

AMARA HOLDINGS LIMITED

Annual Report 2023



AMARA HOLDINGS LIMITED

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CEO'S MESSAGE



...we are confident that international tourism recovery is on a strong trajectory and will continue its strong momentum into 2024.

Albert Teo Hock Chuan
Chief Executive Officer

For the financial year ended 31 December 2023 ("FY 2023"), global growth continued to face challenges of inflation as well as worsening geopolitical tensions. A few developed markets entered a recession, confronted by weaker business and consumer confidence as well as concerns over wage growth. According to the International Monetary Fund's latest outlook, global growth is projected at 3.1% in 2024 and 3.2% in 2025, these forecasts are below the historical (2000 – 2019) average of 3.8%¹.

Singapore's economy grew by 1.1% in 2023, moderating from the 3.8% growth in 2022, according to statistics from the Ministry of Trade and Industry ("MTI"). Meanwhile, MTI has maintained the GDP growth forecast for 2024 at 1.0 to 3.0%². As for the hospitality industry, the latest statistics from the Singapore Tourism Board ("STB") showed that Singapore's international visitor arrivals reached 13.6 million in 2023, meeting STB's forecast of between 12 million and 14 million visitors. The figure is about 71% of pre-pandemic levels and more than double the 6.3 million visitors in 2022.

STB expects to see strong recovery in 2024 and forecasted visitor arrivals to hit 15 million to 16 million, bringing in approximately S\$26 billion to S\$27.5 billion in tourism receipts in 2024. Barring any unforeseen circumstances, we are confident that international tourism recovery is on a strong trajectory and will continue its strong momentum into 2024³.

In other markets where we have a presence, China's State Council had in September 2023 released a notice on several measures to promote high-quality development of the tourism industry⁴. These include reinstating and expanding visa exemptions⁵, reducing visa fees⁶, and actively increasing international flights.

Meanwhile, Thailand's government introduced a slew of visa exemptions to boost tourist arrivals and stimulate economic activities. On 31 October 2023, passport holders from India were granted visa exemptions for stays not exceeding 30 days⁷. On 12 December 2023, a temporary visa exemption scheme was granted for short-term Japanese business travellers entering Thailand⁸.

¹ International Monetary Fund, January 2024 – World Economic Outlook – Moderating Inflation and Steady Growth Open Path to Soft Landing.

² Ministry of Trade and Industry, Singapore, 15 February 2024 – MTI Maintains 2024 GDP Growth Forecast at "1.0 to 3.0 Per Cent".

³ Singapore Tourism Board – 1 February 2024 – Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts.

⁴ Office of the State Council, People's Republic of China – 27 September 2023 – Notice by the General Office of the State Council on "Several Measures for Unlocking the Potential of Tourism Consumption and Promoting High-Quality Development of the Tourism Industry".

⁵ Chinese Visa Application Service Center – 24 November 2023 – Notice on China's Trial Implementation of Unilateral Visa-Free Policy towards Six Countries.

⁶ China Briefing – 8 December 2023 – China's Visa-Free Policies: Latest Updates.

⁷ Ministry of Foreign Affairs, Kingdom of Thailand – 8 November 2023 – Royal Thai Government Grants Visa Exemption for Tourists from India and Taiwan from 10 November 2023 to 10 May 2024.

⁸ Ministry of Foreign Affairs, Kingdom of Thailand – 28 December 2023 – Royal Thai Government Grants Temporary Visa Exemption scheme for Short-Term Japanese Business Travellers entering Thailand from 1 January 2024 to 31 December 2026.

With these promising developments in China and Thailand, we are confident that Amara Signature Shanghai and Amara Bangkok will continue to serve the needs of travellers including 'bleisure' travellers who travel for business and leisure.

For the Residential Properties segment, Urban Redevelopment Authority's ("URA") real estate statistics released in end January 2024 indicated a 6.8% increase in prices of private residential properties for the full year of 2023, compared with the 8.6% increase in 2022⁹. Demand for private residential properties in Singapore is expected to grow at a slower pace in view of the elevated interest rates. We remain focused on the sale and delivery of our developments – Sanctuary@Newton, a joint development, as well as other freehold developments, 10 Evelyn, M5 and Bedok Avenue, with active marketing efforts. These freehold developments in prime locations, which are well-designed and attractively priced, will cater to discerning homeowners and real estate investors.

Occupancies at 100 AM in Singapore and Shanghai continue to hold steady with ongoing tenancy renewals for retail and office space.

FINANCIAL SUMMARY

Revenue rose 23% to S\$114.9 million in FY 2023 from S\$93.7 million in the previous financial year ("FY 2022"), supported by topline growth in our business segments – Hotel Investment and Management, Property Investment and Development, and Specialty Restaurants and Food Services. The increase in revenue was mainly due to higher revenue from the Hotel Investment and Management segment and sales of development properties.

Notwithstanding the higher revenue, net profit was affected by higher staff and finance costs, as well as higher income tax expense and other expenses. Net profit stood at S\$7.2 million, compared to S\$6.5 million for FY 2022. Net asset value per share stood at 67.71 Singapore cents as at 31 December 2023, as compared to 67.95 Singapore cents as at 31 December 2022.

PROPOSED DIVIDEND

The Board of Directors has recommended a final tax-exempt dividend of 0.5 cent per ordinary share, representing a total payout of S\$2.9 million. The proposed dividend translates to a payout ratio of 40% of Amara's FY 2023 net profit.

VOLUNTARY UNCONDITIONAL CASH OFFER

On 14 November 2023, UOB issued an announcement for and on behalf of Amethyst Assets Pte. Ltd. (the "Offeror"), that the Offeror intended to make a voluntary unconditional cash offer (the "Offer") for all the issued and paid-up ordinary Shares in the capital of Amara Holdings Limited, other than Shares held in treasury and Shares held, directly or indirectly, by the Offeror as at the date of the Offer.

The Offer closed on 16 January 2024 with the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and persons acting or deemed to be acting in concert with it; and (b) valid acceptances of the Offer, representing approximately 88.39% of the total number of Shares excluding Shares held in treasury. Amara Holdings Limited remains listed on the Singapore Exchange Securities Trading Limited and our senior management will continue to focus on delivering sustainable value to our key stakeholders.

ACKNOWLEDGEMENT

We extend a warm welcome to Mr Keith Tan, who came on board on 21 March 2024 as a non-executive, non-independent director. Mr Keith Tan brings with him a wealth of experience which we believe will be beneficial to the Group.

I would like to thank our Board of Directors for their contributions during the year and convey my heartfelt appreciation to our management team and staff for their dedication and hard work. Lastly, I would like to express my gratitude to our shareholders, business partners and clients for their support.

ALBERT TEO HOCK CHUAN

Chief Executive officer

27 March 2024

⁹ Urban Redevelopment Authority, Singapore – 26 January 2024 - Release of 4th Quarter 2023 real estate statistics.

BOARD OF DIRECTORS


ALBERT TEO HOCK CHUAN

Executive Director
Chief Executive Officer

*First appointed - 21 Aug 1970
Last re-elected - 26 Apr 2021*

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

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

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

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

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

Mr Teo was a board member of Singapore Hotel Association (SHA) from September 2005 to November 2022 and served as its President from July 2015 to June 2019. Mr Teo was also Chairman of Singapore Hotel and Tourism Education Centre (SHATEC) from July 2006 to June 2015.

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


SUSAN TEO GEOK TIN

Executive Director
Company Secretary

*First appointed - 26 May 1995
Last re-elected - 26 Apr 2022*

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

Her past experience includes working with Pricewaterhouse (now known as PwC), an international public accounting firm in Singapore and Australia.

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

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


LAWRENCE MOK KWOK WAH

Non-Executive,
Non-Independent Director

*First appointed - 26 May 1995
Last re-elected - 27 Apr 2023*

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 working experience spanning across Public Accounting, Information Technology and Engineering industries. His experience include financial and management accounting, treasury management, corporate planning, change management, quality and workplace safety and health process management, IT customer service operations management, logistic operations and general business management.

Currently, Mr Mok is a consultant in business operations and risk management. He holds a Bachelor of Accountancy (Hons) degree from the University of Singapore (now known as the National University of

Singapore) and is a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia. Mr Mok holds various certifications related to construction productivity, BizSafe and general management.


GINNEY LIM MAY LING

Non-Executive,
Lead Independent Director

*First appointed - 11 May 2022
Last re-elected - 27 Apr 2023*

Ms Ginney Lim joined the Board of Amara Holdings Limited in May 2022 and was appointed Lead Independent Director in June 2022. She serves as the Chairman of the Remuneration Committee and is a member of the Nominating Committee.

Ms Lim is General Counsel and Group Company Secretary of Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Private Limited) ("CPIPL"). She heads the Secretariat/Legal Division of CPIPL. She was also the General Manager of Singapore Press Holdings Foundation Limited, an Institution of Public Character established in 2003 by Singapore Press Holdings ("SPH") until December 2021.

When she joined SPH in December 1991, she was tasked to set up the Secretariat/Legal Division. She was also responsible for sustainability reporting, insurance functions and the risk management department until it was integrated into another division in SPH.

Ms Lim is currently responsible for the corporate secretarial, legal and compliance functions in the CPIPL Group and sits on several steering and senior management committees. She also had oversight of the group communications division until 31 December 2023 when the division was disbanded.

Ms Lim is a director of PARAGON REIT Management Pte Ltd which is the manager of PARAGON REIT (formerly known as SPH REIT), a real estate investment trust listed on the mainboard of the Singapore Stock Exchange. She is also a director of several subsidiaries of CPIPL. She is a member of the NUS Law Advisory Council and the Singapore Institute of Directors Company Secretaries Network. She is also a specialist mediator of the Singapore International Mediation Centre.

Ms Lim was admitted as an advocate and solicitor of the Supreme Court of Singapore and holds a Bachelor of Law (Honours) degree from the National University of Singapore. She is also a Fellow in the Institute of Chartered Secretaries and Administrators and an Associate of the Chartered Insurance Institute. She completed an executive management programme organized by the Wharton Business School. She has experience in mergers and acquisition in Singapore, Malaysia, Indonesia, Thailand, the United Kingdom, Germany, Australia and Japan. She was also involved in several major initial public offerings, corporate restructuring projects, capital reduction exercises, fund raising through issuance of medium term notes and perpetual bonds, divestments of assets and businesses, schemes of arrangement and takeover matters.

**BILL CHUA TECK HUAT**

Non-Executive,
Independent Director

*First appointed - 11 May 2022
Last re-elected - 27 Apr 2023*

Mr Bill Chua was appointed as an Independent Director of the Board of Amara Holdings Limited in May 2022. He chairs the Nominating Committee and is a member of the Audit Committee and the Remuneration Committee.

Mr Chua is a seasoned banker with 34 years at Citibank, United Overseas Bank and Overseas Union Bank. He has extensive experience in business management, deal structuring, capital markets, investments, distribution, risk management, operations, people development, project and change management at these banks. After a successful and distinguished career covering institutional, commercial, and retail banking, he retired from United Overseas Bank in November 2014 as the Managing Director and Head of Global Financial Institutions Group.

Mr Chua has also been on various local and foreign boards for more than 20 years. He has been involved with companies in engineering, design and built, technology, finance, investments, education, research, and project implementation. Given his extensive banking experience and engineering background, he often focuses on business strategy, and provides oversight on the governance, risk and compliance functions on the boards.

Mr Chua is a Colombo Plan Scholar. He holds a Bachelor of Arts (Economics) Degree and a Bachelor of Engineering Honours Class 1 (Industrial) Degree from the University of Newcastle, Australia. He is a Fellow of the Singapore Institute of Directors, and a Fellow of the Institution of Engineers, Singapore. He is active in the financial, education and social communities, and was awarded the Public Service Medal (PBM) in 2004, and the Public Service Star (BBM) in 2012 by the Government of Singapore.

**GEORGE SEOW EWE KEONG**

Non-Executive,
Independent Director

*First appointed - 11 May 2022
Last re-elected - 27 Apr 2023*

Mr George Seow joined the Board of Amara Holdings Limited in May 2022. He chairs the Audit Committee and is a member of the Nominating Committee as well as the Remuneration Committee.

Mr Seow has over 25 years of experience in heading the finance organisations of multinationals in Malaysia. After completing his Bachelor of Commerce from The University of Western Australia, he joined a Chartered Accountants firm in Perth where he did his articleship and obtained his Associate membership from The Institute of Chartered Accountants in Australia. He then joined Kassim Chan & Co, Malaysia (now known as Deloitte Malaysia) as audit supervisor.

Mr Seow moved on to head the finance organisations at various US multinationals. He joined Motorola Penang as Financial Controller. Thereafter he started the finance team as a pioneer at Control

Data/Imprimis, later called Seagate Malaysia. At Seagate he oversaw its growth to become one of the largest employers in the electronics industry in Malaysia. He held the position of Vice President Finance in charge of finance for its three plants in Malaysia. After his retirement from Seagate he was recruited to head the finance organisation in Komag Malaysia on a contract basis for four years with the objective, among others, to stabilise the turnover rate of its vital finance organisation and to provide finance leadership of its SAP ERP (Enterprise Resource Planning) implementation.

While Mr Seow has retired from active work, he still holds membership in the Malaysian Institute of Accountants with the designation of Chartered Accountant, Malaysia.

**TAN KIM SENG**

Non-Executive,
Independent Director

*First appointed - 31 Jul 2022
Last re-elected - 27 Apr 2023*

Mr Tan Kim Seng was appointed as Independent Director of the Board of Amara Holdings Limited in July 2022. He is a member of the Audit Committee and the Remuneration Committee.

Mr Tan embarked on his career in the hospitality and real estate industry, after being awarded the inaugural Shangri-La Scholarship in 1981 to pursue a Bachelor of Science degree at the renowned Cornell University's School of Hotel Management in the United States, graduating at the top of his class as Class Valedictorian in 1985.

After a decade with Shangri-La Asia in various operational and corporate roles in Singapore, Hong Kong, China and Malaysia, he moved over to Allgreen Properties Limited to oversee the development and operations of serviced apartments and other hospitality investments for another decade.

As Senior Vice-President for Millennium & Copthorne Hotels & Resorts from 2007-2008, Mr Tan oversaw the group's 18 hotels in the Asia Pacific, prior to joining SGX-listed OUE Limited in 2008. He was Chief Operating Officer of Meritus Hotels & Resorts as part of the OUE Group, and served as Advisor (Hospitality) of OUE Limited until the end of 2022.

Apart from participating as featured speaker and panellist in numerous international tourism and travel conferences, Mr Tan also serves on a number of corporate boards and committees – as a Director on the Board of the Singapore Hotel Association; as President of the Singapore Serviced Apartments Association; as Advisor on the Cornell-Nanyang Institute's Advisory Panel; as Advisor for the SAFRA Strategic Review Steering Committee; as Vice-President of the Cornell Hotel Society; as Executive Committee member of the Orchard Road Business Association; as Advisor on the SDH Institute Industry Advisory Board; and as Honorary Advisor for Horwath International's Hotel Annual Studies Advisory Board.

He was also Managing Director of the Asia Pacific Region for IFH Worldwide, a global training and quality performance benchmarking service provider for the international hospitality industry from 2013 to 2015. From 2006 to 2011, Mr Tan also served as a Non-Executive, Independent Director of SGX-listed Maveric Ltd. In January 2024, he was appointed to the Board of Directors of Club Wyndham Asia as an Independent Representative.

**KEITH TAN KENG SOON**

Non-Executive,
Non-Independent Director

First appointed - 21 Mar 2024

Mr Keith Tan was appointed as a Non-Executive, Non-Independent Director of Amara Holdings Limited in March 2024.

He is the Chairman of the Dymon Asia Private Equity Investment Committee and a founding partner of Dymon Asia Capital, one of the largest asset management companies in Singapore. Prior to Dymon, he was a Director at Abax Global Capital, a special situations hedge fund based in Hong Kong, where he originated, structured and executed investment transactions across Asia. During his career, Mr Tan was also a member of the Executive Committee of Standard Chartered Bank (China), Legal Representative and Branch Manager of Standard Chartered Bank's Shanghai Branch. Mr Tan also sits, as a Director, on the Board of Challenger Technologies Limited.

Mr Tan graduated with a 2nd Class Honours in Banking and Finance from Nanyang Technological University. He is a Council Member as well as the Vice Chairman of the International Affairs Committee of the 61st Council of Singapore Chinese Chamber Commerce & Industry. He is the Patron of the Chong Pang Citizens' Consultative Committee and serves on the Board of Governors of the UOB-SMU Asian Enterprise Institute. He is also a member of The Yellow Ribbon Fund Main Committee.

**DAWN TEO SHAO-LYNN**

Alternate Director to
Albert Teo Hock Chuan
Director, Strategic Planning
and Corporate Development
Senior Vice President,
Amara Hotels and Resorts

First appointed - 9 Mar 2023

Ms Dawn Teo was appointed as Alternate Director to Mr Albert Teo Hock Chuan on 9 March 2023.

At Amara, Ms Teo is responsible for the Hotel Investment and Management division. She also spearheads the Group's investment and acquisition strategies in the region.

Ms Teo is also the Co-Founder and Director of Objectifs, a visual arts space in Singapore that focuses on film and photography and their value to society.

Prior to joining Amara, Ms Teo held senior positions in several multinational banks, and has spent over a decade with UBS AG and Credit Suisse AG. She is a graduate of The Wharton School at the University of Pennsylvania with a Bachelor of Science in Economics.

Ms Teo is the Second Vice President of the Singapore Hotel Association. She is also a Council Member of the Workplace Safety and Health (WSH) Council, a statutory board under the Ministry of Manpower that is supported by Tripartite Alliance Limited, and the Chairperson of the WSH Council (Hospitality and Entertainment Industries Committee). She serves on the board of SHATEC Institutes, a hospitality and tourism school in Singapore, and on the School Advisory Council for Republic Polytechnic School of Hospitality.

OPERATIONS AND FINANCIAL REVIEW



AMARA SIGNATURE SHANGHAI

The Hotel Investment and Management segment, which contributed to 57.4% of the Group's revenue in FY 2023, grew 34.5% in revenue from S\$49.1 million in FY 2022 to S\$66 million in FY 2023. The Property Investment and Development segment, which represents 41% of the Group's revenue, increased 9.7% from S\$43 million in FY 2022 to S\$47.2 million in the year under review. The Specialty Restaurants and Food Services segment, which made up the remaining 1.5% of the Group's revenue, increased from S\$1.6 million in FY 2022 to S\$1.8 million in FY 2023.

HOTEL INVESTMENT AND MANAGEMENT Singapore

As part of the commitment to enhance guest experiences from redesigned rooms to sustainable amenities, Amara Singapore embarked on renovation works since the last quarter of 2023. The refurbishment primarily focuses on the guest rooms, lobby, Tea Room and Café Oriental at Level 1, as well as function rooms at Level 3.

To minimise disruption to guests, renovation works are scheduled in certain periods of the week, with most of the restaurants and bars such as Element and Element on Tras Street, Bar-Roque, Il Pum, Jigger and Pony, Peony Jade, Sushi Yujo and Thanying remaining operational. The refurbishment will be carried out and unveiled in phases when completed, and guests can look forward to a brand new, revitalized stay from the last quarter of 2024 once renovation works conclude.

Since the beginning of 2024, Amara Sanctuary Resort Sentosa commenced refurbishment works to provide greater comfort to guests and elevate their

resort experience. Areas that will be enhanced include the lobby and various room categories across suites and villas. Guests can also look forward to a new dining concept at Shutters, an all-day dining restaurant. To minimise disruption to guests, renovation works are scheduled in certain periods of the week. Renovation works are expected to complete by end May 2024.

