	2.95
10,001 - 1,000,000	1,382	26.99	68,613,530	11.93
1,000,001 AND ABOVE	30	0.59	488,896,370	85.03
TOTAL	5,120	100.00	574,968,200	100.00

Based on information available to the Company on 16 March 2020, 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	66,351,700	11.54
3	TEO CHEW CHUAN	42,578,500	7.41
4	TEO SIEW BEE	35,441,205	6.16
5	TEO GEOK TIN	35,132,232	6.11
6	TEO KWEE CHUAN	35,099,234	6.10
7	TEO HIN CHUAN	32,580,997	5.67
8	TEO HOCK CHUAN	30,071,404	5.23
9	DBS NOMINEES (PRIVATE) LIMITED	17,642,710	3.07
10	MORPH INVESTMENTS LTD	14,502,000	2.52
11	TEO HWEE YEE	12,282,405	2.14
12	TEO ENG KEONG (ZHANG YONGQIANG)	12,282,400	2.14
13	TEO ENG YEE	12,282,400	2.14
14	CITIBANK NOMINEES SINGAPORE PTE LTD	10,649,900	1.85
15	ONG KIAN KOK	8,120,000	1.41
16	TEO DENG JIE (ZHANG DENG JIE)	5,000,000	0.87
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,694,900	0.64
18	TEO GUAN HOON	3,238,000	0.56
19	POH LAY ENG	3,153,493	0.55
20	RONNIE POH TIAN PENG	2,800,000	0.49
	TOTAL	475,891,470	82.77

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 16 March 2020

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

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

Notes:

(1) Albert Teo Hock Chuan, Susan Teo Geok Tin and Teo Kwee Chuan are each deemed to have an interest in the 152,987,990 shares in which First Security Pte Ltd is interested in as they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of First Security Pte Ltd.

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

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

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

Additional Information on Directors Seeking Re-Election

The following additional information relates to Mr Foo Ko Hing and Mr Chia Kwok Ping, both of whom are seeking re-election as Directors in the forthcoming Annual General Meeting:

	Mr Foo Ko Hing	**Mr Chia Kwok Ping**
First appointed	17 June 2013	2 November 2015
Last re-elected	28 April 2017	25 April 2018
Age	60+	50
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election	The Board has accepted the recommendation of the Nominating Committee to re-elect Mr Foo as Independent Director of the Company. Mr Foo's experience in the financial sector is valuable to the Board.	The Board has accepted the recommendation of the Nominating Committee to re-elect Mr Chia as Independent Director of the Company. Mr Chia's in-depth knowledge of the hospitality industry adds value to the Group.
Whether re-election is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Lead ID, AC Chairman, NC Member and RC Member	NC Chairman, AC Member and RC Member
Working experience and occupation(s) during the past 10 years	Executive Director (Corporate Finance and Strategic Planning), Cerealtech Pte Ltd	1. Chief Executive Officer, International Healthway Corporation (March 2015 - June 2015) 2. Managing Director, Guoco Hotels Pte Ltd (October 2014 - February 2015) 3. President, TCC Land International Pte Ltd (July 2005 - October 2014)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	Mr Chia is an Independent Director of Heeton Holdings Limited which engages in property investment and development. Mr Chia holds a non-executive position in Heeton Holdings Limited and is not involved in its day to day management.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Additional Information on Directors Seeking Re-Election

	Mr Foo Ko Hing	Mr Chia Kwok Ping
Other principal commitments including directorships		
- Past (for the last 5 years)	None	Chief Executive Officer of International Healthway Corporation (March 2015 - June 2015)
- Present	1. Independent Director of Gallant Venture Ltd. 2. Executive Director of H&K Holdings (S) Pte. Ltd.	1. Independent Director of Heeton Holdings Limited
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
Whether there is any unsatisfied judgment against him/her?	No	No
Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No

Additional Information on Directors Seeking Re-Election

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

Additional Information on Directors Seeking Re-Election

	Mr Foo Ko Hing	Mr Chia Kwok Ping
Whether he/she has ever, to his/her knowledge, been connected with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No
Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or have been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	1. Independent Director of Gallant Venture Ltd 2. Executive Director of Rotol Singapore Ltd 3. Executive Director of CAM International Holdings Ltd	Independent Director of Heeton Holdings Limited

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