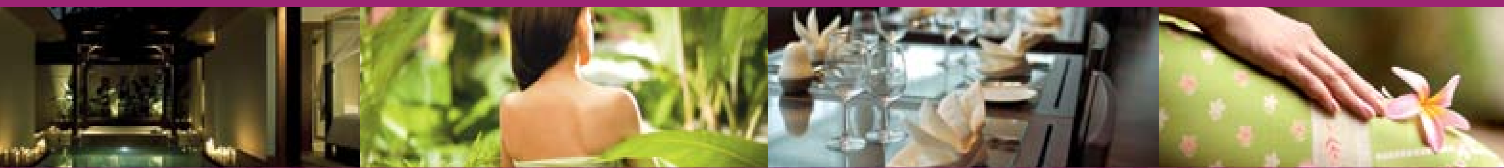
Amara Holdings Limited

Annual Report 2009



CONTENTS

THE AMARA BRAND

A home-grown integrated lifestyle group principally engaged in three business areas, namely, hotel investment and management, property investment and development, and specialty restaurants and food services. We are recognised as the creator of innovative hospitality products.

AMARA HOLDINGS LIMITED

THE AMARA BRAND

AMARA HOTELS & RESORTS

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

AMARA SANCTUARY

Amara Sanctuary Resorts are contemporary Asian luxury resort hotels in exotic locations offering a unique environment to relax and rejuvenate. Amara Sanctuary Resorts blend tradition with modernity and offer sensory experiences in an intimate setting. Spaces are surprising, the service is world class and the experience is as individual as you.

AMARA SIGNATURE

Amara Signature Hotels are stylish contemporary Asian luxury city hotels, offering a unique environment in which to relax or do business. Amara Signature Hotels bring together the best contemporary architecture and state of the art facilities in a prominent city location, where guests will find stylish interiors, world class service and an experience as individual as you.

AMARA HOTELS

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

SILK ROAD

Come and savour the rich and colourful history, and some of the unique traditions of the Silk Road. Experience first-hand the ancient art of tea pouring, and sample the cuisine of the Silk Road where Marco Polo first discovered Asia and where the finest dishes from the orient are created by master chefs. Showcasing the very best of provincial Chinese cuisine, our show kitchen allows you to be a part of the action – a truly individual experience.

THANYING

In a marriage of centuries old eastern and western influences, tastes and textures are combined into something uniquely Thai. At Thanying Restaurant, we offer you a unique taste of rich, exquisite and royal cuisine. Set your senses alight and experience the balance of flavours that only Thanying Restaurant can bring directly to your table. Within a uniquely Thai ambience, and distinctly Thai service, Thanying Restaurant relives the culinary past when only the most exquisite morsels were prepared and presented with the pomp and richness deserving of royalty. Experience a feast for your senses as Thanying Restaurant presents a uniquely individual Thai experience.

THE AMARA VISION

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

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

OUR CORE VALUES

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

OUR GREATEST ASSET

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

OUR ULTIMATE GOAL

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

WHERE LUXURY IS THE NAME OF THE GAME...

AND
PLEASURE
IS MORE THAN
JUST A WORD

INDULGENCE IS REALLY AN EVERYDAY AFFAIR...

AND
SUCCESS
IS A JOURNEY
MARKED WITH
GROWTH

OUR BUSINESS PORTFOLIO

HOTEL INVESTMENT AND MANAGEMENT

AMARA SINGAPORE

Our flagship city centre hotel, Amara Singapore, is conveniently located next to Tanjong Pagar MRT Station in the thriving Central Business District. The hotel is easily accessible by major transportation modes and within walking distance to fascinating Chinatown, the Tanjong Pagar Conservation District, graded office buildings, foreign and local banks, post offices, shops, as well as dining and entertainment establishments. Our 380-room hotel showcases special touches like a lobby with a minimalist theme, a contemporary Balinese-style resort pool and a collection of chic restaurants including our iconic Silk Road and Thanying Restaurant. Complemented by a host of specially designed rooms, facilities and a spa, our valued guests can enjoy a different kind of luxurious inner city living at Amara Singapore. Furthermore, the Grand Ballroom with a 850 auditorium seating capacity as well as four function rooms can cater to events of all scales from weddings and social functions to meetings and exhibitions.

AMARA SANCTUARY RESORT, SENTOSA

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

Amara Sanctuary Resort, Sentosa is nestled beautifully on a hilltop, surrounded by 3.5 hectares of gardens and natural tropical rainforest. Its unique character is derived from an exotic blend of colonial architecture and modern design concepts, as well as comprehensive five-star hotel facilities that come together to shape an ideal and individual resort experience – whether the stay is for business or leisure.

The resort's 121 beautifully designed guest rooms, Courtyard and Verandah suites, as well as Villas offer the ultimate in comfort, luxury living and state-of-the-art facilities. Each Villa has a tropical fruit garden. Guests may also choose to stay in the privacy and tranquillity of the Courtyard and Verandah suites for a taste of contemporary colonial style. To complement the existing colonial architecture, the deluxe guest rooms are situated in a stylishly designed building that offers contemporary accommodation with superb views of the surrounding tropical landscape. Amara Sanctuary Resort, Sentosa, had its soft opening in May 2007.

AMARA SIGNATURE SHANGHAI

A mixed development, Amara Signature Shanghai will comprise a 360-room hotel, retail centre and office building. The shopping centre will feature many of Singapore's great brands in food and beverages and entertainment as well as lifestyle retailers. Amara Signature Shanghai is expected to benefit from its excellent location within the city centre as well as Shanghai's renowned status as Asia's leading business and financial centre.

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

Since its inception in 1988, Thanying Restaurant has devotedly recreated culinary history by offering the most exquisite Royal Thai cuisine fit for the royalties. Meticulous effort is put into the preparation and the presentation of each dish. Moreover, each Thai Chef has his/her own area of specialties, served in the tradition of Thai court cuisine. To top it off, Thanying's most famous dessert buffet offers a grand finale after a sumptuous feast. It consists of delicious seasonal fruits that have been thoughtfully peeled and seeded, as well as traditional Thai sweets, all of which are beautifully presented at the counter decorated with delicately carved fruits skillfully executed by our Thai Chefs. The flagship Thanying Restaurant has a seating capacity of 164 and is located at Amara Singapore. A new outlet opened at Amara Sanctuary Resort, Sentosa in July 2007.

This new outlet gives guests the option to dine indoors in the elegant dining room or al fresco at the large outdoor terrace set amidst a herb garden. The garden grows many herbs used in the restaurant's food preparation.

SILK ROAD RESTAURANT

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

Silk Road of the Sea, opened December 2007 at the seafront of Palawan Beach, Sentosa is a seafood restaurant serving cuisine tracing the culinary footsteps of explorer Marco Polo on his journey home from South China Sea to the Mediterranean.

PROPERTY INVESTMENT AND DEVELOPMENT

AMARA CORPORATE TOWER

Amara Corporate Tower, a 12-storey office building, is strategically located at 100 Tras Street and is a stroll away from the Tanjong Pagar MRT Station. Easily accessible by bus or car, Amara Corporate Tower is also located close to diverse amenities such as major local and foreign banks and post offices.

AMARA SHOPPING CENTRE

Located in the same complex as Amara Singapore and situated beneath Amara Corporate Tower, Amara Shopping Centre offers a wide range of services including medical facilities and other lifestyle needs. It also has a good selection of tenant mix including boutiques, a food court as well as specialty restaurants.

THE ABODE AT DEVONSHIRE

Nestled in the prime location of district 9, The Abode at Devonshire is the home where the heart of the city is. Although only a stone's throw away from Singapore's bustling shopping belt of Orchard Road and the Somerset MRT station, it is also intended to be a quiet and refined retreat for sophisticated urban dwellers who desire a break from the hectic pace of city life. The Abode at Devonshire's modern design is in a class of its own. Designed to maximise panoramic views, these exclusive 26 freehold units at The Abode feature a unique combination of style and practicality. With its attractive facilities, quality finishes and more, this 15-storey contemporary masterpiece of intersecting planes of glass, concrete, and aluminium, exudes an unparalleled sense of poise and tranquillity.

THE LINEAR

Distinguished by its horizontally-elongated silhouette and blimp-like roof, The Linear, is a seven-storey residential project, comprising 221 units. This stylish 999-year leasehold project development is a commanding feature along Upper Bukit Timah Road. Completed in 2006, The Linear is an ingenious integration of contemporary aesthetics within the natural and unspoilt environment at Upper Bukit Timah. Apart from offering a calming retreat from the hustle and bustle of urban life, The Linear's unique exterior exudes sophistication, with an organic rooftop to mitigate the excesses of tropical heat and rain.

Concept designed by Tokyo-based and globally well-known Kenzo Tange Associates, it features flushed curtain walls and wide louvered spaces. Interior details and materials specification were undertaken by the internationally renowned hospitality interior designer, Hirsch Bedner Associates, to give The Linear an avant garde ambience. To augment the suburban living experience, The Linear has a full range of amenities such as swimming pool on the attic, jacuzzi, steam room as well as facilities for the young that include a wading pool, playground, games room and a jogging track.

CEO'S MESSAGE

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Group's annual report for the financial year ended December 31, 2009 ("FY2009").

Our dedicated efforts to position Amara as a leading premier integrated lifestyle group have seen us through the financial crisis smoothly. Now that the economy has started to see brighter prospects, we will monitor developments closely and continue to look for opportunities to grow and deepen our roots in our areas of expertise.

Overall, the Group's revenue increased by 44% to S$102.7 million for FY2009. In the first half of FY2009, the Group performed well with the increase mainly attributed to the gain from the sales of the Group's property development units. The Group's Property Investment and Development segment continued to perform well throughout FY2009.

FINANCIAL REVIEW - ON THE CUSP OF RECOVERY

During the year under review, the increase in Group revenue was due to higher sales of property development units. This was partly offset by lower revenue generated by both the Hotel Investment and Management and Specialty Restaurants and Food Services segments. Other income decreased by 62% from S$6.7 million to S$2.5 million in FY2009, mainly due to gain in disposal of joint venture entity in 2008. Profit after tax saw a marginal decrease from S$12.0 million to S$11.3 million over the same period.