According to the latest statistics from the Singapore Tourism Board ("STB"), Singapore's international visitor arrivals reached 13.6 million in 2023, meeting STB's forecast of between 12 million and 14 million visitors. The figure is about 71% of pre-pandemic levels and more than double the 6.3 million visitors in 2022. STB expects to see strong recovery in 2024 and forecasted visitor arrivals to hit 15 million to 16 million, bringing in approximately S\$26 billion to S\$27.5 billion in tourism receipts in 2024¹. We are confident that the refurbishment works will enable us to attract new guests to the hotels and meet the ever-changing needs of our customers in terms of functionality and comfort.

¹ Singapore Tourism Board – 1 February 2024 – Singapore's tourism sector posts strong recovery in 2023, exceeds forecasts for tourism receipts.

Bangkok

According to Thailand's Tourism and Sports Ministry, Thailand received more than 28 million foreign arrivals in 2023, spending a total of 1.2 trillion baht². Meanwhile, the Tourism Authority of Thailand expects the country to receive 35 million tourists in 2024³.

With the booming tourism in Thailand, Amara Bangkok is projected to perform well.

Shanghai

People's Daily Online reported that in 2023, domestic tourism in China saw a year-on-year growth of over 100 percent in both revenue and number of tourists, bouncing back to over 80% of the 2019 level – citing the report from the China Tourism Academy. The report also noted that inbound and outbound international tourism surged in 2023, with the total number of tourists surpassing 190 million, up more than 280% from the previous year⁴.

The China Tourism Academy expects the number of domestic tourist trips to exceed 6 billion in 2024, with the total number of inbound and outbound tourist trips expected to exceed 260 million⁵.

Amara Signature Shanghai will continue to cater to a robust domestic tourism market as well as international travellers.

PROPERTY DEVELOPMENT AND INVESTMENT

Real estate statistics released by the Urban Redevelopment Authority ("URA") showed that for 2023 as a whole, prices for private residential increased at a slower rate of 6.8%, compared to the increase of 8.6% and 10.6% in 2022 and 2021⁶ respectively. Total sales transaction volume in 2023 fell by 13% compared to 2022 and was at its lowest level in seven years since 2016. Overall, the Group expects demand for private residential properties in Singapore to grow at a slower pace in view of the elevated interest rates.

For our wholly owned freehold properties at 10 Evelyn, Bedok Avenue and M5, as well as our joint development, Sanctuary@Newton, continuous sales and marketing efforts for these developments remain our priority.

For both 100 AM retail malls in Singapore and Shanghai, occupancy rates remain steady. Occupancy rate for the office tower in Singapore remains the same whereas the office tower in Shanghai continues to be fully leased to JA Space.

SPECIALTY RESTAURANTS AND FOOD SERVICES

The Specialty Restaurants and Food Services segment increased slightly, posting a revenue of S\$1.8 million in FY 2023. We will continue to focus on innovating menus and creative promotions.



BEDOK AVENUE

² Bangkok Post – 2 January 2024 – Tourist arrivals top 28 million in 2023.

³ Tourism Authority of Thailand – 18 July 2023 - TAT announces 2024 strategic direction towards high value and sustainability.

⁴ People's Daily Online, People's Republic of China – 12 February 2024 – Chinese tourists predicted to make over 6 billion domestic trips in 2024.

⁵ Global Times, People's Republic of China – 12 February 2024 – Domestic tourist trips expected to reach 6 billion with inbound and outbound travellers likely to exceed 260 million in 2024: China Tourism Academy.

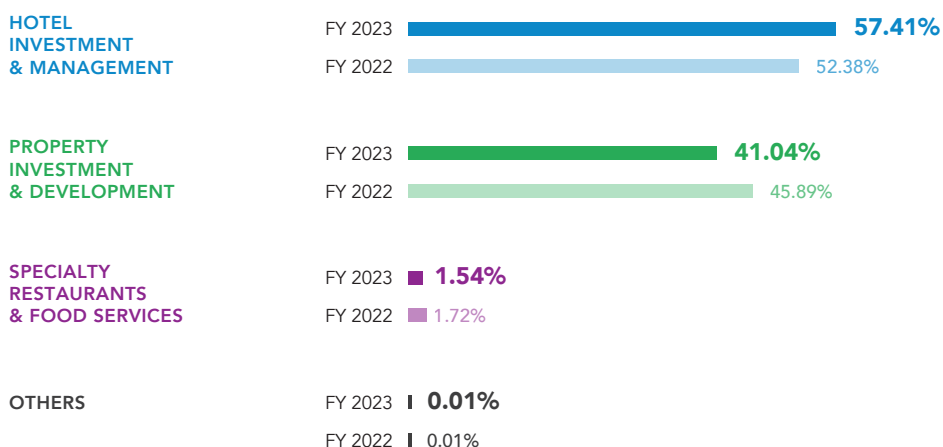
⁶ Urban Redevelopment Authority, Singapore – 26 January 2024 – Release of 4th Quarter 2023 real estate statistics.

FINANCIAL HIGHLIGHTS

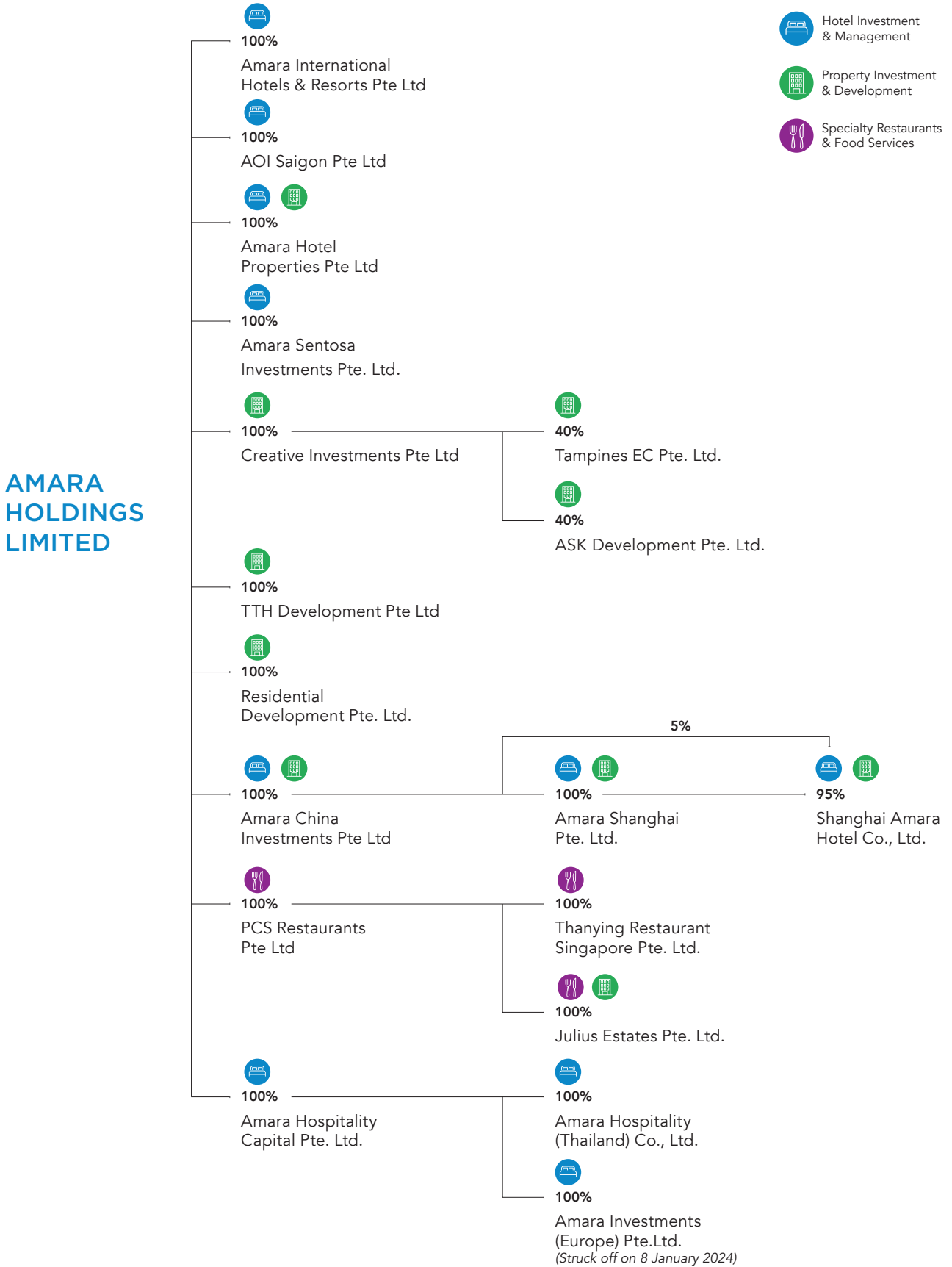
Financial Year Ended 31 December 2023

	FY 2023 S\$'000	FY 2022 S\$'000
Income Statement		
Revenue	114,939	93,685
Profit before tax	10,661	9,320
Income tax expense	(3,482)	(2,868)
Profit attributable to shareholders	7,179	6,452
Financial Ratios		
	%	%
Profit attributable to shareholders as percentage of revenue	6.25	6.89
Gearing ratio	44.37	45.90
Per Share Unit		
	Cents	Cents
Earnings per share	1.25	1.12
Net tangible assets per share	67.51	67.74
Net assets value per share	67.71	67.95
Revenue By Country (%)		
	%	%
Singapore	77.20	82.18
Thailand	6.08	4.26
China	16.72	13.56
	100.00	100.00
Revenue By Activity (%)		
	%	%
Hotel Investment & Management	57.41	52.38
Property Investment & Development	41.04	45.89
Specialty Restaurants & Food Services	1.54	1.72
Others	0.01	0.01
	100.00	100.00

REVENUE BY ACTIVITY (%)



CORPORATE STRUCTURE



SUSTAINABILITY REPORT FY 2023

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BOARD STATEMENT

The Board of Directors ("Board") of Amara Holdings Limited ("Amara") is pleased to present the company's annual Sustainability Report (this "Report") for the financial year ended 31 December 2023 ("FY2023").

At Amara, we are dedicated to incorporating environmental, social, and governance ("ESG") considerations into all aspects of our operations and ensuring transparency in our decision-making processes to create sustainable value for all our stakeholders. In this Report, we address our ESG matters and economic performance (collectively "Sustainability Factors").

The Board has the overall responsibility for Amara's sustainability strategies and reporting. The Board reviews our sustainability mission, strategies, material factors, control measures and performance annually. Guiding our sustainability agenda are the Sustainability Steering Committee ("SSC") and the Sustainability Task Force ("STF"). The SSC sets the direction for our sustainability efforts, while the STF is responsible for ensuring the successful implementation and execution of our sustainability initiatives. Please refer to the section ESG Governance Structure of this Report for further details on our sustainability governance.

Additionally, our hotel management company, Amara International Hotels & Resorts Pte Ltd, has formed a Sustainability Work Group to work towards achieving the Global Sustainability Tourism Certification by the end of 2024 for our hotels in Singapore.

We are continually improving our operations and expanding the value we offer to stakeholders. One of our priorities is the reduction of our greenhouse gas ("GHG") emissions. Recognising the growing impact of climate change on our operations, we have aligned our climate-related disclosures with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

A few of our notable achievements in FY2023 include the attainment of the Thailand Sustainable Event Management Standard ("TSEMS") certification by Amara Bangkok and the Building and Construction Authority ("BCA") Green Mark Gold by Amara Singapore and 100 AM Singapore and Green Mark Platinum by Amara Sanctuary Resort, Sentosa.

As we progress on our sustainability journey, we will be regularly reviewing and revising our performance indicators and targets to align with our business objectives. We will also be strengthening our engagement with stakeholders to improve our sustainability efforts and practices in order to build a long-term and sustainable business.

The Board of Directors
Amara Holdings Limited

ABOUT THE REPORT

This Report provides a summary of Amara’s approaches, initiatives and strategies related to sustainability and responsible business practices. The information presented in this Report covers the reporting period from 1 January to 31 December 2023 (“FY2023” or “Reporting Period”).

REPORTING FRAMEWORK

This Report has been reviewed by Amara’s Board and prepared in accordance with the Global Reporting Initiative (“GRI”) Standards and Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules. Additionally, as part of Amara’s preparation for the transition to a low carbon economy, this Report is also prepared in accordance with recommendations from the TCFD framework.

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

The GRI Standards and TCFD recommendations are internationally recognised standards which are applicable to the industry that Amara operates in. The use of the GRI Standards and TCFD recommendations ensures the comparability of our disclosures across time and entities. We have also aligned our Sustainability Factors with the United Nations’ Sustainable Development Goals (“SDGs”) to demonstrate how our business has contributed to the achievement of these goals.

SCOPE OF REPORT

Amara’s core business is hotel investment and management, property investment and development, as well as operation of specialty restaurants and food services. This Report covers the following business activities of Amara in all geographical regions that Amara has presence in:

Geographical Regions	Hotels	Malls and Office Buildings	Restaurants
Singapore	Amara Singapore Amara Sanctuary Resort, Sentosa	100 AM Singapore	Thanying Restaurant, Singapore
People’s Republic of China (“PRC”)	Amara Signature Shanghai	100 AM Shanghai	Thanying Restaurant, Shanghai
Thailand	Amara Bangkok	-	-

Amara’s business in residential property developments¹ is not included in the scope of this Report as our business activities in this segment are cyclical. We will continue to review the need to include this segment for future reporting.

FEEDBACK

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

¹ Residential property developments are all geographically located in Singapore and include 10 Evelyn, M5, Bedok Avenue and Sanctuary@Newton.

STAKEHOLDER ENGAGEMENT

We recognise that our stakeholders play a vital role in our sustainability journey, and engage them to identify and assess ESG-related issues and risks. By fostering long-term relationships and open communication, we aim to understand the expectations and concerns of our stakeholders. This includes entities or individuals having interests that are affected or could be affected by our activities.

The following stakeholders are identified through the review of Amara's operating environment based on the above criteria and their feedback and concerns are summarised below:

Stakeholder	Platform	Frequency	Key Feedback/Concern
Investors 	Annual General Meeting	Annual	<ul style="list-style-type: none"> • Sustainable profitability and shareholder returns • Long-term business growth • Transparent and timely disclosure of information • High standard of corporate governance
	Annual Report	Annual	
	Financial Results	Bi-annual	
	SGX Announcements	Throughout the year	
Employees 	Induction programme for new employees	Throughout the year	<ul style="list-style-type: none"> • Safe working environment • Competitive remuneration and benefits • Training and development opportunities
	Training and development programme	Throughout the year	
	Career development and performance appraisals	Annual	
	Recreational and staff engagement activities	Throughout the year	
Customers 	Email feedback	Throughout the year	<ul style="list-style-type: none"> • Deliver high quality products and services • Timely response to customer feedback and complaints
	Verbal feedback from customers at hotels and restaurants	Throughout the year	
	Online feedback channels	Throughout the year	
Suppliers 	Email correspondences with suppliers	Throughout the year	<ul style="list-style-type: none"> • Fair and equal treatment of suppliers • Timely payments to suppliers and service providers
	Tele-conversations with suppliers	Throughout the year	
	Regular dialogue sessions with key suppliers and service providers	Throughout the year	
Regulators 	Correspondences through email and letters	Throughout the year	<ul style="list-style-type: none"> • Compliance with changing/prevailing laws and regulations • High standard of corporate governance
	Meetings, dialogue and briefings	Throughout the year	
	Memberships in industry associations	Throughout the year	
Communities 	Corporate philanthropy, such as fundraising drives	Ad-hoc	<ul style="list-style-type: none"> • Contribution to local communities • Responsible and ethical business practices
	Corporate volunteering	Ad-hoc	
	Open communication channels with local communities	Throughout the year	

MATERIALITY ASSESSMENT

To keep abreast of material and critical issues, Amara regularly evaluates and benchmarks its business operations against the changing business landscape, emerging global trends, stakeholders' opinions and regulatory developments.

The opinions and feedback were gathered from the various stakeholders through the engagement channels stated in the section Stakeholder Engagement. The materiality assessment is outlined below:

Stage 1: Identification

Sustainability Factors are identified through the feedback provided from stakeholders through the various communication channels. Additionally, benchmarking of Amara's Sustainability Factors was made against those disclosed by suitable peer companies of Amara.

Stage 2: Rate and Assess

These Sustainability Factors are grouped, reviewed and assessed by the SSC, STF and key management personnel.

Stage 3: Prioritisation

The SSC, STF, key management personnel and employees responsible for each identified Sustainability Factor prioritise the relevance of material factors, based on the importance to our stakeholders and the level of impact to our business.

Stage 4: Review

Findings from the previous stages are presented to the Board, which subsequently confirms a list of key material Sustainability Factors for disclosure.

In FY2023, there are 12 key Sustainability Factors of varying degrees of impact to the Group and importance to stakeholders as follows:

S/N	Sustainability Factors
1	Energy and Emissions
2	Water
3	Effluents and Waste
4	Environmental Regulatory Compliance
5	Talent Retention
6	Labour Standards and Human Rights
7	Training and Development
8	Occupational Health and Safety
9	Customer Health and Safety
10	Customer Satisfaction
11	Ethics and Regulatory Compliance
12	Economic Performance and Business Recovery

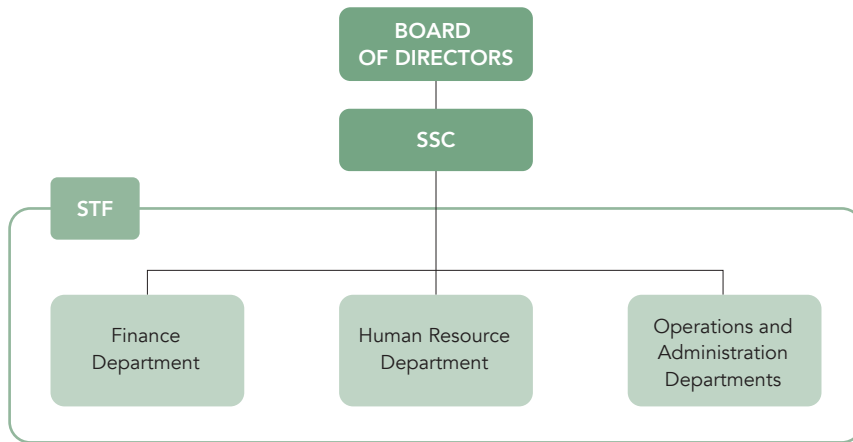
OUR ALIGNMENT WITH THE UN SDGS

We have incorporated the SDGs under the UN Sustainability Development Agenda, where appropriate, as a supporting framework to shape and guide our sustainability strategy. We have identified 9 SDGs which we can contribute to sustainable development through our business practices. A summary of Amara’s Sustainability Factors and the mapping of key initiatives to the relevant SDGs is shown below:

Amara’s Position	Amara’s Initiatives	Link to the SDGs
Environmental <i>Reducing our environmental footprint</i>	<ul style="list-style-type: none"> Energy and Emissions We constantly seek new ways to reduce our energy consumption and greenhouse gas emissions. (Pgs 20 - 21) 	 
	<ul style="list-style-type: none"> Water We strive to maximise our water usage efficiency without compromising the needs of our operations. (Pg 21) 	
	<ul style="list-style-type: none"> Effluents and Waste We encourage our employees to use resources efficiently and practise good recycling habits. (Pg 22) 	
Social <i>Managing our talent and our responsibilities</i>	<ul style="list-style-type: none"> Talent Retention We strive to maintain our existing talent pool and offer them training and reskilling opportunities. (Pg 23) We also advocate fair employment by hiring from different backgrounds to build an inclusive and diverse work environment. (Pg 23) 	 
	<ul style="list-style-type: none"> Training and Development We aim to elevate the skillsets of our workforce and gain a competitive edge through investing in training and development programmes to upskill and empower our employees. (Pg 24) 	
	<ul style="list-style-type: none"> Occupational Health and Safety We have streamlined and established reporting procedures for workplace incidents to ensure prompt response to any incidents. We have also adopted measures to ensure compliance with statutory workplace safety regulations and cultivate a strong safety culture. (Pg 24) 	 
	<ul style="list-style-type: none"> Customer Health and Safety We have established food safety and building safety measures in accordance with the mandatory guidelines set by the local governments. (Pg 25) 	 
Governance <i>Complying with applicable laws and regulations</i>	<ul style="list-style-type: none"> Ethics and Regulatory Compliance We have established robust internal controls and governance policies that are the cornerstones of our commitment to ethical standards and compliances with regulatory requirements. We seek to continuously improve our data protection measures to ensure the private information of our customers and employees are secure. (Pgs 26 - 27) 	
Economic <i>Addressing the flow of capital</i>	<ul style="list-style-type: none"> Economic Performance and Business Recovery We continue to adopt prudent cost control measures to ensure the sustainability of our business and financial performance. (Pg 28) 	

ESG GOVERNANCE STRUCTURE

The Board, along with the SSC, advises and supervises the development of our sustainability strategy. The STF oversees the implementation of our control measures and monitors Amara’s ESG performance. ESG-related risks are reported to the Board annually and taken into consideration in the formulation of strategies and determination of material factors. The STF includes key management from various functions and their roles and responsibilities are detailed in the section Roles and Responsibilities. The SSC and the STF also review and advise the Board on Amara’s public reporting regarding its performance on sustainability-related matters.