The Group's Property Investment and Development segment reported a profit of S$11.7 million in FY2009. This helped to buffer the performance of the Hotel Investment and Management segment, which has been affected by the slowdown in regional tourism and travel sector. The positive financial performance of the Property Investment and Development segment also cushioned the effect of poor global economic conditions on the Specialty Restaurants and Food Services segment.

> We are delighted that Amara Sanctuary Resort, Sentosa has been voted Best Resort by AsiaOne People's Choice, excelling amongst other renowned names.

Our statement of financial position has been strengthened with reduced borrowings at S$157.1 million as at December 31, 2009, from S$196.4 million as at December 31, 2008. Gearing correspondingly was reduced from 48.56% to 41.39%.

Our shareholders' equity was S$187.6 million as at December 31, 2009 compared to S$179.2 million as at December 31, 2008. The increase was attributed mainly to an increase in our retained earnings.

We continue to be prudent and maintain a healthy cash and bank balance of S$24.6 million as at December 31, 2009.

OUTLOOK FOR 2010

Hotel Investment and Management

In 2009, the regional tourism and travel sector took a hit from the global economic slowdown. Our Revenue Per Available Room registered a fall, in line with the industry. In spite of this, our Hotel Investment and Management segment achieved a profit of S$4.0 million.

With the newly opened Resorts World Sentosa and Universal Studios, we are confident that Amara Sanctuary Resort, Sentosa, with its strategic position, will benefit from an anticipated increase in visitorship to the island. We are delighted that Amara Sanctuary Resort, Sentosa has been voted Best Resort by AsiaOne People's Choice, excelling amongst other renowned names.

In addition, with visitor arrivals to Singapore reaching a high in January 2010 and promising to show signs of improvement, we are optimistic that there will be improved contribution to our Hotel Investment and Management segment. Indeed, we are very encouraged by Singapore Tourism Board's expectations of between 11.5 to 12.5 million visitors in 2010 as compared to 9.7 million last year.

Our strategy for our core Hotel segment remains unchanged. We will continue to proactively manage our portfolio by maximising the operating performance of our existing hotels, as well as prudently explore asset enhancement opportunities to optimise the value of our hotels. We will also focus on cultivating a high quality experience for our patrons, in order to encourage customer satisfaction and in turn, optimise room revenue yield.

At the same time, we will continue to lookout for recurring earnings opportunities through hotel investment and management in both Singapore and the region. Whilst our focus will be on organic growth in 2010, we do not rule out the possibility of growing the Amara brand name through acquisitions should there be viable assets that meet our stringent investment criteria.

Property Investment and Development

The Group's Property Investment and Development segment achieved a profit of S$11.7 million in FY2009, due to the higher sales of property development units.

We are in the midst of developing Amara Signature located in Shanghai, a significant gateway city in Asia. This exciting development features a 360-room hotel, retail centre and an office building. Amara Signature is expected to benefit from the excellent location within the city centre as well as Shanghai's renowned status as Asia's leading business and financial centre.

Closer to home, we are currently in the final stages of developing a residential block with commercial space in the Killiney precinct. This upcoming launch is expected in the second half of 2010. With the surrounding area sprouting with new projects and bustling, we expect the launch to be well received.

Our existing property, Amara Shopping Centre located at 165 Tanjong Pagar Road, is about to undergo refurbishment. When completed, it will offer consumers an excellent selection of tenant mix, including a NTUC Finest supermarket, lifestyle boutiques, specialty restaurants, cafe and a al fresco dining strip along Tras street.

Specialty Restaurants and Food Services

Our Specialty Restaurants and Food Services segment registered revenue of S$3.7 million in FY2009. Our concept restaurants, Thanying Restaurant at Amara Singapore, Thanying Restaurant at Amara Sanctuary Resort, Sentosa, Silk Road Restaurant at Amara Singapore as well as Silk Road of the Sea at Palawan Beach remain resilient amidst the challenging economic conditions.

As the economy picks up, we see good prospects for our Specialty Restaurants and Food Services segment. Regardless of the economic conditions, we will continue to be dedicated in attaining excellent food quality and good customer service to improve patronage at our restaurants.

APPRECIATION

In conclusion, I would like to extend my heartfelt appreciation for your support through the challenging economic circumstances. To reward our loyal shareholders, I am pleased to announce that the Board is recommending a first and final cash dividend of 0.5 cents per ordinary share for the financial year ended December 31, 2009. The proposed final dividend, if approved by the Shareholders at the Annual General Meeting on April 30, 2010, will be paid on June 28, 2010.

I am also grateful to our fellow Board members for their invaluable insights and wise counsel. In addition, I would like to thank our management team and staff, for their dedication, teamwork and commitment to Amara, which we will continue to count on, and reach new heights together in 2010.

Albert Teo Hock Chuan
Chief Executive Officer

BOARD OF DIRECTORS

ALBERT TEO HOCK CHUAN

Chief Executive Officer

Mr Teo is the Chief Executive Officer of the Group. He was appointed as a Non-Executive Director of the Company in 1970 and an Executive Director in 1982. He was last re-elected in April 2009. He is also a member of the Nominating Committee.

Mr Teo was instrumental in spearheading the direction and development of the Group, including taking the Group public in August 1997. He played a pivotal role in the Group's diversification strategy and broadened its earnings base through an expansion of its Asian presence and the establishment of specialty food services in Singapore. The widely-acclaimed Silk Road Restaurant at Amara Singapore, a brainchild of Mr Teo, has enjoyed brisk business since its opening in November 2001.

Mr Teo holds a Bachelor of Commerce degree from the University of Western Australia and is an Associate Member of the Institute of Chartered Accountants in Australia and the Institute of Chartered Secretaries and Administrators of London.

Mr Teo spent many years in the profession, firstly with an international public accounting firm then moving to a large listed group involved in wholesaling, manufacturing and retailing. Finally, he wrapped up his career, prior to joining the group, in the banking industry.

Currently, Mr Teo serves as a Management Committee of the Real Estate Developers' Association of Singapore (REDAS) as well as an Executive Board Member of the Singapore Hotel Association and Chairman of SHATEC.

SUSAN TEO GEOK TIN

Executive Director/ Company Secretary

Ms Teo has been an Executive Director of the Company since 1995 and has also been serving as the Company Secretary since 1989. She was last re-elected as director of the Company in April 2007. Ms Teo is overall responsible for the corporate affairs of the Group which include finance, treasury, company secretarial matters, human resource and administration. She played a major role in bringing the Group public in August 1997. Ms Teo holds a Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology and a Graduate Diploma in Computer Science from La Trobe University. She is an Associate Member of the Institute of Chartered Accountants in Australia, the Institute of Certified Public Accountants of Singapore and the Australian Computer Society.

LAWRENCE MOK KWOK WAH

Non-Executive Director

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

Mr Mok has more than 30 years of experience in the IT and Engineering industries. His experience includes financial and management accounting, treasury management, corporate planning, change management, general business management, quality process management and customer service operations management.

Mr Mok is the General Manager, Regional Operations of O'Connor's Holdings Pte Ltd. He holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia.

CHANG MENG TENG
Non-Executive, Independent Director

Mr Chang has been an Independent Director of the Group since July 1997 and also serves as the Audit Committee Chairman. He is also a member of both the Nominating and the Remuneration Committee.

Mr Chang was a Principal Officer of the General Manager's Office, Public Utilities Board and the Superintendent of the Electricity Department of the Board. He was awarded the Public Administration (Silver) Medal for his services in 1975.

Mr Chang is the Chairman of Squire Mech Pte Ltd, a firm of consulting mechanical & electrical engineers, for which he was the Managing Director for more than 20 years. He holds a Bachelor of Science (Honours) degree from the Strathclyde University and is a Hon. Fellow of the Institution of Engineers, Singapore. He is a Fellow of the Institution of Electrical Engineers, United Kingdom and the Society of Project Managers.

Mr Chang was President of the Institution of Engineers, Singapore and the Deputy Chairman of the Public Transport Council. He has served as a member of the boards of many government ministries and committees. Mr Chang is currently a Board Member of the Energy Market Company and the Ang Mo Kio-Thye Hwa Kuan Community Hospital. He is the Honorary Advisor (M & E and IT) of the Real Estate and Developers Association of Singapore and was appointed a Justice of The Peace in 1989. Mr Chang is currently the Immediate Past President of the Society of Project Managers.

RICHARD KHOO BOO YEONG
Non-Executive, Independent Director

Mr Khoo, an Independent Director on the Board, has been an Audit Committee member from September 2002. He serves as Chairman of Nominating & Remuneration Committees since his appointment in 2003.

An accomplished business leader and seasoned human resources practitioner with local and international business experience in the service, air transport, and knowledge industries, Mr Khoo is currently a Senior Fellow with The Idea Factory (Singapore) Pte Ltd. He was Corporate Advisor and independent consultant with China Xpress Pte Ltd; Director Finance, Administration & Programmes at The Methodist Church in Singapore and CEO of St Francis Methodist School (Private); and held varied senior posts with the Singapore Airlines group.

In his 29 years with the Singapore Airlines Group, Mr Khoo served in senior management positions. At corporate headquarters, he managed a broad spectrum of planning and operations functions including marketing, line operations, and human resource. Overseas postings included stints as country general manager for South-West USA, New Zealand and India. Postings to subsidiary and affiliated companies included assignments as Chief Executive of SATS Passenger Services, General Manager of SATS Apron & Passenger Services, and CEO of Service Quality (SQ) Centre Pte Ltd.

At the invitation of Government ministries, Mr Khoo served in national committees such as Manpower 21, SME 21, Singapore Learning Festival 2000 Steering Committee and Review of Tourism 21: Manpower & Image Committee.

Mr Khoo holds a Bachelor of Science (Honours) degree from the University of Malaya.

OPERATIONS REVIEW

Amara Sanctuary Resort, Sentosa
Lobby

For most of 2009, the global economy was in one of the most challenging financial environments. The effects of the financial crisis were felt across the globe and spread its influence over every industry. The challenging economic climate inevitably impacted our Group's performance for most of the year.

However, our dedicated efforts to position Amara as a leading premier integrated lifestyle group has seen us through the financial crisis smoothly. Correspondingly, we experienced a marked improvement in revenue performance in FY2009 as compared to FY2008.