ROLES AND RESPONSIBILITIES

The following are the roles and responsibilities of the relevant committees and departments in the management and reporting of sustainability practices at Amara:

Owners	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> Formulates overall sustainability strategies and objectives. Reviews reporting of material topics, sustainability practices and initiatives.
Finance Department	<ul style="list-style-type: none"> Ensure that accounts are prepared accurately and timely. Provides financial data for the purposes of monitoring and reporting of sustainability topics.
Human Resources Department	<ul style="list-style-type: none"> Provides employee data for the purposes of monitoring and reporting of sustainability topics. Oversees recruitment, employee compensation, training, health and safety, and benefits.
Operations and Administration Departments	<ul style="list-style-type: none"> Implement environmentally friendly practices and technology in operations. Monitor and track resource consumption, recycling and waste management in operations. Address customers' requirements and concerns over our services.

TCFD REPORT

As the world rallies to limit global temperature rise to well below 1.5°C as set out in the Paris Agreement, Amara seeks to do our part as well to reduce GHG emissions in our business activities. We are working towards developing strategies to build climate resilience across our business divisions, and the first step is to understand the potential risks and opportunities from climate change, as well as their financial impact on our businesses.

GOVERNANCE

The Board has the overall responsibility for Amara's sustainability strategy, including climate-related risks and opportunities. Committees are established to evaluate and monitor climate-related risks and opportunities. Refer to the ESG Governance Structure on page 16 of the Report for further details.

STRATEGY

We understand that climate change poses both risks and opportunities for Amara. To better understand these issues, we consider the risks of climate change in our decision-making and stay informed with the latest developments in climate adaptation and mitigation through engagement with our stakeholders. We have also adopted the TCFD recommendations as a framework for the management of climate-related risks and opportunities.

METHODOLOGY

To assess the impact of climate change on our business, the TCFD recommends undertaking scenario analysis as a way of testing the business under different climate scenarios, including a 2°C or lower scenario.

Scenario	Paris-aligned scenario (below 2°C)	No mitigation scenario (4°C)
Rationale	We selected the scenario to assess the transition impacts in an economy shifting to a low carbon world as it reflects actions required to limit global warming to under 2°C.	We selected this scenario to assess our physical risk under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	International Energy Agency's Sustainable Development Scenario	Inter-governmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5
Used to analyse	Transition impacts	Physical impacts
Assumptions	Transition features: <ul style="list-style-type: none"> • Increased regulations on industries to limit GHG emissions • Introduced carbon pricing • Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters • Increased generation from renewable energy 	Physical features: <ul style="list-style-type: none"> • Global emissions continue to rise because of high carbon intensity • Global mean sea level rise of 0.63 metres by year 2100 • High frequency and intensity of heat waves and extreme precipitation events

TCFD REPORT

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Taking into consideration the above scenarios, we have identified the following risks and opportunities, and their impact on our business should the above scenarios materialise:

CLIMATE-RELATED RISKS

Risk Type		Impact
Physical Risks	Acute - Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> Increased insurance premiums Reduced revenue from lower sales output
	Chronic - Rising mean temperatures	<ul style="list-style-type: none"> Longer dry spells leading to higher utilities costs Ageing and deterioration of facilities and equipment to maintain indoor temperature Lower work productivity Disruption of raw food supplies due to adverse climate
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> Increased compliance costs and operation costs Increased insurance premiums
	Technology	<ul style="list-style-type: none"> Capital investments into technology development Cost of adoption Increased write-offs and early retirement of existing assets Reduced demand for services
	Market	<ul style="list-style-type: none"> Higher energy and water costs Changing consumer preferences such as demand for smart building facilities and green real estate could affect profitability Inability to meet customers' sustainability expectations could make our services less attractive
	Reputation	<ul style="list-style-type: none"> Reduced revenue from negative image Reduction in capital availability

CLIMATE-RELATED OPPORTUNITIES

Risk Type		Impact
Resource Efficiency		<ul style="list-style-type: none"> Enhancing energy efficiency and water conservation in our operations and business properties can reduce costs
Energy Sources		<ul style="list-style-type: none"> Reduced exposure to fossil fuel price increase Returns on investment in low-emission technology
Products and Services		<ul style="list-style-type: none"> Offerings with sustainable designs can attract environmentally conscious customers Returns on investment in low-emission technology

TCFD REPORT

RISK MANAGEMENT

Amara acknowledges that maintaining a sound risk management framework is crucial to safeguard the interests of the Company and its shareholders. To keep abreast of any changes in existing regulatory requirements and for good corporate governance practice, Amara has formulated an Enterprise Risk Management (“ERM”) Framework to guide the Group’s management in approaching and mitigating sustainability-related risks.

As part of our annual ERM exercise, ESG risks are considered regular business risks and are identified, assessed and managed to ensure that these risks remain within our risk appetite.

Risk Type	Mitigating Measures	
Physical Risks	Acute - Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> • Business continuity plan and crisis management plan • Develop climate-resilient policies and procedures as well as integrate them as a part of ERM efforts
	Chronic - Rising mean temperatures	<ul style="list-style-type: none"> • Adopt more water efficient fittings and products • Regular maintenance of equipment to improve efficiency • Provide a better indoor environmental quality for our employees • Maintain diverse supplier base for raw food supplies
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> • Use of sustainable materials and technologies that are compliant with laws and regulations
	Technology	<ul style="list-style-type: none"> • Progressive adoption of low-emission technologies
	Market	<ul style="list-style-type: none"> • Prioritise the reduction of emissions and pollutions in our value chain • Leverage on opportunities to develop new markets
	Reputation	<ul style="list-style-type: none"> • Work closely with stakeholders to promote environmental-friendly practices in value chain

METRICS

In addition to our existing metrics and targets, we continue to perform best-suited practices to enhance our TCFD disclosures, which include improving our ability to collect, measure and report emissions, working with our suppliers and customers, as well as exploring new ways in which we can use analytics, automation and artificial intelligence to enhance decision making and transparency. We track, measure and disclose our environmental performance including energy consumption, GHG emissions, water and effluent and waste in this Report. Amara’s environmental metrics are detailed in the following sub-sections.

ENVIRONMENTAL

Amara seeks to enhance our environmental stewardship and combat climate change by reducing our GHG emissions and developing strategies to enhance our climate resilience across our operations.

ENERGY AND EMISSIONS

The majority of GHG emissions within our operations arise from the combustion of liquified petroleum gas ("LPG") at our properties (Scope 1 Emissions), as well as indirectly through the consumption of purchased energy (Scope 2 Emissions).

Scope 1 Emissions

	FY2022	FY2023	% Change
LPG Consumption (kg)	441,216	531,020	20.4
GHG Emission (tCO ₂ e) ²	1,331	1,602	20.4
GHG Emission Intensity (tCO ₂ e /m ² of gross floor area)	0.009	0.011	22.2

Scope 2 Emissions

	FY2022	FY2023	% Change
Electricity Usage (kWh)	22,978,649	27,278,943	18.7
GHG Emission (tCO ₂ e) ³	10,238 ⁴	12,292	20.1
GHG Emission Intensity (tCO ₂ e /m ² of gross floor area)	0.072	0.087	20.8

² GHG emissions from the combustion of gas (Scope 1 emissions) are calculated based on the IPCC Guidelines for National Greenhouse Gas Inventories.

³ GHG emissions from electricity purchased by the Company (Scope 2 emissions) are calculated based on the average emissions factor published by the relevant local authorities.

⁴ Figure was restated from 10,003 tCO₂e to 10,238 tCO₂e due to the use of updated emission factors.

There was a 20.4% increase in Scope 1 emissions and a 20.1% increase in Scope 2 emissions due to increased business activities during the Reporting Period. We look forward to implementing measures to reduce our emissions in the following years.

The following measures were adopted to reduce our energy consumption and emissions at our properties:

Business	Activities
<ul style="list-style-type: none"> Amara Singapore 100 AM Singapore Thanying Restaurant, Singapore 	<ul style="list-style-type: none"> Upgraded our chillers, achieving an Energy Efficiency of 0.634kW/RT (previously 0.65kW/RT) Fully transitioned the lobby area and guest rooms to LED lights Rooftop greenery Usage of water sub-meters for cooling tower and swimming pool
<ul style="list-style-type: none"> Amara Sanctuary Resort, Sentosa 	<ul style="list-style-type: none"> Extensive greenery Upgraded chilled water plant, achieving a new Energy Efficiency of 0.512kW/RT Completed the transition to LED lights in guest rooms
<ul style="list-style-type: none"> Amara Bangkok 	<ul style="list-style-type: none"> Electric equipment were turned off for floors with no guests Planned maintenance of equipment to optimise electricity consumption
<ul style="list-style-type: none"> Amara Signature Shanghai 100 AM Shanghai 	<ul style="list-style-type: none"> Escalators and guest elevators were shut down after midnight Gradual replacement with LED lightings since 2021 Adjusted indoor temperature based on weather Shutting down of unused equipment, such as chillers, and floors

ENVIRONMENTAL

ENERGY AND EMISSIONS (continued)

Target for FY2023	Performance in FY2023
Reduce or maintain the same consumption and intensity levels as 2022.	Target not met.
Short-term Target (1-2 years)	Medium-term Target (by 2030)
<ul style="list-style-type: none"> Reduce reliance on non-renewable and high GHG emission energy sources. Adoption of green technology to improve energy efficiency in operations. 	<ul style="list-style-type: none"> Reduce GHG emission levels and emission intensities by 30%. Track Scope 3 emissions.

WATER

Water is a scarce resource, and we recognise that businesses play an important role in ensuring the sustainability of water resources. Therefore, we strive to minimise water consumption and improve water usage efficiency. Our water usage data is closely tracked, monitored and reported.

	FY2022	FY2023	% Change
Water Consumption (m ³)	288,382	302,808	5.0
Water Consumption Intensity (m ³ /m ² of gross floor area)	2.03	2.13	5.0

We have continued to monitor our water usage and adopted the following measures to ensure water usage efficiency:

- Installation of water conservation apparatus;
- Perform frequent checks and maintenance on pipes and installations to prevent potential water leakages; and
- Introduced linen and towel place cards in guest room to encourage water conservation among our guests.

Target for FY2023	Performance in FY2023
Reduce or maintain the same consumption and intensity levels as 2022.	Target not met. Our water consumption level increased by 5.0%.
Short-term Target (1-2 years)	Medium-term Target (by 2030)
<ul style="list-style-type: none"> Adoption of technology to improve water efficiency in operations. 	<ul style="list-style-type: none"> Inclusion of water recycling features into building and facilities design. Reduce water usage levels and intensities by 20%.

ENVIRONMENTAL

EFFLUENTS AND WASTE

Our waste primarily consists of food waste, cooking oil and general waste. We strive to minimise our waste generation through efficient use of resources and cultivate good recycling habits amongst our employees, hotel guests and tenants.

The following measures are adopted as part of our efforts in minimising waste:

- Reduce – Avoid generation of waste and discarding of materials through a zero-inventory practice; where we endeavour to order just the right amount of items;
- Recycle – Paper, plastics, glass, metal and cooking oil are segregated from general waste for recycling; and
- Disposal – Dispose waste in accordance with statutory requirements through licensed vendors.

In PRC, we have also implemented plans in response to the local government's food waste policy, such as the Clear Plate Food Action.

In the Reporting Period, non-hazardous waste generated from our operations are as follows:

	FY2022	FY2023	% Change
Waste Recycled/Sent for Recycling (tonnes)	52	64	23.1
Waste Disposed (tonnes)	1,395	1,414	1.4
Waste Disposed Intensity (tonnes/m ² of gross floor area)	0.010	0.010	-

Hazardous wastes generated are primarily items used in disease control and disposed by specialised disposal vendors.

Target for FY2023

Maintain or reduce total amount of waste generated, and maintain or increase the proportion of recycled waste as compared to 2022.

Performance in FY2023

Target partially met. Amount of waste disposed increased by 1.4% and the amount of waste recycled increased by 23.1%.

Short-term Target (1-2 years)

- Adoption of technology and recycling measures to reduce waste sent for disposal.

Medium-term Target (by 2030)

- Reduce waste generated and intensities by 20%.

ENVIRONMENTAL REGULATORY COMPLIANCE

Complying with applicable laws is the utmost priority for Amara, vital for upholding our stakeholders' trust and avoiding any non-compliance penalties and reputational damages. We consider the environmental impacts of our business activities by regularly reviewing environmental and public health regulations to update and implement the necessary policies and practices. In FY2023, there were no reported non-compliances with environmental and public health regulations in the jurisdictions we operate in that resulted in significant fines or sanctions.

SOCIAL

At Amara, we strive for excellence in all that we do. We also seek to maintain meaningful relationships with our employees, guests, visitors, suppliers and the local communities we operate in.

TALENT RETENTION

At Amara, we value diversity and collaboration in our workforce. We strive for equal opportunities and do not tolerate any forms of discrimination or harassment at our workplace.

We align ourselves with the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) and aim to create a fair and rewarding workplace. We also support the hiring of individuals with disabilities and ex-offenders through the Yellow Ribbon Initiative in our hotels. We regularly review our employee compensation to ensure fairness.

Our employment profile is as follows:

Workforce	No. of headcount ⁵		Percentage of total headcount (%)	
	As of 31 December 2022	As of 31 December 2023	As of 31 December 2022	As of 31 December 2023
By Gender				
Male	231	296	52	60
Female	210	196	48	40
By Age Group				
18 - 30 years old	102	150	23	31
31 - 50 years old	219	228	50	46
Over 50 years old	120	114	27	23
By Region				
Singapore	224	236	51	48
PRC	135	153	31	31
Thailand	82	103	18	21

⁵ Headcounts are consolidated from across all the jurisdictions we operate in, namely Singapore, PRC and Thailand, in relation to the scope of report.

SOCIAL

LABOUR STANDARDS AND HUMAN RIGHTS

Our Group's policy bars discrimination, child labour and forced labour in our operations and in work performed by suppliers and subcontractors. Our policy covers the following:

- a) Non-discrimination: We prohibit discrimination in employment on any grounds, including gender, age, race, ethnicity, religion, marital status, pregnancy and disability;
- b) Child Labour: We prohibit child labour in our operations and expect our suppliers to ensure the same standards. We have determined that there is no risk of child labour in our business; and
- c) Forced Labour: We prohibit forced labour in our operations and expect our suppliers to ensure the same standards.

We have formalised the minimum age requirement of 18 years old in our recruitment policies, and the Human Resource department is responsible for collecting as well as verifying the personal data and information provided by new hires.

In FY2023, there were no incidences of non-compliance relating to discrimination, child labour, forced or compulsory labour involved in our business practices.

Perpetual Target

To adopt fair employment practices that are compliant with all relevant manpower laws and regulations in the jurisdictions we operate in.

Performance in FY2023

Zero cases of non-compliance with employment standards and laws leading to significant penalties or fines during the year.

TRAINING AND DEVELOPMENT

We believe that a competent workforce is necessary for the sustainability and growth of our business. The average training hours for employees in FY2023 is 8.6 hours (FY2022: 9.2 hours), with our female employees completing an average of 8.8 hours (FY2022: 9.6 hours) of training and male employees completing an average of 8.5 hours (FY2022: 8.8 hours) of training.

We continued to work closely and collaborated with governmental training institutions in structured skills-based career pathway programmes. Training grants were also obtained from government agencies to sponsor our employees for training programmes. The following are some government-sponsored training initiatives and programmes for our employees:

Business

- Amara Singapore
- Amara Sanctuary Resort, Sentosa

Government training programmes

- SSG Training Programme
- Work Study Diploma

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees are vital to the sustainability and growth of our business operations. We continuously seek ways to improve and create a safer working environment for our employees. During the Reporting Period, we recorded no (FY2022: zero) workplace fatalities, no (FY2022: zero) high-consequence work-related injuries, no (FY2022: zero) recordable work-related injuries and no (FY2022: zero) work-related ill-health cases. We will continue to remain vigilant and target to maintain zero workplace incidents leading to fatalities or permanent disability in the following year.

Perpetual Target

Amara aims to have no workplace incident leading to fatalities or permanent disability during the year.

Performance in FY2023

No incidents leading to fatalities or permanent disability during the year.

SOCIAL

CUSTOMER HEALTH AND SAFETY

At Amara, ensuring our customers' health and safety underpins our commitment to deliver a high standard of service to them.

Food Safety

At Amara, food safety is a top priority. We take proactive measures to minimise food safety risks through the implementation of Standard Operating Procedures ("SOP"). Additionally, our food safety management and quality control system are compliant with all relevant laws and regulations in the jurisdictions we operate in.

We have also implemented systems such as First-In-First-Out ("FIFO") for inventory management, periodic laboratory testing, and mandatory food safety training for employees to ensure high food quality and adherence to regulations and hygiene standards.

Building Safety

At Amara, we are dedicated to creating a safe, accessible, and high-quality environment for all our shoppers, tenants, hotel guests, residents, employees and members of the community. We have implemented robust health and safety protocols, with a focus on fire safety and hygiene, that are in compliance with local laws and regulations.

We conduct regular fire drills and trainings, as well as fire safety inspections and audits, to ensure the safety of our employees and tenants. Additionally, we conduct regular risk assessments and inspections to identify and address potential hazards and to keep all employees, guests and visitors informed and safe.

During the Reporting Period, there were no (FY2022: zero) incidents of non-compliance with regulatory standards and voluntary codes related to the health and safety of our customers which resulted in significant fines, penalties or warnings.

Perpetual Target

No incident of non-compliances with regulatory standards and voluntary codes related to the health and safety of customers.

Performance in FY2023

No case of non-compliance with regulatory standards and voluntary codes related to the health and safety of customers.

CUSTOMER SATISFACTION

Adopting Market Standards

Our properties and services are certified under various recognised quality standards:

Certification	Attained by	Description
BCA Green Mark (Platinum)	Amara Sanctuary Resort, Sentosa	A green building rating system that evaluates a building's environmental impact and performance, designed to promote sustainable design and best practice in construction and operations in buildings.
BCA Green Mark (Gold)	Amara Singapore and 100 AM Singapore	A green building rating system that evaluates a building's environmental impact and performance, designed to promote sustainable design and best practice in construction and operations in buildings.
Thailand Sustainable Event Management Standard ("TSEMS")	Amara Bangkok	A Standard developed by the Thailand Convention and Exhibition Bureau ("TCEB") for the sustainable event development particularly suited for the Thai society.

Our hotel management company, Amara International Hotels & Resorts Pte Ltd has formed a Sustainability Work Group in 2023 for our hotels in Singapore (Amara Singapore and Amara Sanctuary Resort, Sentosa), and is supported by a grant from Singapore Tourism Board. The Work Group meets regularly to implement hotel-based initiatives such as enhanced recycling bins, waste tracking and staff engagement.

Amara International Hotels & Resorts Pte Ltd is working towards a Global Sustainability Tourism Certification ("GSTC") expected to be GSTC certified by the end of 2024.

CUSTOMER FEEDBACK

At Amara, we value all feedbacks and suggestions received from all our customers. We have established channels, such as direct hotline, email, social media platform and booking websites, for customers to voice their concerns. All feedbacks and complaints are treated with the utmost importance.

Our team of dedicated employees utilise hotel feedback management applications to keep track of customer feedbacks and satisfaction ratings to ensure that all feedbacks are adequately and timely addressed.

Quarterly, these feedbacks and satisfaction ratings, including their follow-up actions and resolutions, are consolidated into a report and presented to management for review.

GOVERNANCE

Amara seeks to uphold the highest standards of ethics and business conduct. We are highly committed to comply with all laws and regulations in the countries we operate in. We also seek to cultivate a broad spectrum of demographic attributes and characteristics in the boardroom. The following is a summary of our board composition, more details can be found in the Corporate Governance Report.

Description	Percentage (%) as at 31 December 2023
Board Independence - The number of independent board of directors as a percentage of all directors.	57
Women on the Board - The number of female board directors as a percentage of all directors.	29

ETHICS AND REGULATORY COMPLIANCE

Ethics and Business Conduct

We have a strict policy against corruption, fraud, money-laundering, and other financial crimes. We promote a culture of integrity, ethical behaviour, and professionalism among our employees to gain trust from our stakeholders.

To ensure this, we have implemented internal controls and written guidelines, such as an Employee Code of Conduct, Conflict of Interest, Whistleblowing, Anti-Corruption and Anti-Money Laundering. All employees, including new hires, must adhere to these policies. These policies have been approved by the Board and made accessible to all employees.

We have a confidential whistleblowing channel that allows employees and stakeholders to report any illegal conduct, financial misconduct, or other wrongdoing. All reports will be kept confidential so that whistle blowers can report their concerns in good faith and without fear of reprisal.

Our Conflict of Interest policy requires the Board, management and employees to declare any conflict of interest whenever it arises. Our Interested Person Transaction Policy also requires the disclosure of any significant transactions in accordance with Chapter 9 of the SGX-ST Mainboard Listing Rules.

During the Reporting Period, there were no (FY2022: zero) confirmed cases which are unethical, fraudulent, or corrupt in nature.

Perpetual Target	Performance in FY2023
Zero confirmed cases which are unethical, fraudulent, or corrupt in nature.	Zero confirmed cases which are unethical, fraudulent, or corrupt in nature.

Regulatory Compliance

At Amara, we review changes to laws and regulatory requirements regularly to ensure full compliance.

Our operations are subjected to the relevant laws and regulations in the countries we operate in, including and not limited to the following:

- Building Control (Environmental Sustainability) Regulations administered by Building and Construction Authority ("BCA");
- Energy Conservation Act and Environment Protection and Management Act governed by National Environment Agency ("NEA");
- Sale of Food Act administered by Singapore Food Agency ("SFA");
- Employment Act and Employment of Foreign Manpower Act governed by Ministry of Manpower ("MOM");
- The Enhancement and Conservation of National Environmental Quality Act, governed by the Ministry of Science, Technology and Environment, Thailand; and
- The Foreign Investment Law of the People's Republic of China administered by the Ministry of Commerce and State Administration for Market Regulation.

GOVERNANCE

During the Reporting Period, there were no (FY2022: zero) reported cases of non-compliance with relevant laws and regulations that resulted in significant fines or sanctions in the jurisdictions that we operate in.

Perpetual Target

Zero reported case of non-compliance with relevant laws and regulations that result in significant fines or sanctions.

Performance in FY2023

Zero incidents of non-compliance with relevant laws and regulations that resulted in significant fines or sanctions.

Data Privacy

Amara understands the increasing threat of cyberattacks on information assets and have taken extra precautions in protecting personal data that is collected, used and processed by us.

All new employees are briefed during orientation to protect the confidentiality of our customers' information. They are also required to acknowledge the confidentiality clauses in the employment contract as well as the Code of Conduct. Any violation of the clause leads to immediate dismissal and/or legal action taken against the offender. Amara has also implemented firewall, anti-virus, and anti-spam solutions for our Information Technology ("IT") systems to safeguard customer information.

We have also streamlined the processes on how we collect, store, access, use and disclose personal data in the course of providing services and products to our customers. Any individuals can write in to our Data Protection Officers via dataprotection@amarahotels.com for queries on data protection matters and requests to update, access or withdraw consent on their personal data maintained by Amara.

During the Reporting Period, there were no reported cases of data security breaches.

Perpetual Target

Zero incidents of customer data breaches.

Performance in FY2023

Zero reported incidents of data security breaches.

ECONOMIC

In FY2023, we have seen a return of visitors with the reopening of country borders across the region. Singapore's international visitor arrivals ("IVA") reached 13.6 million in 2023 (approximately 71% of 2019 IVA), meeting Singapore Tourism Board's forecasts of between 12 million and 14 million visitors. Barring unexpected circumstances, tourism activity is expected to return to pre-pandemic levels by 2024.

However, the gradual recovery of the tourism sector is complicated by the higher inflation, rising interest rates and ongoing geopolitical tensions. Amara will continue to monitor closely the market developments for each of our business segments and remain prudent in costs and capital management.

ECONOMIC PERFORMANCE AND BUSINESS RECOVERY

Amara has implemented our business continuity plan across our operations, and is taking actions to both reduce costs and increase revenue. Amara has also launched various initiatives aimed at increasing revenue. Some examples are as follows:

- Partnerships with tour agencies, event organisers and third-party booking agents to increase bookings;
- Launching new menus with attractive prices at our restaurants and promote delivery services;
- Creating special prices for corporate booking packages;
- Utilisation of social media and e-commerce platform to promote hotel products and offerings;
- Launching new room packages with dinner/lunch set at the restaurants; and
- Staying engaged with local government agencies and strive for government events as well as room bookings.

Amara's financial situation remained stable, with the support of its primary banks and access to credit facilities. Additionally, Amara is taking advantage of various support programmes offered by the Singapore government, such as the Progressive Wage Credit Scheme, and government subsidies, to support our workers.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference & Remarks
GRI 1: Foundation 2021			
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1	Organizational details - Legal name - Nature of ownership and legal form - Location of headquarters - Countries of operation	Amara Holdings Limited Annual Report: Statistics of Shareholdings (Pg 104) Annual Report: Corporate Data (Pg 103) Annual Report: Our Operations and Financial Review (Pgs 6 - 8)
	2-2	Entities included in the organization's sustainability reporting	Sustainability Report: Scope of Report (Pg 12)
	2-3	Reporting period Frequency Contact point	1 January 2023 to 31 December 2023 Annual Sustainability Report: About The Report (Pg 12)
	2-4	Restatements of information	Sustainability Report: Energy and Emissions (Pgs 20 - 21)
	2-5	External assurance	Amara has not sought external assurance for this Reporting Period, and may consider it in the future.
	Activities and workers		
	2-6	Activities, value chain and other business relationships	Annual Report: Our Operations and Financial Review (Pgs 6 - 8)
	2-7	Employees	Sustainability Report: Talent Retention (Pg 23)
	2-8	Workers who are not employees	Sustainability Report: Talent Retention (Pg 23)
	Governance		
	2-9	Governance structure and composition	Corporate Governance Report: Board Composition and Guidance (Pgs 37 - 38)
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report: Board Membership (Pgs 39 - 40)
	2-11	Chair of the highest governance body	Corporate Governance Report: The Board's Conduct of Affairs (Pgs 34 - 37)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report: ESG Governance Structure (Pg 16)
	2-13	Delegation of responsibility for managing impacts	Sustainability Report: ESG Governance Structure (Pg 16)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Report: ESG Governance Structure (Pg 16)
	2-15	Conflicts of interest	Sustainability Report: Ethics and Business Conduct (Pg 26)
	2-16	Communication of critical concerns	Sustainability Report: Ethics and Business Conduct (Pg 26)
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report: Board Performance (Pgs 41)
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report: Board Performance (Pg 41)
2-19	Remuneration policies	Corporate Governance Report: Remuneration Matters (Pgs 41 - 44)	
2-20	Process to determine remuneration	Corporate Governance Report: Remuneration Matters (Pgs 41 - 44)	
2-21	Annual total compensation ratio	Corporate Governance Report: Remuneration Matters (Pgs 41 - 44)	

GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Page Reference & Remarks	
GRI 1: Foundation 2021			
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Sustainability Report: Board Statement (Pg 11)
	2-23	Policy commitments	Sustainability Report: Labour Standards and Human Rights (Pg 24)
	2-24	Embedding policy commitments	Sustainability Report: Labour Standards and Human Rights (Pg 24)
	2-25	Processes to remediate negative impacts	Sustainability Report: Customer Feedback (Pg 25) Sustainability Report: Ethics and Business Conduct (Pg 26)
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report: Customer Feedback (Pg 25) Sustainability Report: Ethics and Business Conduct (Pg 26)
	2-27	Compliance with laws and regulations	Sustainability Report: Regulatory Compliance (Pg 26)
	2-28	Membership associations	Amara has no memberships with relevant organisations
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 13)
2-30	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 the Company's procedures, applicable local laws and regulations and prevailing industrial relations and practices.	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report: Materiality Assessment (Pg 14)
	3-2	List of material topics	
ECONOMIC PERFORMANCE AND BUSINESS RECOVERY			
GRI 3: Management Approach 2021	3-3	Management of material topics	Annual Report: Financial Statements (Pgs 50 - 102)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
ETHICS AND REGULATORY COMPLIANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report: Ethics and Regulatory Compliance (Pgs 26 - 27)
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	
ENERGY AND EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report: Energy and Emissions (Pgs 20 - 21)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	
	302-3	Energy intensity	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	

GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
WATER		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Water (Pg 21)
GRI 303: Water and Effluents 2018	303-5 Water consumption	
EFFLUENTS AND WASTE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Effluents and Waste (Pg 22)
GRI 306: Waste 2020	306-3 Waste generated	
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Occupational Health and Safety (Pg 24)
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	
TALENT RETENTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Talent Retention (Pg 23)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
TRAINING AND DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Training and Development (Pg 24)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-3 Percentage of employees receiving regular performance and career development reviews	
CUSTOMER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Customer Health and Safety (Pg 25)
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

TCFD RECOMMENDATIONS INDEX

Code	TCFD Recommendations	Page Reference
GOVERNANCE		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Report: ESG Governance Structure (Pg 16)
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Report: Environmental TCFD Report (Pgs 17 - 22)
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Sustainability Report: Environmental (Pgs 20 - 22)
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Sustainability Report: Environmental (Pgs 20 - 22)
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	Corporate Governance Report: Risk Management and Internal Controls (Pg 44)
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
METRICS AND TARGETS		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Report: Environmental (Pgs 20 - 22)
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

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

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

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

THE BOARD’S CONDUCT OF AFFAIRS

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

Provision 1.1

Directors as Fiduciaries

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

Provision 1.2

Directors’ Duties and Responsibilities

Board’s Role

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

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

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

Compliance with Regulatory Requirements

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

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Continuous Training and Development of Directors

The Company has in place an orientation programme 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 incoming Directors to meet up with the Management and the Company Secretaries to familiarise themselves with their roles, the organisation structure and business practices of the Group. This will enable them to get acquainted with Management and the Company Secretaries thereby facilitating board interaction and independent access to Management and the Company Secretaries.

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 improve the performance of the individual Directors and the Board.

Briefings and updates provided for Directors in FY 2023 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 Board meetings on the Group's business and strategic developments.
- Management highlighted the salient operational and risk management issues to the Board.
- The Company Secretaries briefed the Board on the amendments to the Companies Act 1967 (the "Act") and the Listing Rules.

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

Provision 1.3

Internal Guidelines on Matters Requiring Board Approval

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

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

Provision 1.4

Delegation of Authority to Board Committees

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

The Board members and Board Committee members as at 31 December 2023 were as follows:

Name of Directors	Board Membership	Board Committees		
		Audit Committee	Remuneration Committee	Nominating Committee
Albert Teo Hock Chuan	Chairman	-	-	Member
Susan Teo Geok Tin	Executive Director	-	-	-
Lawrence Mok Kwok Wah	Non-Executive & Non-Independent Director	Member	Member	-
Ginney Lim May Ling	Lead Independent Director	-	Chairman	Member
Bill Chua Teck Huat	Independent Director	Member	Member	Chairman
George Seow Ewe Keong	Independent Director	Chairman	Member	Member
Tan Kim Seng	Independent Director	Member	Member	-
Teo Shao-Lynn, Dawn (Zhang Xiaolin)	Alternate Director to Albert Teo Hock Chuan	-	-	-

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 FY 2023 were as follows:

Number of meetings held	Board	Audit Committee	Remuneration Committee	Nominating Committee
		5	3	2

Name of Directors/Alternate Director	Number of meetings attended			
	Board	Audit Committee	Remuneration Committee	Nominating Committee
Albert Teo Hock Chuan	5	3*	2*	1
Susan Teo Geok Tin	5	3*	2*	1*
Lawrence Mok Kwok Wah	5	3	2	1*
Ginney Lim May Ling	5	2*	2	1
Bill Chua Teck Huat	5	3	2	1
George Seow Ewe Keong	5	3	2	1
Tan Kim Seng	5	3	2	1*
Teo Shao-Lynn, Dawn (Zhang Xiaolin)	5*	2*	1*	-

* By invitation

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

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

CORPORATE GOVERNANCE REPORT

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

Provision 1.6

Board's Access to Information

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

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 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

For FY 2023, the Board consists of seven Directors, of whom four were Independent and Non-Executive Directors and one was a Non-Executive and Non-Independent Director. The Executive Directors were Mr Albert Teo Hock Chuan and Ms Susan Teo Geok Tin. The Non-Executive and Non-Independent Director was Mr Lawrence Mok Kwok Wah. The Independent Directors were Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng.

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 (i) 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 (ii) 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 and/or (iii) if he has been a director of the Company for an aggregate period of more than nine years (whether before or after listing).

The independence of each Independent Director is reviewed annually by the NC. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong and Mr Tan Kim Seng 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. For FY 2023, with four out of seven Directors considered independent, the composition of the Board complied with the requirements of the Listing Rules and the Code. As at the date of this report, Mr Keith Tan was recently appointed as a Non-Executive Director on 21 March 2024. With his appointment, the Independent Directors make up half of the Board.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Provision 2.4

Composition and Size of the Board

The Company recognises that board diversity is an essential element to enhance the Board's decision making process and it has a board diversity policy in place. A diverse board will have a broad range of views and perspectives which are essential to foster constructive discussions, promote effective decision-making and avoid groupthink. The following principles are considered to embrace diversity and in determining the Board composition. The Board should comprise Directors with a broad range of skills, competencies, knowledge, experience, and educational and professional backgrounds.

The Board is of the view that the current Board comprises an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity, that support the Company in the pursuit of its strategic objectives and its sustainable development. The appointment of Mr Keith Tan Keng Soon on 21 March 2024 adds to the diversity of skillsets of the Board. Details of the Directors' qualifications, background and working experience are provided under the "Board of Directors" section of this Annual Report.

The Board also recognises the importance and value of gender diversity. It presently includes two female Directors, thereby achieving a level of 29% female representation on the Board which is higher than the 22.7% female representation benchmark reported by the Council for Board Diversity for the Top 100 primary-listed companies on SGX-ST as at 30 June 2023.

The Board constantly examines 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.

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 Board committees chaired by Independent Directors.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)

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

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

Provision 3.3

Lead Independent Director

Ms Ginney Lim May Ling is the Lead Independent Director. She 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

As at 31 December 2023, the NC comprised four Directors, namely:

- Bill Chua Teck Huat (Chairman)
- Ginney Lim May Ling
- George Seow Ewe Keong
- Albert Teo Hock Chuan

The majority of the NC members, including its Chairman, are independent. Ms Ginney Lim May Ling, 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.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP (CONTINUED)

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 Article 87 of the Company's Constitution are Mr Albert Teo Hock Chuan and Ms Susan Teo Geok Tin. Mr Albert Teo will, upon re-election, continue to serve as the Chairman, Chief Executive Officer and member of NC. The appointment of Ms Teo Shao-Lynn, Dawn (Zhang Xiaolin) as his alternate Director shall continue upon his re-election. Ms Susan Teo will, upon re-election, continue to serve as Executive Director. Mr Keith Tan Keng Soon who was appointed on 21 March 2024, will be retiring at the forthcoming AGM pursuant to Article 94 of the Company's Constitution. Mr Keith Tan will, upon re-election, continue to serve as a Non-Executive, Non-Independent Director and a member of the AC, NC and RC. 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.

The NC has recommended to the Board, the re-election of the above Directors at the forthcoming AGM. The Board has accepted the NC's recommendations. Mr Albert Teo Hock Chuan has abstained from the NC's deliberation on his re-election. Each of the retiring Directors has abstained from the Board's deliberation on their respective re-election.

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. Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat and Mr George Seow Ewe Keong 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.

CORPORATE GOVERNANCE 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*

As at 31 December 2023, the RC comprised five directors, namely:

- Ginney Lim May Ling (Chairman)
- Bill Chua Teck Huat
- George Seow Ewe Keong
- Lawrence Mok Kwok Wah
- Tan Kim Seng

All members of the RC are Non-Executive Directors, the majority of whom, including the RC Chairman, are Independent Directors.

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.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS (CONTINUED)

Provision 6.4

Engagement of Remuneration Consultants

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

LEVEL AND MIX OF REMUNERATION

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

Provision 7.1

Remuneration of Executive Directors and Key Management Personnel

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

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

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

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.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION (CONTINUED)

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:

Remuneration Band	No. of Directors	
	2023	2022
S\$1,000,000 to below S\$1,250,000	1	-
S\$750,000 to below S\$1,000,000	-	-
S\$500,000 to below S\$750,000	1	-
S\$250,000 to below S\$500,000	-	2
Below S\$250,000	5	8
Total	7	10

Key Management Personnel of the Group

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

Provision 8.2

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

There are three employees who are immediate family members of Mr Albert Teo Hock Chuan, Director and CEO, and Ms Susan Teo Geok Tin, Executive Director. They are their brother, sister and daughter/niece respectively and they currently serve as (i) Director, Property Division, (ii) Group Quality and Systems Manager and (iii) Director, Strategic Planning and Corporate Development, and Senior Vice President, Amara Hotels & Resorts, respectively. Their remuneration individually exceeded S\$100,000 during the year, under the following broad band of remuneration:

Remuneration Band	No. of Immediate Family Members who are not Directors
S\$500,001 to S\$600,000	2
S\$600,001 to S\$700,000	1

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.