Our revenue increased 44% from S$71.4 million to S$102.7 million, for the full year ended December 31, 2009. In addition, we achieved a 79% increase in revenue to S$64.6 million in the first half of FY2009 as compared to the same corresponding period of the previous year. This came as a result of higher sales of property development units. Our net profit fell marginally by 6% to S$11.3 million. This was due to lower revenue generated from our Hotel Investment and Management segment.

HOTEL INVESTMENT AND MANAGEMENT

Amara Sanctuary Resort, Sentosa
Colonial Suites

The regional tourism and travel sector took a hit from the global economic slowdown, with impact felt for most of 2009. Revenue Per Available Room registered a fall, in line with the poor outlook of the tourism sector. Despite this, our Hotel Investment and Management segment, which made up 38% of total revenue in FY2009, achieved a profit of S$4.0 million.

We have noted that the target for Singapore tourism receipts is 41% - 49% higher in 2010 than the $12.4 billion chalked up in 2009, with the Singapore Tourism Board expecting this year's visitor figures and receipts to increase to between 11.5 to 12.5 million or S$17.5 to S$18.5 billion respectively. This compares with a total of 9.7 million visitors last year, with S$12.4 billion in receipts.

With visitor arrivals to Singapore having shown significant signs of improvement and with the newly opened Resorts World Sentosa and Universal Studios, we are optimistic that there will be improved contributions from our Hotel Investment and Management segment.

Amara Sanctuary Resort, Sentosa Wins

- URA Architectural Heritage Awards (Category A)
- Best Resort - AsiaOne People's Choice Awards

The Amara Sanctuary Resort, Sentosa was conferred the prestigious 2007 URA Architectural Heritage Awards (Category A), in recognition of its efforts in building conservation. We are also delighted that Amara Sanctuary Resort, Sentosa has been voted Best Resort by AsiaOne People's Choice 2009, excelling amongst other renowned names.

PROPERTY INVESTMENT AND DEVELOPMENT

Our Property Investment and Development segment performed well this financial year, achieving a profit of S$11.7 million in FY2009, due to the higher sales of property development units. Revenue from this segment surged by 304% from S$14.7 million in FY2008 to S$59.5 million in FY2009. This made up 58% of total revenue.

In line with the growth of broad-based interests and demand across the property market, the residential market continues to show improvement. We currently have projects under progress, but contribution from the Property Investment and Development segment is not expected to be significant for the year ahead.

The Adobe at Devonshire

From top to bottom:
Amara Corporate Tower
The Linear Kitchen

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services segment registered revenue of S$3.7million and a marginal loss of S$0.2 million in FY2009. This segment made up the remaining 4% of the Group's revenue. Despite the challenges of the economic downturn, our concept restaurants, Thanying Restaurant at Amara Singapore, Thanying Restaurant at Amara Sanctuary Resort, Sentosa, Silk Road Restaurant at Amara Singapore as well as Silk Road of the Sea at Palawan Beach continue to remain resilient.

As the economy picks up, we see good prospects for our Specialty Restaurants and Food Services segment. Regardless of the economic conditions, we will continue to be dedicated in attaining excellent food quality and good customer service to improve patronage at our restaurants.

Thanying Resturant
Interior

A COMMITMENT TO HIGH QUALITY STANDARDS

Silk Road of the Sea, Palawan Beach, Sentosa
Interior

Notwithstanding the challenging economic landscape, our Hotel Investment and Management segment and the Specialty Restaurant and Food Services segment took the opportunity to raise service standards and explore new technologies to enhance management and operations efficiencies and service deliveries.

During the year under review, Silk Road Restaurant embarked on the Customer Centric Initiative (CCI) with the objective to be a leader in raising the service standards in the Food and Beverage industry. In accomplishing the goals of this initiative, Silk Road Restaurant achieved higher guest satisfaction levels in the restaurant and a 7.4% improvement in our regular mystery shopper audit results. In 2009, we reviewed our processes to support our strategy to maximise customer satisfaction and engagement. These processes were enhanced to systematically track customer feedback in order to assist our restaurant operations to consistently improve and raise guest satisfaction levels. Silk Road Restaurant achieved an improved 93% guest satisfaction level, 5.6% higher than before this initiative.

Overall, Silk Road Restaurant was recertified by SPRING Singapore as a S-Class organization with an improved score for its commitment to deliver a high quality customer service experience. Our restaurant is one of the few restaurants in Singapore to receive the S-Class certification.

Amara Singapore, our flagship city centre hotel, also took part in the Customer Centric Initiative with the objective of optimising workforce competencies and improving management efficiencies. In 2009, Amara Singapore adopted the MPSS system, a state-of-the-art technology that uses biometric technology to implement a more efficient and secured Time Management System. This system includes the capability to plan and automate the associates rostering process, enabling an effective method to allocate resources to increase efficiency and better cater to guests' needs. Amara is the first hotel in Singapore to implement this system for talent management and to build up a high competency level of hotel associates across all levels.

In addition, we developed and implemented trainings for our associates to continuously equip them with skills and knowledge to deliver the signature Amara Service Promise. This is a re-inforcement of our commitment to deliver high quality customer service. In 2009, Amara Singapore was also recertified as a Singapore S-Class organization for our consistent service delivery and innovative product offerings.

Amara Singapore
Guestroom

RIDING ON THE IMPROVING ECONOMIC TREND

Amara Sanctuary Resort, Sentosa,
MICE Lobby

Going forward, we will focus on achieving performance and sustainability in Amara's three core pillars – Hotel Investment and Management, Property Investment and Development and Specialty Restaurants and Food Services. We will also continue to commit our energies on establishing our position locally and exploring viable opportunities in the region, in order to expand our footprint as an integrated lifestyle group.

The Group will take hold of the opportunities that the improving economy presents, and continue to strengthen its portfolio in the property, hotel, specialty restaurants and food services sector.

AMARA ACCOLADES

HOTEL INVESTMENT & MANAGEMENT

AMARA SANCTUARY RESORT, SENTOSA

The Best Hotels - Resorts Award
Awarded by Singapore Tatler The Best of Singapore 2010

Best Resort
Awarded by AsiaOne People's Choice Awards 2009

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

AMARA SINGAPORE

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

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

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

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

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

Singapore Service Class 2006-2013
Awarded by SPRING Singapore

Finalist (HAPA)
Signature Deluxe Hotel 2008-2010
Awarded by Hospitality Asia Platinum Awards Regional Series

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

Excellent Service Awards 2008
Awarded by SPRING Singapore

SHA Courtesy Award 2008
Awarded by Singapore Hotel Association

Finalist for Award for Excellence 2006-2007
- Deluxe Hotel
- Best Housekeeping Department

Awarded by Hospitality Asia Platinum Awards

Award for Excellence 2004-2005
- Deluxe Hotel

Awarded by Hospitality Asia Platinum Awards

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

Awarded by Hospitality Asia Platinum Awards

Excellent Service Award 2003-2006
Awarded by Singapore Hotel Association and SPRING Singapore

Service Gold National Courtesy Award 2003
Awarded by Singapore Hotel Association

Superior Service Award 1995 & 2003
Awarded by Interval International

Five Star Recognition Award 1987
Awarded by Interval International

ELEMENT

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

Singapore's Top Restaurants 2004 & 2007
Awarded by Wine & Dine

ALPHABET

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

Finalist for Award for Excellence in Hospitality 2004-2005
Awarded by Hospitality Asia Platinum Awards

HUE RESTOBAR

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

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

Singapore's Top Restaurant 2007 & 2009
Awarded by Wine & Dine

PROPERTY INVESTMENT & DEVELOPMENT

THE LINEAR

Awards for website design www.thelinear.com

Creative Circle Awards (CCA) Singapore 2003

Craft – Illustration: GOLD

Craft – Art Direction: BRONZE

Craft – Flash: BRONZE

Craft – Sound: BRONZE

Corporate Image
(Business to Consumer) – Individual: BRONZE

SPECIALTY RESTAURANTS & FOOD SERVICES

THANYING RESTAURANT

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

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

Singapore Service Star 2009
Awarded by Singapore Tourism Board

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

Singapore's Best Restaurants 1992-2009
Awarded by Singapore Tatler

Singapore's Top Restaurants 1997-2009
Awarded by Wine & Dine

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

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

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

Excellence in Service Asian Restaurant 1993
Awarded by Singapore Tourism Board

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

SILK ROAD RESTAURANT

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

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

Healthier Restaurant Award 2009-2010
Awarded by Health Promotion Board

Singapore Service Star 2009
Awarded by Singapore Tourism Board

Singapore's Best Restaurants 2003-2009
Awarded by Singapore Tatler

Singapore's Top Restaurants 2003-2009
Awarded by Wine & Dine

SuperStar Finalist Excellent Service Award 2008
Awarded by SPRING Singapore

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

6 Gold Excellent Service Awards 2007
Awarded by SPRING Singapore

Singapore Service Class 2006-2012
Awarded by SPRING Singapore

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

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

A Great Table of Singapore 2003-2005
Awarded by Tables

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

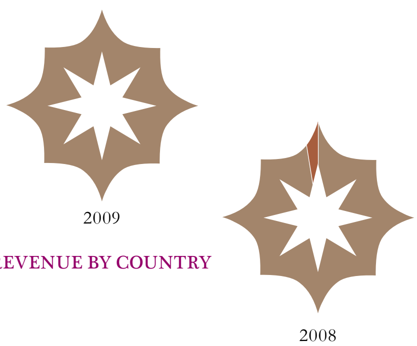
National Model for Work Redesign 2002
Awarded by SPRING Singapore

Editor's Choice
IS Magazine

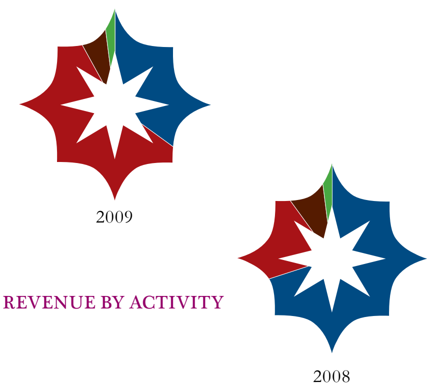
FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December 2009