The Company believes that it is not in the best interests of the Group to disclose the full 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.

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 Ms Ginney Lim May Ling, Mr Bill Chua Teck Huat, Mr George Seow Ewe Keong, Mr Tan Kim Seng 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.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION (CONTINUED)

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 had consulted with a reputable risk consulting firm to assist with formalising an ERM Programme and documenting an ERM Framework Manual to ensure consistency in application across the Group and sustainability of the programme.

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

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

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

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

Provision 9.2

Assurances to the Board

The Board has received the following assurances for FY 2023:

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

Board's Comment on Adequacy and Effectiveness of Internal Controls

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

CORPORATE GOVERNANCE REPORT

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

As at 31 December 2023, the AC comprised four Non-Executive Directors, three of whom, including its Chairman, are independent. They are Mr George Seow Ewe Keong (Chairman of the AC), Mr Bill Chua Teck Huat, Mr Tan Kim Seng and Mr Lawrence Mok Kwok Wah. The AC had three meetings during the financial year.

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

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

Roles, Responsibilities and Authorities of Audit Committee

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

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

- reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- reviews the independence of the External and Internal Auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- makes recommendations to the Board on the appointment of External Auditors, the audit fee and any matters of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the Internal Auditors;
- monitors interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual 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 half-year and full year financial results announcement of the Group to SGX-ST and year-end financial statements of the Group before submission to the Board, focusing on
 - going concern assumption;
 - compliance with financial reporting standards and regulatory requirements;
 - any changes in accounting policies and practices;
 - significant issues arising from the audit;
 - major judgmental areas; and
 - any other functions which may be agreed by the AC and the Board; and
- reviews arrangements by which the staff of the Company and the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting and any other matters to be independently investigated and appropriately followed up on.

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

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

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

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (CONTINUED)

Whistleblowing Policy

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

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

Provision 10.3

Restriction on Acting as Audit Committee Member

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

Provision 10.4

Internal Audit Function

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

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

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

Provision 10.5

Meeting with External Auditors and Internal Auditors

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

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

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

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONTINUED)

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. Shareholders are also invited to submit questions for the AGM via email or by post within 7 days upon receiving the notice of AGM. Responses to the relevant and substantial questions received from the shareholders will be announced on SGXNet at least 48 hours prior to the closing date and time for the lodgement of the proxy forms.

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

The forthcoming AGM will be held physically and shareholders shall have the right to participate fully in the meeting by voting in person or by proxy. There will be no option for shareholders to participate virtually.

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 2023, the Company held one annual general meeting which was attended by all the Directors, except Mr George Seow Ewe Keong who was unable to join due to medical reason, and auditors.

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 Act) to appoint up to two proxies to attend general meetings and vote in his stead. The Act allows relevant intermediaries to appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in the general meetings.

Provision 11.5

Minutes of General Meetings

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

Provision 11.6

Dividend Policy

The Company currently does not have a fixed dividend policy. The dividend paid each year, if any, 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.

CORPORATE GOVERNANCE REPORT

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.

The Company has adopted semi-annual reporting and financial results of the Group are released within 45 days from the half year end and within 60 days from the financial year end. In addition, Annual Reports are issued to shareholders at least 14 days before each AGM.

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders are informed on a timely basis of all major developments that impact the Group. The Company's AGM is the principal forum for dialogues with shareholders.

Provisions 12.2 and 12.3

Investor Relations

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

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

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

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2

Engagement with Material Stakeholder Groups

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

Provision 13.3

Corporate Website for Communication and Engagement with Stakeholders

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

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

INTERESTED PERSON TRANSACTIONS

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

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

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

DEALINGS IN SECURITIES

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

Under the Internal Code and the adoption of semi-annual reporting of the financial statements, all Directors and employees of the Group are prohibited from dealing in the Company's securities one month before and up to the release of the half year and full year financial statements, as the case may be.

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

The Company confirms that it has complied with the best practices pursuant to Listing Rule 1207(19)(c) in not dealing in its securities during the restricted trading periods.

MATERIAL CONTRACTS

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

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 31 December 2023.

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 58 to 102 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 2023, 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	
Bill Chua Teck Huat	
Ginney Lim May Ling	
George Seow Ewe Keong	
Tan Kim Seng	
Keith Tan Keng Soon	(Appointed on 21 March 2024)
Teo Shao-Lynn, Dawn (Zhang Xiaolin) (Alternate Director to Albert Teo Hock Chuan)	(Appointed on 9 March 2023)

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 Companies Act 1967 except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
	At beginning of year or date of appointment	At end of year	At 21 January 2024	At beginning of year or date of appointment	At end of year	At 21 January 2024
<u>Amara Holdings Limited</u>						
<u>(Ordinary shares)</u>						
Albert Teo Hock Chuan	1,000	-	-	189,258,694	421,406,142	438,132,541
Susan Teo Geok Tin	35,162,232	-	-	152,987,990	-	-
Lawrence Mok Kwok Wah	710,030	-	-	35,441,205 ⁽¹⁾	-	-
Teo Shao-Lynn, Dawn (Zhang Xiaolin)	1,659,910	-	-	36,360,704	-	-

⁽¹⁾ Lawrence Mok Kwok Wah was deemed to have an interest in 35,441,205 Amara Holdings Limited's shares held personally by his spouse.

DIRECTORS' STATEMENT

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

Name of directors and companies in which interests are held	Shareholdings registered in name of director/nominee			Shareholdings in which a director is deemed to have an interest		
	At beginning of year or date of appointment	At end of year	At 21 January 2024	At beginning of year or date of appointment	At end of year	At 21 January 2024
Immediate and ultimate holding company						
<u>Amethyst Assets Pte. Ltd.</u> ⁽²⁾ (Ordinary shares)						
Albert Teo Hock Chuan	-	-	-	-	4,473	4,473
Susan Teo Geok Tin	-	831	831	-	3,616	3,616
Teo Shao-Lynn, Dawn (Zhang Xiaolin)	-	-	-	-	857	857

⁽²⁾ Incorporated and became immediate and ultimate holding company of the company with effect from 12 December 2023.

Albert Teo Hock Chuan, by virtue of section 7 of the Companies Act 1967 of him 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, is deemed to have an interest in the whole of the share capital of the company's wholly owned subsidiary corporations.

4. SHARE OPTIONS

(a) Options to take up unissued shares

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

5. AUDIT COMMITTEE

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

George Seow Ewe Keong (Chairman)
Lawrence Mok Kwok Wah
Bill Chua Teck Huat
Tan Kim Seng
Keith Tan Keng Soon (Appointed on 21 March 2024)

DIRECTORS' STATEMENT

5. AUDIT COMMITTEE (CONTINUED)

The Audit Committee had three 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 Audit Committee are non-executive directors. Except for Lawrence Mok Kwok Wah, all members are independent.

Audit 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 its terms of reference, Section 201B(5) of the Companies Act 1967 and the Code of Corporate Governance 2018, including the following:

- i) reviews at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- ii) reviews the independence of the external and internal auditors and the adequacy and effectiveness of the external audit and the internal audit functions;
- iii) makes recommendations to the Board on the appointment of external auditors, the audit fee and any matters of their resignation or dismissal;
- iv) reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- v) monitors interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual, 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;
- vi) reviews the assurances from the Chief Executive Officer and the Financial Controller on the financial records and financial statements;
- vii) reviews half-year and full year financial results announcements of the group 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; and
- viii) 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 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.

DIRECTORS' STATEMENT

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

George Seow Ewe Keong
Director

27 March 2024

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 2023, 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 material accounting policy information, as set out on pages 58 to 102.

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 1967 (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 2023 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 \$401.7 million and accounted for 52% of the group's total assets as at 31 December 2023. These investment properties are stated at fair values based on valuations carried out by independent professional valuers ("external valuers"). The valuations involve the application of judgement in selecting an appropriate valuation methodology and certain estimates which are used in underlying assumptions. These estimates include rate of capitalisation, discount rates and adjustments made for differences between the subject properties and market transaction of comparable properties taking into consideration factors such as location, size and tenure.

Our audit performed and responses thereon

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

With the involvement of our internal specialist, we assessed the appropriateness of the valuation methodologies used by the external valuers for the respective investment properties, taking into consideration 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 to externally published information where available and evaluated whether their assumptions are consistent with current market environment.

We also considered the adequacy of the disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions used 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 experience and objectivity of the external valuers selected. Based on the procedures performed, 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 of our expectations, taking into consideration available industry data for comparable markets and properties. We have also assessed the disclosures in the financial statements to be appropriate.

Disclosures on key assumptions and valuation methodologies of investment properties are found in Notes 3 and 16 to the financial statements.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

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

The group has development properties under construction and completed residential properties held for sale in Singapore totalling \$78.7 million as at 31 December 2023. These properties are stated at the lower of cost or net realisable value. Management estimates the net realisable values based on valuations carried out by external valuers with reference to recent transacted price of the sold units as well as similar properties in the surrounding location.

Our audit performed and responses thereon

Our audit procedures also included assessing Management's process in selecting the external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the estimated selling price for the purpose of determining the net realisable value. We considered the objectivity and independence, qualifications and experience of the external valuers.

We noted that the group estimates the net realisable values by taking into consideration valuations carried out by external valuers, historical price trends, forecast selling prices and macroeconomic developments. We challenged Management's basis used in their assessment in determining the net realisable value of the group's development properties and completed properties held for sale and the amount of write-down to net realisable value to be recorded if any, based on the group's estimated selling prices of these properties, by comparing where available, to recently transacted prices for the same project and prices of past sales of comparable properties in the vicinity. We found that the estimates are within a reasonable range of our expectation in the determination of net realisable values.

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

We assessed the adequacy of the disclosure on development properties under construction and completed properties held for sale in Notes 3 and 10 to the financial statements.

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.

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

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

As part of an audit in accordance with SSAs, we exercise professional judgement 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Kee Cheng Kong.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

27 March 2024

STATEMENTS OF FINANCIAL POSITION

31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Current assets					
Cash and cash equivalents	7	24,702	20,949	32	15
Trade and other receivables	8	15,926	10,795	64,484	64,051
Inventories	9	347	347	-	-
Development properties	10	78,724	98,578	-	-
Contract assets	11	8,909	4,798	-	-
Total current assets		128,608	135,467	64,516	64,066
Non-current assets					
Financial assets at fair value through profit or loss ("FVTPL")	12	584	891	148	170
Intangible assets	13	1,178	1,178	-	-
Investment in jointly-controlled entities	14	9,864	8,731	-	-
Investment in subsidiaries	15	-	-	40,087	40,087
Investment properties	16	401,686	402,209	-	-
Property, plant and equipment	17	224,196	232,662	-	-
Other asset	18	5,499	5,607	-	-
Deferred tax assets	19	703	634	-	-
Total non-current assets		643,710	651,912	40,235	40,257
Total assets		772,318	787,379	104,751	104,323
Liabilities and Equity					
Current liabilities					
Trade and other payables	20	23,388	18,898	616	301
Contract liabilities	11	1,540	1,210	-	-
Bank loans	21	56,642	77,506	-	-
Lease liabilities	22	1,773	1,916	-	-
Income tax payable		2,170	3,346	-	-
Total current liabilities		85,513	102,876	616	301
Non-current liabilities					
Trade and other payables	20	5,558	6,562	-	-
Bank loans	21	240,076	237,499	-	-
Lease liabilities	22	36,730	36,050	-	-
Deferred tax liabilities	19	15,129	13,719	-	-
Total non-current liabilities		297,493	293,830	-	-
Equity attributable to owners of the company					
Share capital	23	125,646	125,646	125,646	125,646
Treasury shares	24	(996)	(996)	(996)	(996)
Reserves	25	264,662	266,023	(20,515)	(20,628)
Total equity		389,312	390,673	104,135	104,022
Total liabilities and equity		772,318	787,379	104,751	104,323

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	26	114,939	93,685
Fair value gain of investment properties (net)	16	2,095	1,243
Other income	27	1,048	1,189
Cost of properties sold/consumables used		(24,513)	(21,226)
Staff costs	28	(24,703)	(18,227)
Depreciation	17	(8,052)	(9,088)
Finance costs	29	(17,310)	(11,901)
Other expenses	31	(32,096)	(25,806)
Share of results of jointly-controlled entities, net of tax	14	(747)	(549)
Profit before tax		10,661	9,320
Income tax expense	30	(3,482)	(2,868)
Profit for the year	31	7,179	6,452
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations, representing other comprehensive loss for the year		(5,665)	(14,761)
Total comprehensive income for the year		1,514	(8,309)
Profit attributable to:			
Owners of the company		7,179	6,452
		7,179	6,452
Total comprehensive income attributable to:			
Owners of the company		1,514	(8,309)
		1,514	(8,309)
Earnings per share:			
Basic and diluted (cents)	33	1.25	1.12

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Note	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Retained earnings and other reserves* \$'000	Total reserves \$'000	Equity attributable to owners of the company \$'000
Group							
Balance at 1 January 2022		125,646	(996)	3,129	274,078	277,207	401,857
Total comprehensive income for the year:							
Profit for the year		-	-	-	6,452	6,452	6,452
Other comprehensive loss for the year		-	-	(14,761)	-	(14,761)	(14,761)
Total		-	-	(14,761)	6,452	(8,309)	(8,309)
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2021, representing total transactions with owners, recognised directly in equity	32	-	-	-	(2,875)	(2,875)	(2,875)
Balance at 31 December 2022		125,646	(996)	(11,632)	277,655	266,023	390,673
Total comprehensive income for the year:							
Profit for the year		-	-	-	7,179	7,179	7,179
Other comprehensive loss for the year		-	-	(5,665)	-	(5,665)	(5,665)
Total		-	-	(5,665)	7,179	1,514	1,514
Transactions with owners, recognised directly in equity:							
Dividends paid relating to 2022, representing total transactions with owners, recognised directly in equity	32	-	-	-	(2,875)	(2,875)	(2,875)
Balance at 31 December 2023		125,646	(996)	(17,297)	281,959	264,662	389,312

* Includes other reserves of \$112,000 as at 31 December 2023 (2022 : \$112,000).

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2023

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Other reserves \$'000	Total reserves \$'000	Total \$'000
Company							
Balance at 1 January 2022		125,646	(996)	(21,604)	926	(20,678)	103,972
Profit for the year, representing total comprehensive income for the year		-	-	2,925	-	2,925	2,925
Dividends paid relating to 2021, representing total transactions with owners, recognised directly in equity	32	-	-	(2,875)	-	(2,875)	(2,875)
Balance at 31 December 2022		125,646	(996)	(21,554)	926	(20,628)	104,022
Profit for the year, representing total comprehensive income for the year		-	-	2,988	-	2,988	2,988
Dividends paid relating to 2022, representing total transactions with owners, recognised directly in equity	32	-	-	(2,875)	-	(2,875)	(2,875)
Balance at 31 December 2023		125,646	(996)	(21,441)	926	(20,515)	104,135

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

		Group	
	Note	2023 \$'000	2022 \$'000
Operating activities			
Profit before tax		10,661	9,320
Adjustments for:			
Fair value gain of investment properties (net)		(2,095)	(1,243)
Amortisation of other asset	18	108	107
Depreciation of property, plant and equipment	17	8,052	9,088
Property, plant and equipment written off	31	172	26
Gain on disposal of property, plant and equipment (net)	27	(75)	(8)
Dividend income from financial assets at FVTPL	27	(27)	(35)
Gain on disposal of financial assets at FVTPL	27	(1)	(2)
Loss on fair value change of financial assets at FVTPL	27	45	16
Interest income - fixed deposits	27	(73)	(33)
Interest expense	29	17,310	11,901
Write-back of loss allowance (net)	8	-	(335)
Share of results of jointly-controlled entities, net of tax	14	747	549
Exchange differences		386	955
Operating cash flows before movements in working capital		35,210	30,306
Inventories		-	82
Trade and other receivables		(5,131)	2,291
Trade and other payables		3,846	3,541
Contract assets		(4,111)	575
Contract liabilities		330	-
Development properties		19,854	11,513
Cash generated from operations		49,998	48,308
Income tax paid		(3,049)	(2,099)
Net cash from operating activities		46,949	46,209
Investing activities			
Proceeds on disposal of financial assets at FVTPL		264	22
Proceeds on disposal of property, plant and equipment		91	8
Payments for property, plant and equipment (Note A)		(3,363)	(598)
Advances to a jointly-controlled entity	14	(1,880)	(1,280)
Investment in a jointly-controlled entity	14	-	(400)
Additions to investment properties	16	-	(433)
Dividend received from financial assets at FVTPL	27	27	35
Interest received	27	73	33
Net cash used in investing activities		(4,788)	(2,613)
Financing activities			
Interest paid		(18,175)	(11,164)
Payment of dividends on ordinary shares	32	(2,875)	(2,875)
Repayment of lease liabilities	21	(54)	(1,528)
Repayment of bank borrowings		(104,194)	(78,323)
Proceeds from bank borrowings		87,325	56,075
Net cash used in financing activities		(37,973)	(37,815)
Net increase in cash and cash equivalents		4,188	5,781
Cash and cash equivalents at beginning of year		20,949	16,069
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(435)	(901)
Cash and cash equivalents at end of year	7	24,702	20,949

Note A:

During the financial year, the group acquired property, plant and equipment with an aggregate cost of \$3,593,000 (2022 : \$620,000) of which \$230,000 (2022 : \$22,000) was financed by means of leases.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

1. GENERAL INFORMATION

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 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 2023 were authorised for issue by the Board of Directors on 27 March 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s"). The financial statements are expressed in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

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 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*.

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

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of new and revised standards

On 1 January 2023, the group and the company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and 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 disclosures or on the amounts reported for the current or prior years except as below.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Adoption of new and revised standards (continued)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The group has adopted the amendments to SFRS(I) 1-12 for the first time in the current year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The group had previously recognised deferred tax for leases on an aggregate temporary difference basis. Following the amendments, the group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively, which are now disclosed in Note 19. There was no impact to the opening retained earnings as at 1 January 2022 as a result of the change, and there was also no impact on the statement of financial position as the resulting deferred tax consequences qualify for offsetting under SFRS(I) 1-12.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and 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 necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation. In the company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instruments.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL') based on the group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets (comprising cash and cash equivalents, trade and other receivables) are subsequently measured at amortised cost using effective interest method as they are held within a business model whose objective is to collect the contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are subsequently measured at FVTPL. This includes investment in quoted equity shares.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend on the financial asset and is included in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses ('ECL') on trade and other receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The ECL incorporates forward-looking information and is a probability-weighted estimate of 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. Details about the group's credit risk management and impairment policies are disclosed in Note 4(c)(iv) and Note 8.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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 the group 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost include trade and other payables and bank loans. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, and are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

The group as lessee

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

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

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

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 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 did not make any such adjustments during the periods presented.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

The group as lessee (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and the estimated useful life of the underlying asset.

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

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

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

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.

Contract assets and liabilities

A contract asset is recognised when the group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the group performs under the contract.

Development properties

Properties under development are stated at the lower of cost and estimated net realisable value. The cost of development properties 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. For incomplete properties, all estimated cost to complete the properties are deducted when estimating net realisable value.

When losses are expected, full allowance is recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

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

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

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

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

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

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, 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.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of property, plant and equipment, right-of-use assets and intangible assets excluding goodwill

At the end of each reporting period, the group reviews the carrying amounts of its property, plant and equipment, right-of-use assets 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 the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or 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.

Jointly-controlled entity

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

The results and assets and liabilities of the jointly-controlled entity are incorporated in these financial statements using the equity method of accounting. An investment in a jointly-controlled entity is accounted for using the equity method from the date on which the investee becomes a jointly-controlled entity.

Under the equity method, an investment in a jointly-controlled entity is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the jointly-controlled entity. When the group's share of losses of jointly-controlled entity exceeds the group's interest in that jointly-controlled entity (which includes any long-term interests that, in substance, form part of the group's net investment in the jointly-controlled entity), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Government grants

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

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

Revenue recognition

The group recognises revenue from the following major sources:

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

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

Hotel operations, restaurant operations and other related services rendered

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

Rental from leases of investment properties

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

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. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

The group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The group will have previously recognised a contract asset for any performance completed to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

Dividend income

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

Interest income

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

Borrowing costs

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

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

Retirement benefit costs

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

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interest in a jointly-controlled entity, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the group's investment property portfolios and concluded that none of the group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to SFRS(I) 1-12 is not rebutted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss.

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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents comprise cash and bank balances, and fixed deposits (with original maturities of three months or less) that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the entity's accounting policies

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

(ii) Key sources of estimation uncertainties

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

Valuation for investment properties

The group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The group engaged independent professional valuers to determine the investment properties' fair values annually. These investment properties are stated at fair values based on valuations carried out by independent professional valuers. The valuations involve the application of judgement in selecting an appropriate valuation methodology and certain estimates which are used in underlying assumptions. These estimates include rate of capitalisation, discount rates and adjustments made for differences between the subject properties and market transaction of comparable properties taking into consideration factors such as location, size and tenure.

The valuation methodologies and key assumptions 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.

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

Development properties under construction and completed properties held for sale are stated at the lower of cost and net realisable value.

The group estimates the net realisable values by taking into consideration valuations carried out by external valuers, historical price trends, forecast selling prices and macroeconomic developments.

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 price of the sold units as well as similar properties in the surrounding location. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets				
At amortised cost	49,363	39,421	64,505	64,054
At FVTPL	584	891	148	170
	49,947	40,312	64,653	64,224
Financial liabilities				
Financial liabilities at amortised cost	321,525	336,379	616	301
Lease liabilities	38,503	37,966	-	-
	360,028	374,345	616	301

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

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

(c) Financial risk management policies and objectives

The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. The Board of Directors reviews the overall financial risk management and policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk and liquidity risk.

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar (Gross)	66,782	65,147	66,584	65,169

No sensitivity analysis is prepared as the group does not expect any material effect on the group's profit or loss arising from the effects of reasonably possible changes to foreign exchange rates on monetary assets and monetary liabilities denominated in foreign currencies at the end of the reporting period.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

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

(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 group obtains financing through bank loans and finance lease facilities. The group's policy is to obtain the most favourable interest rates available without increasing its interest rate risk exposure. The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

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

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

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

The group is exposed to Singapore Overnight Rate Average ("SORA"). The exposures arise on bank borrowings referenced to SORA.

Interest rate sensitivity analysis

At the end of the reporting period, if SGD interest rates had been 25 (2022 : 25) basis points lower/higher with all other variables held constant, the group's profit after tax would have been \$627,000 (2022 : \$660,000) 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.

No sensitivity analysis is prepared as the group does not expect any material effect on the group's profit or loss arising from the effects of reasonably possible changes to equity price of equity investments at the end of the reporting period.

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group or the company.

The group's and the company's maximum exposures to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the group or the company due to failure to discharge an obligation by the counterparties. The group's and the company's maximum exposures to credit risk, which will cause a financial loss to the group and the company due to failure to discharge an obligation by the counterparties is represented by the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

To minimise credit risk, the group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, and transacting with entities that are rated the equivalent of investment grade, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of customers from different geographical areas. Of the trade receivables at the end of the reporting period, the group does not have significant credit exposure to any single customer and/or specific geographical area. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The group regularly monitors outstanding receivables and contract assets. 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. The credit risk of cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The group's and the company's other receivables are considered to have low risk of default.

The further details of impairment policies of trade and other receivables are disclosed in Note 8 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

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

(v) Liquidity risk management

The group adopts prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the group maintains flexibility in funding by keeping committed credit lines available.

Non-derivative financial liabilities

The following tables detail the group's and the company's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and the company can be required to pay. The table includes both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the group may be required to pay.

	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 2023						
Non-interest bearing	-	21,326	3,481	-	-	24,807
Lease liabilities (fixed rate)	5.35	1,864	6,599	121,785	(91,745)	38,503
Variable interest rate instruments	5.01	71,522	253,288	-	(28,092)	296,718
		<u>94,712</u>	<u>263,368</u>	<u>121,785</u>	<u>(119,837)</u>	<u>360,028</u>
31 December 2022						
Non-interest bearing	-	17,047	4,327	-	-	21,374
Lease liabilities (fixed rate)	5.35	2,018	6,401	124,005	(94,458)	37,966
Variable interest rate instruments	5.36	94,535	248,828	-	(28,358)	315,005
		<u>113,600</u>	<u>259,556</u>	<u>124,005</u>	<u>(122,816)</u>	<u>374,345</u>

The company's financial liabilities as at 31 December 2023 and 2022 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

Non-derivative financial assets

The following table details the group's and the company's expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the group's liquidity risk management as the group's liquidity risk is managed on a net asset and liability basis. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

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

(v) Liquidity risk management (continued)

Non-derivative financial assets (continued)

	Weighted average effective interest rate % p.a.	On demand or within 1 year \$'000	Adjustments \$'000	Total \$'000
Group				
31 December 2023				
Non-interest bearing	-	35,056	-	35,056
Fixed interest rate instrument	1.55	14,529	(222)	14,307
		49,585	(222)	49,363
31 December 2022				
Non-interest bearing	-	39,420	-	39,420
Fixed interest rate instrument	0.10	1	-*	1
		39,421	-	39,421

* Amount less than \$1,000

The company's financial assets as at 31 December 2023 and 2022 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

(vi) Fair values of financial assets and financial liabilities

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 methodology and inputs used).

	Fair value as at (\$'000)		Fair value hierarchy	Valuation technique(s) and key input(s)
	2023	2022		
Group				
Financial assets at FVTPL (Note 12)	584	891	Level 1	Quoted prices in an active market
Company				
Financial assets at FVTPL (Note 12)	148	170	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 approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

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

(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 2023 and 2022.

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.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

Amethyst Assets Pte. Ltd., a company incorporated in Singapore has become the company's immediate and ultimate holding company with effect from 12 December 2023 after it acquired shares from the previous immediate and ultimate holding company, First Security Pte. Ltd. and other shareholders in connection with the voluntary unconditional cash offer. Related companies in these financial statements refer to members of the ultimate holding company's group of companies that are not members of the group.

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 and Company	
	2023	2022
	\$'000	\$'000
Dividend paid to holding company *	765	765

* Previous immediate and ultimate holding company

6. OTHER RELATED PARTY TRANSACTIONS

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group	
	2023	2022
	\$'000	\$'000
Short-term benefits	3,577	1,604
Post-employment benefits	73	46
	3,650	1,650

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 \$1,688,000 (2022 : \$771,000), excluding directors' fee which is disclosed in Note 31 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

7. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	10,395	20,948	32	15
Fixed deposits	14,307	1	-	-
	24,702	20,949	32	15

Included in the above is an amount of \$2,620,000 (2022 : \$2,652,000) held under the Housing Developers (Project Account) Rules (1997 Ed) where withdrawals from which are for project expenditure incurred.

The group's fixed deposits with banks mature within 3 months (2022 : within 1 month) from the end of the reporting period. The weighted average effective interest rate of these deposits as at 31 December 2023 is 1.55% (2022 : 0.10%) per annum.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables ^(a)	13,951	9,711	10	2
Other receivables	5,907	6,027	2	2
Other receivables due from subsidiaries	-	-	64,471	64,037
Deposit	186	183	-	-
Prepayments	1,547	594	1	10
	21,591	16,515	64,484	64,051
Less: Loss allowance	(5,665)	(5,720)	-	-
	15,926	10,795	64,484	64,051

^(a) As at 1 January 2022, trade receivables from contract with customers amounted to \$9,288,000 (net of loss allowance of \$689,000).

The average credit period on sales of goods is 0 to 60 days (2022 : 0 to 60 days). Trade and other receivables are unsecured and interest-free.

Trade receivables

The group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

In calculating the expected credit loss rates, the group considers historical loss rates for each category of customers and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. Management has considered, among other factors (including forward-looking information), the group's historical loss pattern over the last three financial years, historical payment trends of customers, and time value of money. Management concluded that the expected credit losses of trade receivables is immaterial, with the exception of certain trade receivables where credit loss allowances amounting to approximately \$299,000 (2022: \$354,000) have been recognised based on the expected amount and timing of settlement.

The group considers default has occurred when a trade receivable 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. The group writes off a trade receivable 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, or when the trade receivables are over two years past due, whichever occurs earlier. 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (continued)

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.

	Group				
	Trade receivables – days past due				
	Not past due \$'000	<30 days \$'000	31 – 90 days \$'000	>90 days \$'000	Total \$'000
31 December 2023					
Estimated total gross carrying amount at default	9,739	2,982	154	1,076	13,951
Lifetime ECL	-	-	-	(299)	(299)
					<u>13,652</u>
31 December 2022					
Estimated total gross carrying amount at default	8,039	396	117	1,159	9,711
Lifetime ECL	-	-	-	(354)	(354)
					<u>9,357</u>

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

	Lifetime ECL credit-impaired \$'000
Group	
<u>Trade receivables</u>	
Balance as at 1 January 2022	689
Change in loss allowance	162
Write-back of loss allowance	(497)
Balance as at 31 December 2022	354
Amounts written off	(55)
Balance as at 31 December 2023	<u>299</u>

Other receivables

	Lifetime ECL credit-impaired \$'000
Group	
<u>Other receivables</u>	
Balance at 1 January 2022, 31 December 2022 and 2023	<u>5,366</u>

Except for the credit impaired other receivables above, the remaining other receivables are considered to have low risk of default as they are not due for payment at the end of the reporting period and there has been no significant increase in credit risk since initial recognition, as the group has not identified any indications of adverse changes in business, financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its repayment obligations. The loss allowance is measured at an amount equal to 12-month ECL and is determined to be immaterial.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables (continued)

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.

Other receivables at the company level are receivables due from subsidiaries, which are considered to have low credit risk because they have strong financial capacity to meet the contractual obligation. Accordingly, the group has applied the practical expedient under SFRS(I) 9 to measure the loss allowance at an amount equal to 12-month ECL and has determined the amount to be immaterial.

9. INVENTORIES

	Group	
	2023	2022
	\$'000	\$'000
Food and beverage	178	207
Other hotel and catering supplies	169	140
	347	347

10. DEVELOPMENT PROPERTIES

	Group	
	2023	2022
	\$'000	\$'000
Property under development	16,744	16,340
Completed properties held for sale	61,980	82,238
	78,724	98,578

Development properties are classified as current assets in accordance with SFRS(I) 1-1 *Presentation of Financial Statements* as they are expected to be realised in the normal operating cycle.

The group's development properties as at 31 December 2023 and 2022 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description
(i)	9 Devonshire Road, Singapore	Freehold	Completed	234	Residential apartment
(ii)	5 Jalan Mutiara, Singapore	Freehold	Completed	2,345	Residential development of 1 block of 12 storey apartments
(iii)	10 Evelyn Road, Singapore	Freehold	Completed	3,941	Residential development of 4 blocks of 5 storey apartments
(iv)	15 Bedok Avenue, Singapore	Freehold	Under development/ 2024	1,076	Residential development

As at 31 December 2022, certain development properties of the group with carrying amount of \$56,580,000 (Note 21) were pledged as security for banking facilities.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023	2022
	\$'000	\$'000
Contract assets	8,909	4,798
Contract liabilities	(1,540)	(1,210)

As at 1 January 2022, contract assets and contract liabilities are amounted to \$5,373,000 and \$1,210,000 respectively.

- ⁽¹⁾ 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.

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.

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

- ⁽²⁾ Contract liabilities represent the progress billings in excess of the group's rights to consideration. The amount is recognised as revenue when the group performs under the contract. The changes in contract assets/(liabilities) are due to the differences between the agreed payment schedule and progress of the construction work.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Quoted equity shares at fair value through profit or loss	584	891	148	170

The investments above pertain to investments in quoted equity securities that offer the group and the company the opportunity for return through dividend income and fair value gain. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. Changes in fair value are recognised in profit or loss "other income" line item (Note 27).

13. INTANGIBLE ASSETS

	Club membership \$'000	Goodwill \$'000	Total \$'000
Group			
Cost:			
At 1 January 2022, 31 December 2022 and 31 December 2023	564	789	1,353
Impairment loss:			
At 1 January 2022, 31 December 2022 and 31 December 2023	(175)	-	(175)
Carrying amount			
At 31 December 2022 and 31 December 2023	389	789	1,178

The recoverable amount of club membership 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 relates to the hotel investment and management segment in the People's Republic of China.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	800	800
Share of accumulated losses, net of tax	(1,323)	(576)
Advances to a jointly-controlled entity at amortised cost (non-current)	10,387	8,507
	9,864	8,731
Movement in unquoted equity shares, at cost:		
	2023 \$'000	2022 \$'000
At beginning of year	800	400
Addition	-	400
At end of year	800	800

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

The advances to a jointly-controlled entity of \$10,387,000 (2022 : \$8,507,000) is unsecured, interest-free, non-trade in nature and has been classified as non-current assets as the group does not expect repayment within 12 months from the end of the reporting period.

For the purpose of impairment assessment, the non-current advances to a jointly-controlled entity is considered to have low credit risk as there has been no significant increase in the risk of default since initial recognition. In determining the ECL, Management has taken into account the financial position of the jointly-controlled entity, adjusted for factors that are specific to the jointly-controlled entity and general economic conditions of the industry in which the jointly-controlled entity operates, in estimating the probability of default of the advances as well as the loss upon default and determines that advances to the jointly-controlled entity is subject to immaterial credit loss.

Details of the group's jointly-controlled entities 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	
		2023 %	2022 %
<u>Held by Creative Investments Pte Ltd</u>			
Tampines EC Pte. Ltd. ^(a)	Property development and ownership/ Singapore	40	40
ASK Development Pte. Ltd. ^(b)	Property development and ownership/ Singapore	40	40

^(a) In members' voluntary liquidation.

^(b) Audited by Deloitte & Touche LLP, Singapore.

The above jointly-controlled entities are accounted for using the equity method in these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

14. INVESTMENT IN JOINTLY-CONTROLLED ENTITIES (CONTINUED)

Summarised financial information of the group's jointly-controlled entities are set out below.

	Group	
	2023 \$'000	2022 \$'000
Current assets	66,344	60,399
Current liabilities	(1,542)	(996)
Non-current liabilities	(66,108)	(58,842)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2,679	1,561
Non-current financial liabilities (excluding trade and other payables and provisions)	40,142	37,575
Revenue	2,143	-
Loss for the year, representing total comprehensive loss for the year	(1,868)	(1,373)
The above loss for the year includes the following:		
Interest expense	(1,940)	(1,038)
Income tax credit	54	-

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity investment, at cost	50,816	50,816
Less: Impairment loss	(10,729)	(10,729)
	40,087	40,087

NOTES TO FINANCIAL STATEMENTS

31 December 2023

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	
			2023 %	2022 %
<u>Held by the company</u>				
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	Singapore	100	100
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	Singapore	100	100
AOI Saigon Pte Ltd	Dormant	Singapore	100	100
Amara Hospitality Capital Pte. Ltd.	Investment holding	Singapore	100	100
Amara Sentosa Investments Pte. Ltd.	Hotelier, restaurateur and investment holding	Singapore	100	100
Residential Development Pte. Ltd.	Property development	Singapore	100	100

NOTES TO FINANCIAL STATEMENTS

31 December 2023

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			2023 %	2022 %
<u>Held by PCS Restaurants Pte Ltd</u>				
Julius Estates Pte. Ltd.	Property investment and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte. Ltd.	Restaurateur	Singapore	100	100
<u>Held by Amara Hospitality Capital Pte. Ltd.</u>				
Amara Hospitality (Thailand) Co., Ltd. ^(a)	Hotel development and ownership	Thailand	100	100
Amara Investments (Europe) Pte. Ltd. ^(b)	Dormant	Singapore	100	100
<u>Held by Amara China Investments Pte Ltd</u>				
Amara Shanghai Pte. Ltd.	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. ^(a)	Hotel development and ownership	The People's Republic of China	5	5
<u>Held by Amara Shanghai Pte. Ltd.</u>				
Shanghai Amara Hotel Co., Ltd. ^(a)	Hotel development and ownership	The People's Republic of China	95	95

^(a) Audited by member firms of Deloitte Touche Tohmatsu Limited.

^(b) The company was struck off subsequent to year end.

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

NOTES TO FINANCIAL STATEMENTS

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16. INVESTMENT PROPERTIES

	Group	
	2023 \$'000	2022 \$'000
<u>Fair value</u>		
At beginning of year	402,209	407,277
Additions through subsequent expenditure	-	433
Fair value gain recognised in profit or loss (net)	2,095	1,243
Currency realignment	(2,618)	(6,744)
At end of year	401,686	402,209

The group's investment properties as at 31 December 2023 and 2022 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
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
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 \$19,058,000 (2022 : \$18,562,000) was generated from investment properties, and direct operating expenses include \$5,715,000 (2022 : \$4,831,000) 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 \$385,136,000 (2022 : \$385,659,000) were mortgaged as security to banks for bank loans and bank facilities for the group (Note 21).

NOTES TO FINANCIAL STATEMENTS

31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

Investment properties are stated at fair value based on valuation carried out at year end by independent valuers who hold recognised and relevant professional qualification and have recent experience in the location and category of the investment property being valued, and not related to the group. 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 external valuers have used valuation methodologies which involve certain estimates. These estimates include rate of capitalisation, discount rates and adjustments made for differences between the subject properties and market transaction of comparable properties taking into consideration factors such as location, size and tenure. 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 external valuers have considered valuation methodologies including the capitalisation approach, direct comparison approach and discounted cash flow analysis (2022 : capitalisation approach and direct comparison approach) in arriving at the open market value at the end of the reporting period. Discounted cash flow method has been included as one of the valuation methods for the current period for consistency reason, as it was one of the valuation methodologies used in the voluntary unconditional cash offer exercise. The capitalisation approach capitalises an income stream into a present value using the revenue multipliers or single-year capitalisation rates. 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 discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. 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 the end of the reporting period are as follows:

	Level 3 \$'000	Fair value \$'000
As at 31 December 2023	401,686	401,686
As at 31 December 2022	402,209	402,209

For investment properties categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Type	Valuation methodologies	Key unobservable inputs	Sensitivity
Singapore	Capitalisation approach	Capitalisation rate: 3.25% to 4.50% (2022 : 3.25% to 4.50%)	The estimated fair value increases with lower capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$1,622 to \$5,388 per sq ft (2022 : \$1,732 to \$5,309 per sq ft)	The estimated fair value increases with higher comparable price.
	Discounted cash flow analysis	Discount rate: 6.75% to 7.00% (2022 : Not applicable) Occupancy : 98% to 99% (2022 : Not applicable)	The estimated fair value increases with lower discount rate.
The People's Republic of China	Capitalisation approach	Capitalisation rate: 5.08% to 5.93% (2022 : 5.28% to 5.78%)	The estimated fair value decreases with higher capitalisation rate.
	Direct comparison approach	Transaction prices of comparable properties: \$644 to \$1,077 per sq ft (2022 : \$549 to \$1,343 per sq ft)	The estimated fair value increases with higher comparable prices.