	FY 2009 S$000	FY 2008 S$000
INCOME STATEMENT		
Revenue	102,679	71,429
Profit before tax	11,968	14,941
Income tax expense	(713)	(2,956)
Profit for the financial year	11,255	11,985
FINANCIAL RATIOS	%	%
Profit for the year as percentage of revenue	10.96	16.78
Gearing ratio	41.39	48.56
PER SHARE UNIT	Cents	Cents
Earnings per share	1.95	2.08
Net tangible assets per share	32.31	30.85
Net assets value per share	32.52	31.06
REVENUE BY COUNTRY (%)	%	%
Singapore	100	97.43
Vietnam	0	2.57
	100.00	100.00
REVENUE BY ACTIVITY (%)	%	%
Hotel Investment & Management	38.44	73.37
Property Investment & Development	57.97	20.61
Specialty Restaurants & Food Services	3.58	6.01
Others	0.01	0.01
	100.00	100.00

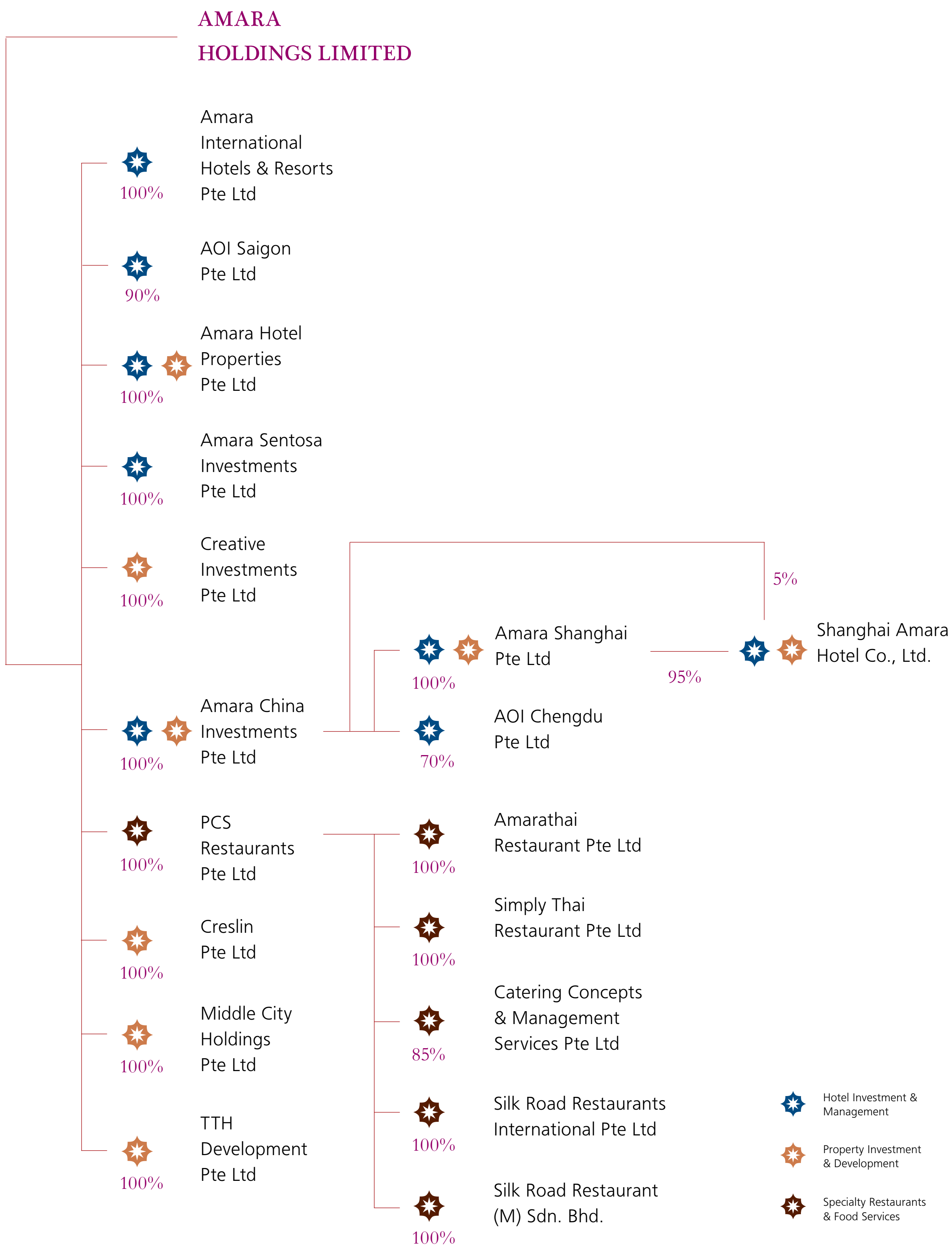


REVENUE BY COUNTRY



REVENUE BY ACTIVITY

CORPORATE STRUCTURE



This page have been left blank intentionally

Amara Holdings Limited
(Registration Number 197000732N)
100 Tras Street
#06-01 Amara Corporate Tower
Singapore 079027
Tel. 65 6879 2515 Fax. 65 6224 2660

corporate@amaraholdings.com
www.amaraholdings.com

Amara Holdings Limited

Annual Report 2009

Corporate Governance Report
& Financial Statements

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.

Set below are the policies and practices adopted and practised by the Group to comply with the principles and spirit of the Code of Corporate Governance 2005 ("the Code"). There are other sections of this annual report that have an impact on the compliance of disclosure requirements and these should be read together with this Corporate Governance Report.

Principle 1: The board's conduct of affairs

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

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

a) setting overall strategies and supervision of the Group's business and affairs to achieve the vision and mission of the Group;
b) approving the Group's corporate policies and internal guidelines for material transactions;
c) approving key operational issues and major investment and funding;
d) reviewing the financial performance of the Group;
e) approving the appointment of Board directors and appointments to the various Board committees; and
f) assuming responsibility for corporate governance.

The Board comprises a majority of non-executive directors, with relevant and diverse experiences necessary to contribute effectively and objectively to the Group. The Board meets at least four times a year and as warranted by circumstances, as deemed appropriate by the Board members. The Company's Articles of Association provide for telephone and other electronic means of meetings of the Board as encouraged by the Code. This facilitates the attendance and participation of directors at Board meetings, even though they may not be in Singapore. The Board is supported by the Audit, Nominating and Remuneration Committees. These committees are made up of wholly or predominantly non-executive directors and chaired by independent directors. The effectiveness of each committee is also constantly being reviewed by the Board. Other committees may be formed from time to time to look into specific areas as and when required. The number of Board and Committees meetings held and attendance of the directors at these meetings during the year are as follows:

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Albert Teo Hock Chuan	5	5	5*	5*	1	1	1*	1*
Chang Meng Teng	5	5	5	5	1	1	1	1
Susan Teo Geok Tin	5	5	5*	5*	1#	1#	1#	1#
Richard Khoo Boo Yeong	5	4	5	4	1	1	1	1
Lawrence Mok Kwok Wah	5	5	5	5	1*	1*	1	1

* By invitation # In attendance

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

Newly appointed directors are briefed by the Board to familiarise them with the Group's business and its strategic directions. Directors are provided with regular updates on the latest governance and listing policies. 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.

Principle 2: Board composition and guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of five directors, of whom three are non-executive directors of whom two are independent directors. The executive directors are Albert Teo Hock Chuan and Susan Teo Geok Tin. The non-executive director is Lawrence Mok Kwok Wah. The independent directors are Chang Meng Teng and Richard Khoo Boo Yeong. The independence of each director is reviewed annually by the Nominating Committee. The Board is of the view that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The Board will constantly examine its size with a view to determining its impact upon its effectiveness.

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

Particulars of interests of directors who held office at the end of the financial year in shares, debentures, and share options in the Company and in related corporations are set out in the Directors' Report on pages 10 to 14 of this annual report.

Principle 3: Chairman and chief executive officer

There should be a clear division of responsibilities at the top of the company - the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Albert Teo Hock Chuan is both the Chairman of the Board and the Chief Executive Officer ("CEO") of the Group. The Board believes that there is no need for the role of Chairman of the Board and the CEO to be separated as there is good balance of power and authority with all critical committees chaired by independent directors.

The CEO 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 Group 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 meeting and senior management staff (who are not executive directors) are in attendance at Board and Committees meetings whenever necessary.

Principle 4: Board membership

There should be a formal and transparent process for the appointment of new directors to the Board.

The Nominating Committee ("NC") comprises:

- Richard Khoo Boo Yeong (Chairman)
- Albert Teo Hock Chuan
- Chang Meng Teng

The Board's structure, size and composition is reviewed annually by the NC. The NC is responsible for identifying and selecting members of the Board of Directors for the purpose of proposing such nominations to the Board for its approval. Final approval of a candidate for directorship is determined by the Board.

The Committee 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 NC is also charged with determining annually whether a director is independent.

Where a director has multiple board representations, the NC will evaluate whether the director is able to carry out and has been adequately carrying out his or her duties as director of the Company.

Principle 4: Board membership (continued)

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance, independence or re-nomination as director.

Currently, the Company's Articles of Association provide that one third of the ordinary 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.

The NC is satisfied that each individual director has allocated sufficient time and resources to the affairs of the Company.

Key information regarding the directors is set out in the 'Board of Directors' section of this annual report.

Principle 5: Board performance

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole and of individual director.

The NC assesses the effectiveness of the Board and the contribution by each director annually taking into account the performance criteria as well as the director's ability in resolving critical issues.

Principle 6: Access to information

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

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

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 the 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.

Principle 7: Procedures for developing remuneration policies

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

The Remuneration Committee ("RC") comprises:

- Richard Khoo Boo Yeong (Chairman)
- Chang Meng Teng
- Lawrence Mok Kwok Wah

The RC's principal functions are to:

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

All members of this Committee (including the Chairman) are independent non-executive directors, except for Lawrence Mok Kwok Wah who is a non-independent non-executive director.