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17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings \$'000	Plant and machinery, furniture, fixtures and equipment \$'000	Motor vehicles \$'000	Renovations \$'000	Land use rights \$'000	Operating supplies \$'000	Capital project in progress \$'000	Total \$'000
Group								
Cost								
At 1 January 2022	306,370	39,693	1,691	11,745	11,861	3,094	162	374,616
Currency realignment	(11,577)	(967)	(18)	(31)	(1,046)	(102)	-	(13,741)
Additions	10	256	-	140	-	-	214	620
Disposals/Write off	-	(245)	-	-	-	(19)	-	(264)
At 31 December 2022	294,803	38,737	1,673	11,854	10,815	2,973	376	361,231
Currency realignment	(4,215)	(358)	(6)	(11)	(415)	(34)	-	(5,039)
Additions	35	332	395	374	-	-	2,457	3,593
Disposals/Write off	(6)	(1,238)	(253)	(2,332)	-	(160)	-	(3,989)
At 31 December 2023	290,617	37,473	1,809	9,885	10,400	2,779	2,833	355,796
Accumulated depreciation								
At 1 January 2022	78,990	28,382	1,399	7,933	5,672	-	-	122,376
Currency realignment	(1,727)	(638)	(17)	(17)	(515)	-	-	(2,914)
Depreciation	6,386	1,599	117	695	291	-	-	9,088
Disposals/Write off	-	(238)	-	-	-	-	-	(238)
At 31 December 2022	83,649	29,105	1,499	8,611	5,448	-	-	128,312
Currency realignment	(746)	(248)	(6)	(6)	(214)	-	-	(1,220)
Depreciation	6,118	845	147	672	270	-	-	8,052
Disposals/Write off	(2)	(1,219)	(253)	(2,327)	-	-	-	(3,801)
At 31 December 2023	89,019	28,483	1,387	6,950	5,504	-	-	131,343
Impairment loss								
At 1 January 2022,								
31 December 2022 and				257				257
31 December 2023	-	-	-					
Carrying amount								
At 31 December 2023	201,598	8,990	422	2,678	4,896	2,779	2,833	224,196
At 31 December 2022	211,154	9,632	174	2,986	5,367	2,973	376	232,662

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

	Group	
	2023 \$'000	2022 \$'000
Leasehold land and building	63,347	65,016
Plant and machinery, furniture, fixtures and equipment	78	2,530
Motor vehicles	343	-
Land use rights	4,896	5,367
	68,664	72,913

NOTES TO FINANCIAL STATEMENTS

31 December 2023

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group	
	2023	2022
	\$'000	\$'000
Leasehold land and building	1,254	1,271
Plant and machinery, furniture, fixtures and equipment	20	473
Motor vehicles	53	30
Land use rights	270	291
	1,597	2,065

Additions to ROU assets amounted to \$464,000 (2022 : \$22,000) for the year ended 31 December 2023.

At the end of the reporting period, the net carrying amount of certain leasehold land and buildings and renovations of the group amounted to \$160,496,000 (2022 : \$166,689,000) and were mortgaged as security to banks for borrowings (Note 21).

Contractual commitments

At 31 December 2023, the group had entered into contractual commitments for the renovation of property, plant and equipment amounting to \$35,131,000 (2022 : Nil).

The group's properties as at 31 December 2023 and 2022 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)	600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd	Land use rights of 45 years and 40 years from 1997 and 2004 respectively	Amara Signature Shanghai, a 343-guestroom hotel
(iii)	1 Larkhill Road, Sentosa, Singapore	Amara Sentosa Investments Pte. Ltd.	Leasehold 70 years from 2005	Amara Sanctuary Resort, Sentosa, a resort hotel comprising 140 guestrooms, suites and villas
(iv)	180/1, Surawong Road, Siphraya, Bangrak, Bangkok, Thailand	Amara Hospitality (Thailand) Co., Ltd.	Leasehold 63 years from 2010	Amara Bangkok, a 250-guestroom hotel

18. OTHER ASSET

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

	Group	
	2023	2022
	\$'000	\$'000
At beginning of year	5,607	5,714
Amortisation	(108)	(107)
At end of year	5,499	5,607

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

19. DEFERRED TAXES

The following are the major deferred tax liabilities and (assets) recognised by the group and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation \$'000	Unremitted foreign sourced income \$'000	Revaluation of investment properties \$'000	ROU assets* \$'000	Provision and other liabilities* \$'000	Total \$'000
Group						
At 1 January 2022	5,800	1,762	7,945	2,662	(4,404)	13,765
Charge/(Credit) to profit or loss	194	331	(463)	(50)	(16)	(4)
Currency realignment	-	-	(676)	-	-	(676)
At 31 December 2022	5,994	2,093	6,806	2,612	(4,420)	13,085
Charge/(Credit) to profit or loss	579	692	409	(50)	(21)	1,609
Currency realignment	-	-	(268)	-	-	(268)
At 31 December 2023	6,573	2,785	6,947	2,562	(4,441)	14,426

* As at 1 January 2022, the group recognises deferred tax asset of \$4,402,000 (31 December 2022 : \$4,415,000) and deferred tax liability of \$2,662,000 (31 December 2022 : \$2,612,000) in relation to the group's lease liabilities and ROU assets respectively, following the adoption of the amendments to SFRS(I) 1-12 as disclosed in Note 2.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group	
	2023	2022
	\$'000	\$'000
Deferred tax liabilities	15,129	13,719
Deferred tax assets	(703)	(634)

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 group has unrecognised tax losses of \$18,022,000 (2022 : \$38,045,000) 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 \$4,271,000 (2022 : \$9,020,000) is not recognised on these tax losses because it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables	4,092	3,953	-	-
Other payables	1,399	1,458	149	33
Deferred grant income	2,235	2,393	-	-
Deferred revenue	116	127	-	-
Accrued operating expenses	11,004	7,518	467	268
Accrued construction costs	3,152	3,633	-	-
Deposits received ^(a)	6,948	6,378	-	-
Total	28,946	25,460	616	301
Less: Amount due for settlement after 12 months	(5,558)	(6,562)	-	-
Amount due for settlement within 12 months	23,388	18,898	616	301

The average credit period on purchase of goods is 30 days (2022 : 30 days).

^(a) Included in the deposits received are deposits received in advance for banquets sales. As of 31 December 2023, the group has the right to invoice the customers based on services rendered.

21. BANK LOANS

	Group	
	2023 \$'000	2022 \$'000
Bank loans, secured	296,718	315,005
Less: Amount due for settlement within 12 months (shown under current liabilities)	(56,642)	(77,506)
Amount due for settlement after 12 months	240,076	237,499

The bank loans are secured by corporate guarantees from the company, mortgages on investment properties and hotel properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of investment properties and hotel properties which have been pledged as securities are as follows:

	Group	
	2023 \$'000	2022 \$'000
Development properties	-	56,580
Investment properties	385,136	385,659
Hotel properties	160,496	166,689
	545,632	608,928

The weighted average effective interest rates for the bank loans is 5.07% (2022 : 5.36%) per annum for the group. These loans have maturity dates ranging from January 2024 to July 2028 (2022 : March 2023 to July 2026) and are based on floating rates.

The group is in compliance with all externally imposed capital requirements for the financial year ended 31 December 2023, except for a bank loan from financial institution. Prior to 31 December 2023, the group has obtained a waiver for the compliance with the loan covenants in relation to the bank loan from financial institution where the facilities remain available to the group and the repayment terms remain unchanged.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

21. BANK LOANS (CONTINUED)

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

	1 January 2023 \$'000	Financing cash flows ⁽ⁱ⁾ \$'000	Non-cash changes		31 December 2023 \$'000
			Adjustments \$'000	Foreign exchange movement \$'000	
Bank loans (Note 21)	315,005	(16,869)	(988)	(430)	296,718
Lease liabilities (Note 22)	37,966	(54)	713	(122)	38,503
	352,971	(16,923)	(275)	(552)	335,221

	1 January 2022 \$'000	Financing cash flows ⁽ⁱ⁾ \$'000	Non-cash changes		31 December 2022 \$'000
			Adjustments \$'000	Foreign exchange movement \$'000	
Bank loans (Note 21)	338,634	(22,248)	126	(1,507)	315,005
Lease liabilities (Note 22)	39,845	(1,528)	222	(573)	37,966
	378,479	(23,776)	348	(2,080)	352,971

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

22. LEASE LIABILITIES (THE GROUP AS LESSEE)

	Group	
	2023 \$'000	2022 \$'000
Maturity analysis:		
Year 1	1,864	2,018
Year 2	1,772	1,589
Year 3	1,609	1,582
Year 4	1,609	1,615
Year 5	1,609	1,615
Year 6 onwards	121,785	124,005
	130,248	132,424
Less: Unearned interest	(91,745)	(94,458)
	38,503	37,966
Analysed as:		
Current	1,773	1,916
Non-current	36,730	36,050
	38,503	37,966

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

As at 31 December 2023, the group leased certain of its leasehold land and building, motor vehicles, plant and machinery and office equipment. The net carrying value of right-of-use assets are disclosed in Note 17.

The weighted average effective interest rates for the lease liabilities as at 31 December 2023 is disclosed in Note 4(c)(v).

NOTES TO FINANCIAL STATEMENTS

31 December 2023

23. SHARE CAPITAL

	Group and Company			
	2023	2022	2023	2022
	No. of shares issued '000	No. of shares issued '000	\$'000	\$'000
At beginning and end of year	576,936	576,936	125,646	125,646

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

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

24. TREASURY SHARES

	Group and Company			
	2023	2022	2023	2022
	No. of shares '000	No. of shares '000	\$'000	\$'000
At beginning and end of year	1,968	1,968	996	996

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

25. RESERVES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Foreign currency translation reserve	(17,297)	(11,632)	-	-
Retained earnings/(Accumulated losses)	281,847	277,543	(21,441)	(21,554)
Other reserves	112	112	926	926
	264,662	266,023	(20,515)	(20,628)

NOTES TO FINANCIAL STATEMENTS

31 December 2023

26. REVENUE

The group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

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

		Group	
Timing of revenue recognition		2023	2022
		\$'000	\$'000
Hotel investment and management	At a point in time	65,989	49,073
<u>Property investment and development</u>			
Sale of completed properties held for sale	At a point in time	28,111	24,428
Rental income of investment properties	Over time	19,058	18,562
		47,169	42,990
<u>Specialty restaurants and food services</u>			
Food and beverage revenue	At a point in time	1,774	1,615
Others	At a point in time	7	7
		114,939	93,685

27. OTHER INCOME

		Group	
		2023	2022
		\$'000	\$'000
Gain on disposal of financial assets at FVTPL		1	2
Gain on disposal of property, plant and equipment (net)		75	8
Dividend income from financial assets at FVTPL		27	35
Interest income - fixed deposits		73	33
Loss on fair value change of financial assets at FVTPL		(45)	(16)
Rental income		653	412
Write-back of loss allowance		-	497
Others		264	218
		1,048	1,189

28. STAFF COSTS

		Group	
		2023	2022
		\$'000	\$'000
Wages and salaries		20,439	14,949
Defined contribution plans		2,122	1,869
Other benefits		2,142	1,409
		24,703	18,227

29. FINANCE COSTS

		Group	
		2023	2022
		\$'000	\$'000
Interest expense:			
- Lease liabilities		1,864	1,953
- Bank loans and overdraft		15,446	9,948
		17,310	11,901

NOTES TO FINANCIAL STATEMENTS

31 December 2023

30. INCOME TAX EXPENSE

	Group	
	2023	2022
	\$'000	\$'000
Tax expense attributable to the results is made up of:		
Current income tax	2,008	2,883
Deferred income tax	1,579	11
	3,587	2,894
(Over)/Under provision in preceding financial years:		
- Current income tax	(135)	(11)
- Deferred income tax	30	(15)
	3,482	2,868

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	
	2023	2022
	\$'000	\$'000
Profit before income tax	10,661	9,320
Share of results of jointly-controlled entities, net of tax	747	549
Profit before tax and share of results of jointly-controlled entities	11,408	9,869
Tax calculated at a tax rate of 17% (2022: 17%)	1,939	1,678
Income exemption and tax rebate	(167)	(77)
Effect of different tax rates in other countries	(78)	(1,075)
Expenses not deductible for tax purposes	2,083	1,197
Income not taxable	(373)	(906)
Deferred tax assets not recognised	183	2,077
Over provision of prior years' current income tax	(135)	(11)
Under/(Over) provision of prior years' deferred income tax	30	(15)
	3,482	2,868

NOTES TO FINANCIAL STATEMENTS

31 December 2023

31. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Group	
	2023	2022
	\$'000	\$'000
Audit fees:		
- paid to auditors of the company	220	168
- paid to other auditors	99	98
	319	266
Non-audit fees:		
- paid to auditors of the company	15	15
- paid to other auditors	63	40
	78	55
Directors' fees	231	213
Other expenses include:		
Advertising and marketing expenses	1,856	1,103
Cleaning expenses	2,039	1,643
Commission charges	5,922	4,536
Property, plant and equipment written off	172	26
Operating supplies	879	648
Property tax	4,024	3,467
Expense relating to short-term leases and leases of low value assets	398	281
Expense relating to variable lease payments not included in the measurement of the lease liabilities	201	-
Foreign exchange loss (net)	405	850
Repair and maintenance	3,705	3,232
Utilities expenses	6,864	5,476
Cost of inventories recognised as expense	3,885	2,624

32. DIVIDENDS

	Group and Company	
	2023	2022
	\$'000	\$'000
Ordinary dividends		
Final tax exempt dividend of 0.5 cent per share (2022 : 0.5 cent per share) in respect of previous financial year	2,875	2,875

Subsequent to 31 December 2023, the directors of the company recommended that a final tax exempt dividend to be paid at 0.5 cent per ordinary share amounting to \$2.9 million for the financial year ended 31 December 2023. 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

33. EARNINGS PER SHARE

	Group	
	2023	2022
Profit after tax attributable to the equity holders of Amara Holdings Limited (\$'000)	7,179	6,452
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)	1.25	1.12

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to members of Amara Holdings Limited by the weighted average number of ordinary shares in issue, excluding treasury shares held, during the financial year.

34. SEGMENT INFORMATION

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2023

34. SEGMENT INFORMATION (CONTINUED)

The segment information provided to Management for the reportable segments are as follows:

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Eliminations \$'000	Group \$'000
31 December 2023						
Segment revenue						
Sales to external customers	65,989	47,169	1,774	7	-	114,939
Intersegment sales/income	3,620	70	-	-	(3,690)	-
Total revenue	<u>69,609</u>	<u>47,239</u>	<u>1,774</u>	<u>7</u>	<u>(3,690)</u>	<u>114,939</u>
Depreciation and amortisation	(8,136)	(8)	(16)	-	-	(8,160)
Fair value gain of investment properties	-	2,095	-	-	-	2,095
Share of results of jointly-controlled entities	-	(747)	-	-	-	(747)
Other significant non-cash (expenses)/income	-	-	-	-	-	-
Segment profit	13,203	15,060	437	5	-	28,705
Interest income						73
Interest expense on borrowings						(17,310)
Unallocated corporate expenses						(807)
Profit before tax						<u>10,661</u>
Taxation						<u>(3,482)</u>
Profit for the year						<u>7,179</u>
Segment assets	249,949	520,044	993	629	-	771,615
Deferred tax assets						703
Total assets						<u>772,318</u>
Segment assets include:						
Investment in jointly-controlled entities	-	9,864	-	-	-	9,864
Additions to						
- Property, plant and equipment	<u>3,576</u>	<u>10</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>3,593</u>
Segment liabilities	(13,274)	(16,442)	(151)	(619)	-	(30,486)
Income tax payable						(2,170)
Deferred tax liabilities						(15,129)
Corporate borrowings						(335,221)
Total liabilities						<u>(383,006)</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2023

34. SEGMENT INFORMATION (CONTINUED)

	Hotel investment and management \$'000	Property investment and development \$'000	Specialty restaurants and food services \$'000	Others \$'000	Eliminations \$'000	Group \$'000
31 December 2022						
Segment revenue						
Sales to external customers	49,073	42,990	1,615	7	-	93,685
Intersegment sales/income	2,014	163	-	-	(2,177)	-
Total revenue	51,087	43,153	1,615	7	(2,177)	93,685
Depreciation and amortisation	(9,171)	(4)	(20)	-	-	(9,195)
Fair value gain of investment properties	-	1,243	-	-	-	1,243
Share of results of jointly-controlled entities	-	(549)	-	-	-	(549)
Other significant non-cash (expenses)/income	(162)	497	-	-	-	335
Segment profit	5,534	15,628	487	9	-	21,658
Interest income						33
Interest expense on borrowings						(11,901)
Unallocated corporate expenses						(470)
Profit before tax						9,320
Taxation						(2,868)
Profit for the year						6,452
Segment assets	252,436	532,646	742	921	-	786,745
Deferred tax assets						634
Total assets						787,379
Segment assets include:						
Investment in jointly-controlled entities	-	8,731	-	-	-	8,731
Additions to						
- Property, plant and equipment	586	20	14	-	-	620
Segment liabilities	(11,890)	(14,276)	(200)	(304)	-	(26,670)
Income tax payable						(3,346)
Deferred tax liabilities						(13,719)
Corporate borrowings						(352,971)
Total liabilities						(396,706)

NOTES TO FINANCIAL STATEMENTS

31 December 2023

34. SEGMENT INFORMATION (CONTINUED)

Segment results

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

Segment assets

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

Segment liabilities

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

Geographical segments

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

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

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

	Revenue		Non-current assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	88,738	76,994	451,213	448,054
PRC	19,219	12,704	148,181	157,761
Thailand	6,982	3,987	43,029	44,572
	114,939	93,685	642,423	650,387

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 customer that had contributed 10% or more to the revenue of the group.

NOTES TO FINANCIAL STATEMENTS

31 December 2023

35. OPERATING LEASE ARRANGEMENTS

The group as lessee

At 31 December 2023, the group is committed to \$132,000 (2022 : \$39,000) for short-term leases.

The group as lessor

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

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

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

Maturity analysis of operating lease receivables:

	Group	
	2023 \$'000	2022 \$'000
Year 1	15,538	16,780
Year 2	10,817	12,108
Year 3	8,615	6,978
Year 4	4,703	5,848
Year 5	2,852	3,778
Year 6 onwards	1,347	3,593
Total	43,872	49,085

36. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current* ⁽¹⁾
- Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants* ⁽¹⁾
- Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback* ⁽¹⁾
- Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture* ⁽²⁾

⁽¹⁾ Applies to annual periods beginning on or after 1 January 2024.

⁽²⁾ Effective date is deferred indefinitely.

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods is not expected to have a material impact on the Financial Statements of the group in the period of their initial adoption.

CORPORATE DATA

BOARD OF DIRECTORS

Albert Teo Hock Chuan
- *Chief Executive Officer*

Susan Teo Geok Tin
Lawrence Mok Kwok Wah
Ginney Lim May Ling
- *Lead Independent Director*
Bill Chua Teck Huat
George Seow Ewe Keong
Tan Kim Seng
Keith Tan Keng Soon
Teo Shao-Lynn, Dawn (Zhang Xiaolin)
- *Alternate Director to Albert Teo Hock Chuan*

COMPANY SECRETARIES

Susan Teo Geok Tin
Zhan Aijuan

AUDIT COMMITTEE

George Seow Ewe Keong
- *Chairman*

Lawrence Mok Kwok Wah
Bill Chua Teck Huat
Tan Kim Seng
Keith Tan Keng Soon

NOMINATING COMMITTEE

Bill Chua Teck Huat
- *Chairman*

Albert Teo Hock Chuan
Ginney Lim May Ling
George Seow Ewe Keong
Keith Tan Keng Soon

REMUNERATION COMMITTEE

Ginney Lim May Ling
- *Chairman*

Lawrence Mok Kwok Wah
Bill Chua Teck Huat
George Seow Ewe Keong
Tan Kim Seng
Keith Tan Keng Soon

PRINCIPAL BANKERS

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DBS Bank Ltd.