Principle 8: Level and mix of remuneration

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Disclosure on remuneration

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

In setting the remuneration packages for the executive directors, the Company makes a comparative study of the remuneration packages in comparable industries and takes into account the performance of the Group and that of the executive directors. The performance related elements of remuneration is designed to align interests of the executive directors with those of shareholders.

For the current year, the Board has recommended a fee for non-executive directors which is subject to approval at the Annual General Meeting ("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 director.

The service agreements of the executive directors are of a fixed appointment period.

For competitive reasons, the Company is not disclosing each individual director's remuneration. Instead disclosures are made under the broad band of remuneration as follows:

	No. of Directors	
Remuneration band	**2009**	2008
S$750,000 and above	**1**	1
S$500,000 to below S$750,000	**–**	–
S$250,000 to below S$500,000	**1**	1
Below S$250,000	**3**	3
Total	**5**	5

The Group currently adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of variable bonus that is linked to the Group and individual performance. Due to the highly competitive industry condition the Group operates in, it is not disclosing the remuneration of its key executives.

Two of the executives who earn more than S$150,000 each per annum are related to Albert Teo Hock Chuan, Susan Teo Geok Tin and Lawrence Mok Kwok Wah.

Principle 10: Accountability

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

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

Principle 11: Audit committee

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

Principle 12: Internal controls

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

Principle 13: Internal audit

The company should establish an internal audit function that is independent of the activities it audits.

The AC comprises three non-executive directors, two of whom, including the Chairman are independent. They are Chang Meng Teng (Chairman of the AC), Richard Khoo Boo Yeong and Lawrence Mok Kwok Wah. The AC had five meetings during the financial year. Key information regarding the AC members is given in the 'Board of Directors' section of the annual report.

The AC carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, and the Code, including the following:

- reviews with the external auditors, the audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of management, where necessary);
- reviews with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;
- reviews any significant findings of internal investigations and management's response;
- makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of management integrity;
- reviews quarterly reporting to SGX-ST and year end financial statements of the Group before submission to the Board, focusing on
    - going concern assumption;
    - compliance with financial reporting standards and regulatory requirements;
    - any changes in accounting policies and practices;
    - significant issues arising from the audit;
    - major judgemental areas; and
- any other functions which may be agreed by the AC and the Board.

Principle 11: Audit committee (continued)
Principle 12: Internal controls (continued)
Principle 13: Internal audit (continued)

The AC ensures that a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. The AC has free and independent access to the external auditors and the internal auditors, and other senior management staff for information that it may require. It has full discretion to invite any director and executive officer to attend its meetings. The AC is satisfied with the assistance given by the Group's officers to the audit functions. The AC has also 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. Where the external auditors also provide significant amount of non-audit services, the AC will undertake a review of such services to be satisfied that they would not affect the independence and objectivity of the external auditors.

The Group has outsourced the internal audit function.

Key business risks identified in the course of audit and plans to address these risks are communicated to the Management accordingly and tabled for discussion at AC meetings with updates by the Management on the status of these action plans. The AC has reviewed the Group's material internal controls, including financial, operational and compliance controls, and risk management policies and is satisfied that there are adequate internal controls in place. The Board is satisfied that existing internal controls and risk management systems are adequate.

Principle 14: Communication with shareholders

Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Greater shareholder participation

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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

The Company has also retained the services of a Public Relations firm to assist in its communication with the shareholders. The Articles of the Company permit a shareholder to appoint one or two proxies to attend AGM and vote in his stead. At the AGM, shareholders are given the opportunity to express their views and ask the Board and the Management questions about the Group.

DEALING IN SECURITIES

The Company has adopted the SGX-ST best practices on dealings in securities in its Internal Code of Dealings in Securities ("Internal Code") to prescribe the internal regulations pertaining to the securities of the Company. The Internal Code prohibits securities dealings by directors and employees while in possession of price-sensitive information. The directors and these employees are also prohibited from dealing in the securities of the Company during the period commencing two weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's annual results and ending on the date of announcement of the results.

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.

The aggregate value of interested person transactions entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
Yi Ning Restaurants Pte Ltd	110	0

FINANCIAL STATEMENTS

The directors present their report to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2009.

DIRECTORS

The directors of the Company in office at the date of this report are:

Albert Teo Hock Chuan
Chang Meng Teng
Susan Teo Geok Tin
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related companies, except as follows:

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2009	At 1.1.2009	**At 31.12.2009**	At 1.1.2009
	Number of ordinary shares			
The Company				
Albert Teo Hock Chuan	**1,000**	1,000	**308,156,010**	308,156,010
Chang Meng Teng	**10,000**	10,000	**–**	–
Susan Teo Geok Tin	**83,030**	83,030	**308,146,010**	308,146,010
Lawrence Mok Kwok Wah	**660,030**	660,030	***308,508,010**	*308,508,010

* Mr Lawrence Mok Kwok Wah is deemed to have an interest in 308,146,010 Amara Holdings Limited's shares held or controlled by Firstrust Equity Pte Ltd by reason of the interest of his spouse and her associates in that company. Further, his spouse holds 362,000 Amara Holdings Limited's shares personally.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2009	At 1.1.2009	**At 31.12.2009**	At 1.1.2009
	Number of ordinary shares			
Ultimate holding company				
First Security Pte Ltd				
Albert Teo Hock Chuan and Susan Teo Geok Tin	**10,000,000**	10,000,000	**–**	–
Immediate holding company				
Firstrust Equity Pte Ltd				
Albert Teo Hock Chuan	**–**	–	**5,171,935**	5,171,935
Susan Teo Geok Tin	**674,600**	674,600	**5,171,935**	5,171,935
Lawrence Mok Kwok Wah	**–**	–	**1,349,200**	1,349,200
Related company				
Amara Ventures Pte Ltd				
Albert Teo Hock Chuan	**85**	85	**9,302**	9,302
Susan Teo Geok Tin	**–**	–	**9,302**	9,302
Lawrence Mok Kwok Wah	**–**	–	**9,302**	9,302

(b) Mr Albert Teo Hock Chuan and Ms Susan Teo Geok Tin, by virtue of their being entitled to control the exercise of not less than 20% of the votes attached to voting shares in the Company as recorded in the register of directors' shareholdings, are each deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in shares held by the Company in the subsidiaries set out below. Mr Lawrence Mok Kwok Wah is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiaries by virtue of the interest of his spouse and her associates being entitled to exercise not less than 20% of the votes attached to voting shares in the Company.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2009	At 1.1.2009	**At 31.12.2009**	At 1.1.2009
	Number of ordinary shares			
Subsidiaries				
Catering Concepts & Management Services Pte Ltd				
Albert Teo Hock Chuan	**–**	–	**170,000**	170,000
Susan Teo Geok Tin	**–**	–	**170,000**	170,000
Lawrence Mok Kwok Wah	**–**	–	**170,000**	170,000
AOI Chengdu Pte Ltd				
Albert Teo Hock Chuan	**–**	–	**70,000**	70,000
Susan Teo Geok Tin	**–**	–	**70,000**	70,000
Lawrence Mok Kwok Wah	**–**	–	**70,000**	70,000
AOI Saigon Pte Ltd				
Albert Teo Hock Chuan	**–**	–	**3,780,000**	3,780,000
Susan Teo Geok Tin	**–**	–	**3,780,000**	3,780,000
Lawrence Mok Kwok Wah	**–**	–	**3,780,000**	3,780,000
	Number of ordinary shares partially paid			
AOI Saigon Pte Ltd				
Albert Teo Hock Chuan	**–**	–	**5,083,947**	5,083,947
Susan Teo Geok Tin	**–**	–	**5,083,947**	5,083,947
Lawrence Mok Kwok Wah	**–**	–	**5,083,947**	5,083,947

(c) The directors' interests in the share capital of the Company and of related companies as at 21 January 2010 were the same as at 31 December 2009.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the consolidated financial statements.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

MATERIAL CONTRACTS

No material contract involving the interests of any director or controlling shareholder of the Company has been entered into by the Company or any of its subsidiaries since the end of the financial year and no such contract subsisted at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee during the financial year and at the date of this report are:

Chang Meng Teng (Chairman)
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah

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

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

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

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including the following:

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

AUDIT COMMITTEE (continued)

- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of management integrity;
- reviews quarterly reporting to Singapore Exchange Securities Trading Limited ("SGX-ST") and year end financial statements of the Group before submission to the Board, focusing on
  - 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 judgemental areas; and
- any other functions which may be agreed by the Audit Committee and the Board.

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

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

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

(iii) compliance with legal and other regulatory requirements; and

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

The Audit Committee has nominated Baker Tilly TFWLCL for re-appointment as auditors of the Company at the forthcoming Annual General Meeting. The Audit Committee has conducted an annual review of non-audit services rendered by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors before confirming their re-nomination.

INDEPENDENT AUDITOR

The independent auditor, Baker Tilly TFWLCL, has expressed its willingness to accept re-appointment.