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6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

Kee Cheng Kong
- *Partner-in-charge*
(Appointed in the financial year ended 31 December 2022)

STATISTICS OF SHAREHOLDINGS

As at 14 March 2024

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights (excluding Treasury Shares)	:	1 vote per share
No. of Holders	:	1,739
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	4	0.23	4	0.00
100 - 1,000	233	13.40	218,067	0.04
1,001 - 10,000	1,131	65.04	5,613,890	0.98
10,001 - 1,000,000	357	20.53	19,346,600	3.36
1,000,001 AND ABOVE	14	0.80	549,789,639	95.62
TOTAL	1,739	100.00	574,968,200	100.00

Based on information available to the Company on 14 March 2024, approximately 12% 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	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	439,900,451	76.51
2	TEO CHEW CHUAN	42,578,500	7.41
3	TEO HIN CHUAN	16,580,997	2.88
4	MORPH INVESTMENTS LTD	14,800,000	2.57
5	ONG KIAN KOK	13,897,000	2.42
6	CITIBANK NOMINEES SINGAPORE PTE LTD	5,233,000	0.91
7	POH LAY ENG	3,153,493	0.55
8	DBS NOMINEES (PRIVATE) LIMITED	2,745,898	0.48
9	TEO GUAN HOON	2,568,000	0.45
10	CHIN PHAK LIN	2,328,000	0.40
11	CHIAM HOCK POH	2,024,900	0.35
12	LEH BEE HOE	1,402,400	0.24
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,321,000	0.23
14	CHIN KIAM HSUNG	1,256,000	0.22
15	TAN HUA TOCK	984,400	0.17
16	LEE ENG KHIAN	946,000	0.16
17	YAP HUI MENG @ SIN HUI MENG	730,000	0.13
18	LIM ENG SENG	660,000	0.11
19	CHIN SIN LIN	600,000	0.10
20	PEH KOK WAH @ PEH WAH CHYE	593,500	0.10
	TOTAL	554,303,539	96.39

Note:

⁽¹⁾ The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding treasury shares.

STATISTICS OF SHAREHOLDINGS

As at 14 March 2024

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	% ⁽⁸⁾
Albert Teo Hock Chuan	-	438,132,541 ⁽¹⁾	438,132,541	76.20
Teo Chew Chuan	42,578,500	3,153,493 ⁽²⁾	45,731,993	7.95
Amethyst Assets Pte. Ltd.	438,132,541	-	438,132,541	76.20
Concordia United L.P. (acting by its general partner, Concordia United Ltd.)	-	438,132,541 ⁽³⁾	438,132,541	76.20
Concordia United Ltd.	-	438,132,541 ⁽⁴⁾	438,132,541	76.20
Diamond GP Holdings III Ltd	-	438,132,541 ⁽⁵⁾	438,132,541	76.20
Dymon Asia Private Equity (S.E. Asia) III Ltd.	-	438,132,541 ⁽⁶⁾	438,132,541	76.20
First Security Pte Ltd	-	438,132,541 ⁽⁷⁾	438,132,541	76.20

Notes:

- (1) Albert Teo Hock Chuan is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as he has a controlling interest in First Security Pte Ltd, which in turn is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Amethyst Assets Pte. Ltd.
- (2) Teo Chew Chuan is deemed interested in 3,153,493 shares held by his spouse.
- (3) Concordia United L.P. (acting by its general partner, Concordia United Ltd.) is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Amethyst Assets Pte. Ltd.
- (4) Concordia United Ltd. is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as it is the general partner of Concordia United L.P. and is responsible for managing, controlling, operating and making investment decisions on behalf of Concordia United L.P.
- (5) Diamond GP Holdings III Ltd is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as it owns 100% of Concordia United Ltd.
- (6) Dymon Asia Private Equity (S.E. Asia) III Ltd. is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as it owns 100% of Diamond GP Holdings III Ltd.
- (7) First Security Pte Ltd is deemed to have an interest in the 438,132,541 shares held by Amethyst Assets Pte. Ltd. as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Amethyst Assets Pte. Ltd.
- (8) The percentage of issued ordinary shares is calculated based on the total number of issued ordinary shares of the Company, excluding treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Ballroom 2, Amara Sanctuary Resort Sentosa, 1 Larkhill Road, Singapore 099394 on Friday, 26 April 2024 at 10.30 a.m. to transact the business as set out below.

This Notice has been made available on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice and Proxy Form will be despatched to the members.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2023 together with the Directors' Statement and Independent Auditor's Report thereon. **(Resolution 1)**
 2. To declare a first and final tax exempt dividend of 0.5 cent per ordinary share for the year ended 31 December 2023. **(Resolution 2)**
 3. To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Regulation 87 of the Constitution of the Company ⁽¹⁾. **(Resolution 3)**
 4. To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company ⁽¹⁾. **(Resolution 4)**
 5. To re-elect Mr Keith Tan Keng Soon as a Director retiring under Regulation 94 of the Constitution of the Company ⁽¹⁾. **(Resolution 5)**
- Mr Keith Tan Keng Soon will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered non-independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). He will also remain as a member of the Nominating Committee and Remuneration Committee.
6. To approve payment of Directors' Fees of \$231,318 for the year ended 31 December 2023 (2022: \$213,060). **(Resolution 6)**
 7. To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares
 - (a) That, pursuant to Section 161 of the Companies Act 1967 ("Act"), and the listing rules of the SGX-ST, authority be and is hereby given to the Directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:
 - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
 - (b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force,

provided always that

 - (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares and subsidiary holdings shall be the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of convertible securities;
 - (bb) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares;

⁽¹⁾ Detailed information of the Directors seeking re-election can be found under the sections "Board of Directors", "Additional Information on Directors Seeking Re-Election" and "Financial Statements" (under the subsection "Directors' Statement") in the Annual Report 2023 of the Company.

NOTICE OF ANNUAL GENERAL MEETING

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

- (ii) in this resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual of the SGX-ST; and
- (iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(Resolution 8)

(See Explanatory Note 1)

9. Renewal of Share Purchase Mandate

That:

- (a) For the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (i) off-market purchases (each an "Off-Market Share Purchase") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act; and/or
 - (ii) on-market purchases (each an "On-Market Share Purchase") on the SGX-ST, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable,

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

- (b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of:
 - (i) the date on which the next Annual General Meeting of the Company is held or required by law or the Constitution of the Company to be held; or
 - (ii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

(c) In this Ordinary Resolution:

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

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

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

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

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

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

(Resolution 9)

(See Explanatory Note 2)

NOTICE OF ANNUAL GENERAL MEETING

AS OTHER BUSINESS

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

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a first and final tax exempt dividend of 0.5 cent per ordinary share, in respect of the year ended 31 December 2023 will be paid on 20 June 2024 to shareholders whose names appear in the Register of Members on 6 June 2024.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 6 June 2024 after 5.00 p.m. to 7 June 2024, for the purpose of determining shareholders' entitlements to the proposed first and final dividend.

Registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m., on 6 June 2024 will be registered before entitlements to the first and final dividend are determined.

By Order of the Board

Susan Teo Geok Tin/Zhan Aijuan
Company Secretaries

Singapore
11 April 2024

EXPLANATORY NOTE 1:

The Ordinary Resolution in item 8, if passed, will enable the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares in the Company and to make or grant Instruments convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the number of shares issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, for such purposes as they consider to be in the interests of the Company.

EXPLANATORY NOTE 2:

In respect of the Ordinary Resolution in item 9, the Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance purchases or acquisitions of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, among other things, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustration purposes, the financial effects of Share Purchases on the audited financial statements of Amara Group and the Company for the financial year ended 31 December 2023, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 11 April 2024 in relation to the proposed renewal of the Share Purchase Mandate ("Appendix to this Notice").

NOTES:

1. The above Meeting will be held physically at Ballroom 2, Amara Sanctuary Resort Sentosa, 1 Larkhill Road, Singapore 099394. **There will be no option for members to participate virtually.** This Notice, the Appendix to this Notice, Proxy Form and the Annual Report 2023 will be made available to members by electronic means via publication on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice and Proxy Form will be despatched to the members.
2. Members (including CPF and SRS investors) may participate in the above Meeting by:
 - (a) attending in person or by proxy;
 - (b) raising questions relating to the resolutions to be tabled for approval at the above Meeting at the above Meeting itself or submitting such questions in advance of the above Meeting; and/or
 - (c) voting (i) in person or (ii) through appointed proxy/ies

NOTICE OF ANNUAL GENERAL MEETING

SUBMISSION OF PROXY FORMS

- (1) A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Act) entitled to attend, speak and vote at the above Meeting is entitled to appoint not more than two proxies to attend, speak and vote on his behalf. Where such member appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.
- (2) A member of the Company who is a relevant intermediary as defined in Section 181 of the Act is entitled to appoint more than two proxies to attend, speak and vote at the above Meeting.
- (3) A proxy or representative need not be a member of the Company.
- (4) The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or notarially certified or office copy thereof must be submitted in the following manner:
 - (i) If submitted by post, be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (ii) If submitted electronically via email, be submitted to the Company's Share Registrar at Amara-AGM2024@boardroomlimited.com,
 in either case, by **10.30 a.m. on 23 April 2024**, being 72 hours before the time of the above Meeting.
- (5) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the above Meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (6) CPF or SRS investors who wish to appoint the Chairman of the above Meeting as proxy to vote on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.

QUESTIONS

- (1) Members may raise questions, if any, relating to the resolutions to be tabled for approval at the above Meeting, at the above Meeting itself or in advance of the above Meeting. For members who would like to submit their questions in advance of the above Meeting, they may do so in the following manner by **19 April 2024**:
 - (i) If submitted by post, be sent to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (ii) If submitted electronically via email, be submitted to the Company's Share Registrar at Amara-AGM2024@boardroomlimited.com.
- (2) Members submitting questions are required to provide their particulars as follows:
 - (i) Full name as per CDP/CPF/SRS account records;
 - (ii) National Registration Identity Card Number or Passport Number (for individuals) / Company Registration Number (for corporates); and
 - (iii) The manner in which the member holds shares in the Company (e.g., via CDP, CPF/SRS and/or scrip).
- (3) The Company will endeavour to address substantial and relevant questions by 10.30 a.m. on 21 April 2024. A summary of the questions and responses will be posted on the Company's website and on SGXNet.

PERSONAL DATA PRIVACY:

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information relates to Mr Albert Teo Hock Chuan, Ms Susan Teo Geok Tin and Mr Keith Tan Keng Soon, all of whom are seeking re-election as Directors in the forthcoming Annual General Meeting on 26 April 2024:

	Mr Albert Teo Hock Chuan	Ms Susan Teo Geok Tin	Mr Keith Tan Keng Soon
First appointed	21 August 1970	26 May 1995	21 March 2024
Last re-elected	26 April 2021	26 April 2022	-
Age	70+	60+	50+
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election	The Board has considered and accepted the recommendation of the Nominating Committee to re-elect Mr Teo as Executive Director of the Company. Mr Teo's leadership, knowledge and experience will continue to contribute to the Board.	The Board accepts the recommendation of the Nominating Committee to re-elect Ms Teo as Executive Director of the Company. Ms Teo has in-depth knowledge of the corporate affairs of the Group and with her experience, she will continue to provide insightful guidance for the Group in this area. Being a female director, Ms Teo also adds to the gender diversity of the Board.	The Board has considered and accepted the recommendation of the Nominating Committee to re-elect Mr Tan as Non-Executive, Non-Independent Director of the Company. Mr Tan brings with him a wealth of knowledge and experience in the financial sector and his expertise in business and general management will be a value-add for the Board.
Whether re-election is executive, and if so, the area of responsibility	Mr Teo is the Chief Executive Officer of the Amara Group. He is responsible for the strategic direction of the Group and manages its overall operations.	Ms Teo has direct oversight of the function of corporate affairs of the Group which includes treasury, finance, legal, company secretarial, human resource and administration.	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc)	Executive Director, Chief Executive Officer and NC Member	Executive Director/ Company Secretary	AC Member, NC Member and RC Member
Professional qualifications	Bachelor of Commerce degree from the University of Western Australia Member of the Chartered Accountants Australia and New Zealand Member of the Institute of Chartered Secretaries and Administrators of London	Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology (now known as Curtin University) Graduate Diploma in Computer Science from La Trobe University Member of the Institute of Singapore Chartered Accountants	Nanyang Technological University, 2nd Class Honours in Banking and Finance
Working experience and occupation(s) during the past 10 years	Chief Executive Officer of the Amara Group since 1997 Executive Director of the Amara Group since 1982	Company Secretary of Amara Group since September 1984 Executive Director of Amara Group since May 1995	Dymon Asia Capital, Co-Founder and Managing Partner
Shareholding interest in the listed issuer and its subsidiaries	Amara Holdings Limited Deemed Interest – 438,132,541 shares Subsidiaries of Amara Holdings Limited Deemed Interest in the whole of the share capital	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Albert Teo Hock Chuan	Ms Susan Teo Geok Tin	Mr Keith Tan Keng Soon
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	<p>Brother of Ms Susan Teo Geok Tin, Executive Director</p> <p>Brother of Mr Teo Kwee Chuan and Ms Corinne Teo Siew Bee, executive officers</p> <p>Brother of Mr Teo Chew Chuan, substantial shareholder</p> <p>Brother of Mr Teo Peng Chuan, director of a principal subsidiary</p> <p>Father of Teo Shao-Lynn, Dawn (Zhang Xiaolin), Alternate Director to Mr Albert Teo Hock Chuan</p> <p>Mr Albert Teo is a director of Amethyst Assets Pte. Ltd. and First Security Pte Ltd, substantial shareholders of the listed issuer.</p>	<p>Sister of Mr Albert Teo Hock Chuan, CEO, Executive Director and substantial shareholder</p> <p>Sister of Mr Teo Kwee Chuan and Ms Corinne Teo Siew Bee, executive officers</p> <p>Sister of Mr Teo Chew Chuan, substantial shareholder</p> <p>Sister of Mr Teo Peng Chuan, director of a principal subsidiary</p> <p>Ms Susan Teo is a director of Amethyst Assets Pte. Ltd. and First Security Pte Ltd, substantial shareholders of the listed issuer.</p>	<p>Mr Tan is a director of Amethyst Assets Pte. Ltd. and Dymon Asia Private Equity (S.E. Asia) III Ltd., substantial shareholders of the listed issuer.</p>
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other principal commitments including directorships			
- Past (for the last 5 years)	No	No	No
- Present	<p>Director of :</p> <ul style="list-style-type: none"> - Teo Teck Huat Singapore Private Limited - First Security Pte Ltd - Amara Ventures Pte Ltd - Tampines EC Pte. Ltd. - Dalvey Bridge Limited - Albertsons Capital Pte. Ltd. - Amethyst Assets Pte. Ltd. 	<p>Director of :</p> <ul style="list-style-type: none"> - First Security Pte Ltd - Amethyst Assets Pte. Ltd. <p>Alternate Director to Mr Albert Teo Hock Chuan in Tampines EC Pte Ltd</p>	<p>CEO</p> <p>Dymon Asia Private Equity (Singapore) Pte. Ltd.</p> <p>Director of :</p> <ul style="list-style-type: none"> - Emet Grace Ltd. - Dymon Asia Capital Ltd - Select Group Pte. Ltd. - EDC@SCCCI Pte. Ltd. - Digileap Capital Limited - Lotto Investment Pte. Ltd. - DAPE Ltd. - International Culinary Management Ltd - Dymon Asia Private Equity Management Consulting (Malaysia) Sdn. Bhd. - Dymon Asia Private Equity (S.E. Asia) Ltd - Dymon Asia Private Equity (S.E. Asia) 2012 Ltd - Dymon Asia Private Equity (S.E. Asia) II Ltd - Dymon Asia Private Equity (S.E. Asia) 2017 LLC - Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd - Dymon Asia Private Equity (S.E. Asia) III Ltd. - Dymon Asia Private Equity (S.E. Asia) 2022 LLC - Dymon Asia Private Equity (S.E. Asia) Fund III Pte. Ltd. - Penguin International Limited - Chye Thiam Maintenance Pte. Ltd. - Challenger Technologies Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Albert Teo Hock Chuan	Ms Susan Teo Geok Tin	Mr Keith Tan Keng Soon
			<ul style="list-style-type: none"> - Hanaan Health Group Ltd. - NewMedCo Group Ltd. - SL Vista Group Ltd. - Aleph Tav Ltd - DigiTech Holding Limited - RMC Health Limited - SOG Health Pte. Ltd. (Formerly known as Singapore O&G Limited) - Amethyst Assets Pte. Ltd. - Ram Lifting Technologies Pte. Ltd. - Global Lifter Infrastructure Pte. Ltd. Member - The Yellow Ribbon Fund
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	The answer to all items are "No".	The answer to all items are "No".	The answer to all items are "No".

PROXY FORM

ANNUAL GENERAL MEETING

Printed copies of the Notice of Annual General Meeting dated 11 April 2024 and this proxy form are sent by post to members. These documents are also made available on the Company's website at <https://www.amaraholdings.com> and on the SGX website at <https://www.sgx.com/securities/company-announcements>.

IMPORTANT:

1. The Annual General Meeting will be held physically at Ballroom 2, Amara Sanctuary Resort Sentosa, 1 Larkhill Road, Singapore 099394. **There will be no option for members to participate virtually.**
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 16 April 2024.

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

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Ballroom 2, Amara Sanctuary Resort Sentosa, 1 Larkhill Road, Singapore 099394 on Friday, 26 April 2024 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	For*	Against*	Abstain*
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2023 together with the Directors' Statement and Independent Auditor's Report thereon.			
2.	To declare a first and final tax exempt dividend of 0.5 cent per ordinary share for the year ended 31 December 2023.			
3.	To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Regulation 87 of the Constitution of the Company.			
4.	To re-elect Ms Susan Teo Geok Tin as a Director retiring under Regulation 87 of the Constitution of the Company.			
5.	To re-elect Mr Keith Tan Keng Soon as a Director retiring under Regulation 94 of the Constitution of the Company.			
6.	To approve payment of Directors' Fees of \$231,318 for the year ended 31 December 2023.			
7.	To re-appoint Messrs Deloitte & Touche LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.			
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
9.	To approve the renewal of the Share Purchase Mandate.			

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

Dated this _____ day of _____ 2024

Total number of Shares held

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Notes for Proxy Form

1. A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Companies Act 1967) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf.
2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no provision is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and the second named proxy as an alternate to the first named, or at the Company's option to treat this proxy form as invalid.
3. A member of the Company who is a relevant intermediary as defined in Section 181 of the Companies Act 1967 is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. A proxy or representative need not be a member of the Company.
5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The instrument appointing a proxy or proxies for any member must be in writing and (in the case of an individual appointor) duly signed by the appointor or his attorney or, (if the appointor is a corporation) must be executed under its seal or signed by its attorney or duly authorised officer.
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be submitted in the following manner:
 - (a) if by post, to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (b) if electronically via email, to the Company's Share Registrar at **Amara-AGM2024@boardroomlimited.com**, in either case, by 10.30 a.m. on 23 April 2024, being 72 hours before the time of the AGM, and in default the instrument of proxy shall be treated as invalid.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2024.

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AMARA HOLDINGS LIMITED

(Registration Number 197000732N)

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