On behalf of the directors

ALBERT TEO HOCK CHUAN	**CHANG MENG TENG**
Director	Director

26 March 2010

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2009

In the opinion of the directors,

(a) 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 17 to 75 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

ALBERT TEO HOCK CHUAN	**CHANG MENG TENG**
Director	Director

26 March 2010

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

We have audited the accompanying financial statements of Amara Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 17 to 75, which comprise the statements of financial position of the Group and the Company as at 31 December 2009, and the consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes 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 profit and loss account and statements of financial position and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(a) the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFWLCL
Public Accountants and
Certified Public Accountants
Partner: Tay Guat Peng

Singapore
26 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2009

	Notes	The Group 2009 $'000	2008 $'000
Revenue	3	**102,679**	71,429
Other income	4	**2,521**	6,708
Finance costs	5	**(3,457)**	(6,231)
Changes in inventories of finished goods		**(114)**	79
Cost of properties sold/consumables used		**(47,934)**	(12,195)
Staff costs	9	**(15,925)**	(17,685)
Depreciation and impairment		**(6,083)**	(6,322)
Other expenses	6	**(19,719)**	(20,842)
Profit before tax	7	**11,968**	14,941
Income tax expense	10	**(713)**	(2,956)
Profit for the financial year and attributable to the equity holders of the Company		**11,255**	11,985
Other comprehensive income/(loss), after tax:			
Currency translation differences arising from translation of financial statements of foreign subsidiaries		**(628)**	1,702
Currency translation differences arising from disposal of a joint venture entity		**–**	(2,498)
Write back of deferred income tax liabilities due to change in tax rate		**118**	–
Fair value adjustment on available-for-sale financial assets		**580**	(776)
Disposal of available-for-sale financial assets		**(7)**	2
Other comprehensive income/(loss) for the financial year, net of tax		**63**	(1,570)
Total comprehensive income for the financial year		**11,318**	10,415
Earnings per ordinary share			
Basic and diluted (cents)	11	**1.95**	2.08

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2009

	Notes	The Group 2009 $'000	The Group 2008 $'000	The Company 2009 $'000	The Company 2008 $'000
Current assets					
Cash and bank balances	12	**24,621**	27,251	**39**	39
Trade and other receivables	13	**7,298**	10,845	**42,495**	42,671
Inventories	14	**522**	613	**–**	–
Development properties	15	**32,700**	58,539	**–**	–
Other current assets	16	**819**	1,053	**3**	3
		65,960	98,301	**42,537**	42,713
Non-current assets					
Available-for-sale financial assets	17	**1,467**	939	**185**	112
Intangible assets	18	**357**	357	**–**	–
Investment in subsidiaries	19	**–**	–	**38,377**	38,377
Investment properties	20	**185,306**	185,306	**–**	–
Property, plant and equipment	21	**141,646**	146,452	**–**	–
Goodwill	22	**844**	844	**–**	–
Other assets	23	**7,247**	7,358	**–**	–
Deferred income tax assets	24	**522**	578	**–**	–
		337,389	341,834	**38,562**	38,489
Total assets		**403,349**	440,135	**81,099**	81,202
Current liabilities					
Trade and other payables	25	**20,385**	24,080	**193**	671
Tax payables		**4,973**	4,708	**–**	–
Borrowings	26	**19,050**	37,611	**–**	–
		44,408	66,399	**193**	671
Non-current liabilities					
Trade and other payables	25	**1,999**	1,562	**–**	–
Borrowings	26	**138,071**	158,789	**–**	–
Deferred income tax liabilities	24	**31,235**	34,182	**–**	–
		171,305	194,533	**–**	–
Total liabilities		**215,713**	260,932	**193**	671
Net assets		**187,636**	179,203	**80,906**	80,531
Share capital	27	**125,646**	125,646	**125,646**	125,646
Reserves		**61,990**	53,557	**(44,740)**	(45,115)
Shareholders' equity		**187,636**	179,203	**80,906**	80,531

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2009

	Note	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings and other reserves*	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 January 2009		125,646	9,655	2,454	(774)	42,222	179,203
Total comprehensive income for the year		–	118	(628)	573	11,255	11,318
Dividend relating to 2008	28	–	–	–	–	(2,885)	(2,885)
Balance at 31 December 2009		**125,646**	**9,773**	**1,826**	**(201)**	**50,592**	**187,636**

	Note	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings and other reserves*	Total
		$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 January 2008		125,646	9,655	3,250	–	34,853	173,404
Total comprehensive income for the year		–	–	(796)	(774)	11,985	10,415
Dividend relating to 2007	28	–	–	–	–	(4,616)	(4,616)
Balance at 31 December 2008		125,646	9,655	2,454	(774)	42,222	179,203

* Includes other reserves of $112,000 as at 31 December 2009 (2008: $112,000).

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2009

	Note	Share capital	Accumulated losses	Fair value reserve	Other reserves	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
Balance at 1 January 2009		125,646	(45,993)	(48)	926	80,531
Total comprehensive income for the year		–	3,187	73	–	3,260
Dividend relating to 2008	28	–	(2,885)	–	–	(2,885)
Balance at 31 December 2009		**125,646**	**(45,691)**	**25**	**926**	**80,906**

	Note	Share capital	Accumulated losses	Fair value reserve	Other reserves	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
Balance at 1 January 2008		125,646	(44,541)	–	926	82,031
Total comprehensive income for the year		–	3,164	(48)	–	3,116
Dividend relating to 2007	28	–	(4,616)	–	–	(4,616)
Balance at 31 December 2008		125,646	(45,993)	(48)	926	80,531

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Cash flows from operating activities			
Profit before tax		**11,968**	14,941
Adjustments for:			
Gain on disposal of interest in joint venture entity		**–**	(3,634)
Amortisation of other assets		**111**	83
Impairment of property, plant and equipment		**–**	43
Impairment of investment property		**–**	39
Exchange difference		**524**	(114)
Depreciation of property, plant and equipment		**6,083**	6,240
Income from financial assets		**(36)**	(84)
Interest income		**(53)**	(557)
Interest expense		**3,457**	6,231
Loss on disposal of property, plant and equipment		**302**	–
Financial assets at fair value through profit or loss – fair value loss		**–**	248
Gain on disposal of available-for-sale financial assets		**(7)**	(9)
Property, plant and equipment written off		**143**	19
Operating cash flow before working capital changes		**22,492**	23,446
Changes in operating assets and liabilities:			
Inventories		**91**	(72)
Receivables		**3,806**	15,738
Payables		**(3,209)**	(3,609)
Financial assets at fair value through profit or loss		**–**	108
Development properties		**25,839**	4,299
Cash generated from operations		**49,019**	39,910
Income tax paid (net)		**(3,221)**	(6,303)
Net cash generated from operating activities		**45,798**	33,607
Cash flows from investing activities			
Net proceeds from disposal of interest in joint venture entity (Note A)		**–**	15,924
Proceeds from sale of available-for-sale financial assets		**47**	50
Purchase of available-for-sale financial assets		**(20)**	–
Payments for property, plant and equipment (Note B)		**(2,185)**	(3,205)
Payments for other assets		**–**	(1,700)
Proceeds from disposal of property, plant and equipment		**184**	–
Income received from quoted equity investments		**36**	84
Interest received		**53**	557
Net cash (used in)/generated from investing activities		**(1,885)**	11,710

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the financial year ended 31 December 2009

	Note	2009 $'000	2008 $'000
Cash flows from financing activities			
Bank balance secured for financing		**(2,048)**	600
Interest paid		**(3,457)**	(6,231)
Dividends paid to shareholders of Amara Holdings Limited		**(2,885)**	(4,616)
Repayment of finance lease liabilities		**(783)**	(667)
Net repayment of bank borrowings		**(38,869)**	(18,943)
Net cash used in financing activities		**(48,042)**	(29,857)
Net (decrease)/increase in cash and cash equivalents held		**(4,129)**	15,460
Cash and cash equivalents at beginning of financial year		**27,026**	11,452
Effects of exchange rate changes on cash and cash equivalents		**(524)**	114
Cash and cash equivalents at end of financial year	12	**22,373**	27,026

Note A

The attributed net assets and proceeds from disposal of interest in joint venture entity, net of cash disposed of in 2008 were as follows:

	2008 $'000
Property, plant and equipment	16,633
Net current liabilities	(14,863)
Attributed net assets disposed	1,770
Foreign currency translation reserve released upon disposal of interest in joint venture entity	(2,498)
Adjustment for advances to joint venture entity	16,874
Gain on disposal of interest in joint venture entity	3,634
Consideration for disposal, net of transaction cost	19,780
Cash and bank balances of joint venture entity disposed	(3,856)
Net proceeds from disposal of interest in joint venture entity	15,924

Note B

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $2,583,000 (2008: $3,650,000) of which $398,000 (2008: $445,000) was financed by means of finance lease. Cash payment of $2,185,000 (2008: $3,205,000) was made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements.

Independent Auditor's Report - Page 16

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Amara Holdings Limited (the "Company") (Co. Reg. No. 197000732N) is incorporated and domiciled in Singapore and is listed on the SGX-ST. The address of its registered office is:

100 Tras Street #06-01
Amara Corporate Tower
Singapore 079027

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 19 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year.

The adoption of these new and revised FRS has no material effect on the financial statements, except for the adoption of the following new or revised FRS which are relevant to the Group:

(i) FRS 1 (revised) Presentation of Financial Statements

The revised FRS 1 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. The Group has chosen the former alternative.

The 'Balance Sheets' and 'Consolidated Cash Flow Statement' have been re-titled to 'Statements of Financial Position' and 'Consolidated Statement of Cash Flows' respectively. There is no impact on prior year earnings per ordinary share and net asset value per ordinary share on adoption of the revised FRS 1.

(ii) FRS 108 Operating segments

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. The Group has determined that the reportable operating segments are the same as business segments previously identified under FRS 14. Additional disclosures as required by FRS 108 are shown in Note 37 including comparative information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(iii) Amendment to FRS 107 Improving disclosures about financial instruments

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy (See Note 33). The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Group.

At the reporting date, the following FRSs and Interpretations of FRS ("INT FRS") were issued, revised or amended but not effective:

FRS 27	Consolidated and Separate Financial Statements
FRS 103	Business Combinations
INT FRS 117	Distributions of Non-cash Assets to Owners
INT FRS 118	Transfer of Assets from Customers
Amendments to FRS 32	Classification of Rights Issues
Amendments to FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
Amendments to FRS 101	Additional Exemptions for First-time Adopters
Amendments to FRS 102	Share-based Payment – Group cash-settled Share-based Payment Transactions
Amendments to FRS 105	Non-Current Assets Held for Sale and Discontinued Operations
Improvements to FRSs 2009	

The Group anticipates that the adoption of these FRSs and INT FRSs (where applicable) in future periods will have no material impact to the financial statements in the period of initial application, except for FRS 27 and FRS 103 as indicated below.

(i) FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (revised) prospectively to transactions with minority shareholders from 1 January 2010.

(ii) FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to acquire a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (revised) prospectively to all business combinations from 1 January 2010.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant accounting estimates and judgements

The Group's accounting policies and use of estimates are integral to the reported results. Certain accounting estimates require exercise of management's judgement in determining the appropriate methodology for valuation of assets and liabilities. In addition, procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

(1) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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.

i) Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's current tax payables, deferred tax assets and deferred tax liabilities at 31 December 2009 were $4,973,000 (2008: $4,708,000), $522,000 (2008: $578,000) and $31,235,000 (2008: $34,182,000), respectively.

ii) Depreciation of property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 3 to 90 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2009 were $141,646,000 (2008: $146,452,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

(2) Critical judgements made to applying accounting policies

Operating lease commitments – As lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

Revenue comprises the fair value for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

(1) Hotel and restaurant operations and other services rendered

Revenue from hotel and restaurant operations is recognised when earned.

Revenue from rendering of services is recognised on the performance of services.

(2) Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

(3) Development properties for sale

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the buyer. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method. Under the percentage of completion method, profit is brought into the financial statements only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by reference to the contract costs incurred to-date to the estimated total construction costs for the contract or as per certification by architects. No revenue is recognised for unsold units.

(4) Management fee

Management fee income is recognised on an accrual basis.

(5) Dividend income

Dividend income is recorded gross when the right to receive payment is established.

(6) Interest income

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Group accounting

(1) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investment in subsidiaries is stated at cost less accumulated impairment losses in the Company's statement of financial position.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to Note 2(f) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the parent. It is measured at the minorities' share of the fair values of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are taken to profit or loss, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are taken to profit or loss until the minority's share of losses is fully recovered.

Please refer to Note 2(h) for the Company's accounting policy on impairment in investment of subsidiaries.

(2) Joint ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements by proportionate consolidation.

Proportionate consolidation involves combining the Group's share of joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture to the extent that it is attributable to the other venturers. The Group does not recognise its share of results from the joint ventures that arose from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

(3) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

All property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, except for operating supplies and capital project in progress that are not subjected to depreciation. All property, plant and equipment are stated at cost except for an once-off revaluation of the long leasehold land and buildings in 1987 by an external independent valuer. The Group does not have a fixed policy of revaluation.

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.

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

(1) Operating supplies

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

(2) Capital project in progress

Expenditure relating to the construction of the leasehold land and buildings, including interest expenses, are capitalised when incurred, up to the completion of construction. The interest rate applied to the funds provided for the construction of the leasehold land and buildings is arrived at by reference to the actual rate payable on borrowings taken to finance the construction.

(3) Depreciation

No depreciation is provided on capital project in progress. Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives. The annual rates used for this purpose are as follows:

	%
Freehold property	2
Leasehold land and buildings	1.1 – 5
Plant and machinery, furniture, fixtures and equipment	10 – 33⅓
Motor vehicles	20
Renovations	10

Where necessary, the residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate.

(4) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(5) Disposal

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss; any amount in revaluation reserve relating to that asset is transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries or joint ventures over the fair value of the Group's share of their identifiable net assets and contingent liabilities at the date of acquisition.

Goodwill on acquisitions of subsidiaries and joint ventures is recognised as intangible assets and is tested at least annually for impairment and carried at cost less accumulated impairment losses (Note 2(h)).

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(2) Negative goodwill

Negative goodwill represents the excess of the fair value of the Group's share of the net identifiable assets and contingent liabilities of the subsidiaries or joint ventures acquired over the cost of acquisition.

Negative goodwill is recognised in profit or loss in the year of acquisition.

(3) Club memberships

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

(g) Investment properties

Investment properties are properties held for long-term rental yield and are not substantially occupied by the Group. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, determined annually by independent professional valuers, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

(h) Impairment of assets

(1) Goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies of the business combination.

An impairment loss is recognised in the profit or loss when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is not reversed in subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

(2) Property, plant and equipment
Investment in subsidiaries and joint ventures

Property, plant and equipment and investment in subsidiaries and joint ventures are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(i) Financial assets

(1) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale, as appropriate. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and bank balances" on the statement of financial position.

ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

(2) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial assets (continued)

(3) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(4) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

Interest and dividend income on financial assets, available-for-sale are recognised separately in profit or loss.

(5) Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(6) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

(ii) Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through profit or loss. However, impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

(k) Development properties

(1) Completed properties held for sale

Completed properties held for sale are carried at the lower of cost and net realisable value. The assets are assigned by using specific identification. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

(2) Properties under development

Properties under development are stated at cost plus estimated profits to-date less progress billings. Allowance is made for foreseeable losses.

Cost includes cost of land and other direct and related development expenditure incurred in developing the properties.

Upon the issue of Temporary Occupation Permit, properties under development are transferred to completed properties held for sale.

Borrowing costs incurred to finance the development of such properties are capitalised during the period of time that is required to complete and prepare each property for its sale. Capitalisation of borrowing costs is suspended during extended period in which active development is interrupted.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Borrowing costs incurred to finance the development of properties under developments and property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

(n) Financial liabilities

Financial liabilities include trade and other payables and bank borrowings. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Leases

(1) When a group company is the lessee:

Finance leases

Leases of assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(2) When a group company is the lessor:

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(p) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries except where the timing of the reversal of temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Provisions

Provisions are recognised when the Group has a present obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(r) Employee benefits

(1) Employee leave entitlement

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

(2) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund in Singapore, and will have no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

(s) Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore dollars, which is the functional and presentation currency of the Company.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except for currency translation differences on net investment in foreign operations and borrowings qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements.

Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(3) Translation of Group entities' financial statements

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting date;

ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Foreign currency translation (continued)

On consolidation, currency translation differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities) and borrowings and other currency instruments designated as hedges of such investments are taken to the foreign currency translation reserve. When a foreign operation is disposed of, such exchange differences are taken to profit or loss as part of the gain or loss on disposal.

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

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

(u) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and unsecured fixed deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(v) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(w) Share capital

Ordinary shares are classified as equity.

(x) Dividend

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

(y) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. REVENUE

	The Group	
	2009	2008
	$'000	$'000
Room, food and beverage and other revenue	**43,149**	56,546
Rental income from investment properties	**9,051**	8,023
Revenue recognised on development properties	**50,470**	6,699
Hotel management fee	**–**	153
Income from available-for-sale financial assets	**9**	1
Income from financial assets at fair value through profit or loss	**–**	7
	102,679	71,429

4. OTHER INCOME

	The Group	
	2009	2008
	$'000	$'000
Other income		
- Government grant	**958**	–
- Gain on disposal of interest in joint venture entity	**–**	3,634
- Rental income	**244**	435
- Exchange gain	**–**	890
- Income from available-for-sale financial assets	**33**	26
- Income from financial assets at fair value through profit or loss	**–**	50
- Others	**1,233**	1,116
	2,468	6,151
Interest income		
- Joint venture entity	**–**	38
- Fixed deposits	**53**	519
	53	557
	2,521	6,708

5. FINANCE COSTS

	The Group	
	2009	2008
	$'000	$'000
Interest expense		
- Finance leases	**176**	209
- Bank loans and overdraft	**3,281**	6,022
	3,457	6,231

6. OTHER EXPENSES

Other expenses comprise utilities, repairs and maintenance, advertising and promotion and other miscellaneous expenses.

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	The Group	
	2009	2008
	$'000	$'000
Profit before tax is arrived at after:		
Charging/(Crediting):		
Allowance for doubtful trade receivables	**58**	75
Allowance for doubtful non-trade receivables	**2,740**	1
Allowance for doubtful receivables written back (trade)	**(13)**	(21)
Amortisation of other assets (Note 23)	**111**	83
Bad debts written off	**–**	765
Depreciation of property, plant and equipment (Note 21)		
- Freehold property	**10**	9
- Leasehold land and buildings	**1,823**	1,970
- Plant and machinery, furniture, fixtures and equipment	**2,022**	2,027
- Motor vehicles	**180**	184
- Renovations	**2,048**	2,050
Directors' fees	**102**	102
Financial assets at fair value through profit or loss		
– fair value loss	**–**	248
Fair value loss on investment property (Note 20)	**–**	39
Impairment of property, plant and equipment (Note 21)	**–**	43
Loss on disposal of property, plant and equipment	**302**	–
Net foreign exchange loss/(gain)	**597**	(890)
Other fees paid/payable to the auditors of the Company	**59**	81
Property, plant and equipment written off	**143**	19
Rental expense - operating leases	**1,004**	312

8. REMUNERATION BANDS OF DIRECTORS OF THE COMPANY

	The Group	
	2009	2008
Number of directors of the Company in remuneration bands:		
$750,000 and above	**1**	1
$500,000 to below $750,000	**–**	–
$250,000 to below $500,000	**1**	1
Below $250,000	**3**	3
Total	**5**	5

The depreciation charges relating to motor vehicles of the Group which were made available for the use of the directors were $79,000 (2008: $98,000). These amounts have been included in the remuneration of directors of the Company for the purposes of this Note.

9. STAFF COSTS

	The Group	
	2009	2008
	$'000	$'000
Wages and salaries	**13,762**	15,315
Employer's contribution to Central Provident Fund	**1,232**	1,365
Other benefits	**931**	1,005
	15,925	17,685

10. INCOME TAX EXPENSE

	The Group	
	2009	2008
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax		
- Singapore	**2,726**	3,135
- Foreign	**–**	15
	2,726	3,150
Deferred income tax (Note 24)	**(2,009)**	(175)
	717	2,975
Under/(over) provision in preceding financial years:		
- Current income tax	**760**	(19)
- Deferred income tax (Note 24)	**(764)**	–
	713	2,956

10. INCOME TAX EXPENSE (continued)

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

	The Group	
	2009	2008
	$'000	$'000
Profit before tax	**11,968**	14,941
Tax calculated at a tax rate of 17% (2008: 18%)	**2,035**	2,689
Expenses not deductible for tax purposes	**1,046**	4,455
Income not taxable	**(184)**	(4,277)
Deferred tax asset not recognised	**310**	193
Utilisation of deferred tax asset previously not recognised	**(583)**	–
Effect of change in tax rate	**(1,749)**	–
Others	**(158)**	(85)
	717	2,975

The corporate income tax applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009.

11. EARNINGS PER ORDINARY SHARE

	The Group	
	2009	2008
Profit after tax attributable to members of Amara Holdings Limited ($'000)	**11,255**	11,985
Number of ordinary shares in issue ('000)	**576,936**	576,936
Basic and diluted earnings per ordinary share (cents)	**1.95**	2.08

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

12. CASH AND BANK BALANCES

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**5,348**	3,619	**39**	39
Fixed deposits with financial institutions	**19,273**	23,632	**–**	–
	24,621	27,251	**39**	39

Included in the above are:-

(i) $37,000 (2008: $2,323,000) held under the Housing Developers (Project Account) Rules (1997 Ed), withdrawals from which are restricted to payments for project expenditure incurred.

(ii) $Nil (2008: $200,000) which a subsidiary is required to maintain as minimum cash balance with a bank.

(iii) $2,248,000 (2008: $Nil) which is charged to a bank by a subsidiary for financing facilities.

The carrying amounts of cash and bank balances approximate their fair values.

The Group's fixed deposits with financial institutions mature on varying dates within 1 month (2008: 3 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 December 2009 was 0.10% (2008: 0.87%) per annum.

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**4,893**	5,375	**39**	39
United States Dollar	**19,522**	21,849	**–**	–
Renminbi	**180**	8	**–**	–
Others	**26**	19	**–**	–
	24,621	27,251	**39**	39

12. CASH AND BANK BALANCES (continued)

For the purposes of the consolidated statement of cash flows, the year end consolidated cash and cash equivalents comprise the following:

	The Group	
	2009	2008
	$'000	$'000
Cash and bank balances	**24,621**	27,251
Less: Bank overdraft	**–**	(25)
Bank balances secured for financing activities (Note 26)	**(2,248)**	(200)
Cash and cash equivalents per consolidated statement of cash flows	**22,373**	27,026

13. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Third parties	**5,296**	6,064	**20**	26
- Related party	**240**	214	**–**	–
	5,536	6,278	**20**	26
Less: Allowance for doubtful trade receivables	**(1,233)**	(1,236)	**(17)**	(17)
Trade receivables - net	**4,303**	5,042	**3**	9
Non-trade receivables				
- Third parties	**5,535**	5,603	**–**	–
- Subsidiaries	**–**	–	**42,492**	42,662
- Minority shareholder of subsidiary	**258**	258	–	–
	5,793	5,861	**42,492**	42,662
Less: Allowance for doubtful non-trade receivables	**(2,798)**	(58)	**–**	–
Non-trade receivables - net	**2,995**	5,803	**42,492**	42,662
	7,298	10,845	**42,495**	42,671

13. TRADE AND OTHER RECEIVABLES (continued)

The amount due from a related party in which a close family member of a director has significant interest is unsecured and interest-free.

Concentrations of credit risks with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

The non-trade receivables of the Group and the Company are unsecured, interest-free and repayable on demand.

Included in the Group's non-trade receivable balance is amount due from a third party with a carrying amount of $2,740,000 (2008: $5,632,000) which is past due at the reporting date for which the Group has not provided for impairment as the amount is considered recoverable.

The carrying amounts of current trade and other receivables approximate their fair values.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**4,221**	4,821	**42,495**	42,671
United States Dollar	**1,203**	4,148	**–**	–
Renminbi	**1,874**	1,873	**–**	–
Others	**–**	3	**–**	–
	7,298	10,845	**42,495**	42,671

14. INVENTORIES

	The Group	
	2009	2008
	$'000	$'000
Food and beverage, at cost	**343**	458
Other hotel and catering supplies, at cost	**179**	155
	522	613

15. DEVELOPMENT PROPERTIES

	The Group	
	2009	2008
	$'000	$'000
Properties under development	**30,330**	14,491
Completed properties held for sale	**2,370**	44,048
	32,700	58,539

(a) Properties under development

	The Group	
	2009	2008
	$'000	$'000
Land and other related costs	**30,330**	14,491
Borrowing costs capitalised during the financial year	**356**	396

The weighted average effective interest rate of borrowing costs capitalised for the year ended 31 December 2009 is 2.43% (2008: 2.53%) per annum.

(b) Completed properties held for sale

	The Group	
	2009	2008
	$'000	$'000
Land and other related costs	**1,449**	20,501
Development costs	**921**	23,547
	2,370	44,048

As at 31 December 2009 and 2008, certain properties are mortgaged to banks to secure credit facilities as disclosed in Note 26.

15. DEVELOPMENT PROPERTIES (continued)

The Group's development properties as at 31 December 2009 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description	Interest (%)
(i)	9 Devonshire Road, Singapore	Freehold	Completed	253	Residential apartment	100
(ii)	Nos. 118 to 128 (even nos.) at Killiney Road, Singapore	Freehold	Under development/ 2011	2,604	Proposed a block of 6-storey apartments consisting 1st storey shophouses with 1 level basement carparks and swimming pool	100
(iii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2012	2,300	Proposed residential development of 1 block of about 11 storey apartments	100

16. OTHER CURRENT ASSETS

	The Group		The Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Deposits	**642**	825	**–**	–
Prepayments	**167**	210	**3**	3
Staff advances	**10**	18	**–**	–
	819	1,053	**3**	3

The carrying amounts of other current assets (excluding prepayments) approximate their fair values.

16. OTHER CURRENT ASSETS (continued)

Other current assets (excluding prepayments) are denominated in the following currencies:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**580**	762	**–**	–
Renminbi	**45**	46	**–**	–
Malaysia Ringgit	**27**	35	**–**	–
	652	843	**–**	–

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Quoted investments				
- Equity shares in corporation	**1,433**	913	**185**	112
- Quoted unit trust	**34**	26	**–**	–
	1,467	939	**185**	112

The market values of quoted investments are determined by reference to Stock Exchange quoted bid prices.

18. INTANGIBLE ASSETS

	The Group	
	2009	2008
	$'000	$'000
Club memberships	**532**	532
Less: Impairment loss	**(175)**	(175)
	357	357

19. INVESTMENT IN SUBSIDIARIES

	The Company	
	2009	2008
	$'000	$'000
Unquoted equity shares, at cost	**48,206**	48,206
Less: Impairment loss	**(9,829)**	(9,829)
	38,377	38,377

The movement in allowance for impairment loss is as follow:

	The Company	
	2009	2008
	$'000	$'000
At 1 January	**9,829**	9,229
Impairment made during the year	**–**	600
At 31 December	**9,829**	9,829

The subsidiaries of Amara Holdings Limited, which are directly or indirectly owned by the Company are as follows:

Name of subsidiary	Principal activities	Effective equity interest held by The Company		Effective equity interest held by Subsidiaries		Cost of Investment	
		2009	2008	**2009**	2008	**2009**	2008
		%	%	**%**	%	**$'000**	$'000
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	**100**	100	**–**	–	**20,000**	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	**100**	100	**–**	–	**1,000**	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	**100**	100	**–**	–	**6,704**	6,704
Creslin Pte Ltd	Property development and provision of construction services	**100**	100	**–**	–	**1,000**	1,000
PCS Restaurants Pte Ltd	Investment holding	**100**	100	**–**	–	**1,673**	1,673

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Effective equity interest held by The Company 2009 %	The Company 2008 %	Subsidiaries 2009 %	Subsidiaries 2008 %	Cost of Investment 2009 $'000	Cost of Investment 2008 $'000
Amara China Investments Pte Ltd	Investment holding	**100**	100	**–**	–	**–****	–**
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	**100**	100	**–**	–	**–****	–**
AOI Saigon Pte Ltd *	Hotelier, restaurateur and investment holding	**90**	90	**–**	–	**4,773**	4,773
Middle City Holdings Pte Ltd	Investment holding	**100**	100	**–**	–	**5,056**	5,056
Amara Sentosa Investments Pte Ltd	Hotelier, restaurateur and investment holding	**100**	100	**–**	–	**8,000**	8,000
Held by PCS Restaurants Pte Ltd							
Catering Concepts & Management Services Pte Ltd	Food & beverage caterer and proprietor of a food court	**–**	–	**85**	85	**–**	–
Silk Road Restaurants International Pte Ltd	Restaurateur and franchisor	**–**	–	**100**	100	**–**	–
Amarathai Restaurant Pte Ltd	Restaurateur	**–**	–	**100**	100	**–**	–
Simply Thai Restaurant Pte Ltd	Restaurateur	**–**	–	**100**	100	**–**	–
Silk Road Restaurant (M) Sdn Bhd	Restaurateur	**–**	–	**100**	100	**–**	–

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Effective equity interest held by The Company 2009 %	The Company 2008 %	Subsidiaries 2009 %	Subsidiaries 2008 %	Cost of Investment 2009 $'000	Cost of Investment 2008 $'000
Held by Amara China Investments Pte Ltd							
AOI Chengdu Pte Ltd	Hotelier and investment holding	**–**	–	**70**	70	**–**	–
Amara Shanghai Pte Ltd*	Investment holding	**–**	–	**100**	100	**–**	–
Shanghai Amara Hotel Co., Ltd.	Hotel development and ownership	**–**	–	**5**	5	**–**	–
Held by Amara Shanghai Pte Ltd							
Shanghai Amara Hotel Co., Ltd.	Hotel development and ownership	**–**	–	**95**	95	**–**	–
						48,206	48,206

* 1 ordinary share in each of AOI Saigon Pte Ltd and Amara Shanghai Pte Ltd is held by another fellow subsidiary in the Group.

** cost of less than $1,000.

All the subsidiaries' country of incorporation and place of business is in Singapore and audited by Baker Tilly TFWLCL, except for Shanghai Amara Hotel Co., Ltd. whose country of incorporation and place of business is in the People's Republic of China and audited by Shanghai Certified Public Accountants and Silk Road Restaurant (M) Sdn Bhd whose country of incorporation and place of business is in Malaysia and audited by Yeo & Associates, Chartered Accountants.

20. INVESTMENT PROPERTIES

	The Group	
	2009	2008
	$'000	$'000
At 1 January	**185,306**	185,345
Fair value loss adjustment	**–**	(39)
At 31 December	**185,306**	185,306

(a) Investment properties are stated at fair value, which has been determined based on valuations as at 31 December 2009. Valuation was performed by Chesterton Suntec International Pte Ltd, a firm of property consultants in December 2009, on certain of the Group's investment properties referred to as The Amara Shopping Centre and Amara Corporate Tower on the basis of open market value for existing use. It is the intention of the directors to hold the investment properties for long term.

(b) At the reporting date, The Amara Shopping Centre and Amara Corporate Tower with aggregate carrying amount of $185,000,000 (2008: $185,000,000) were mortgaged to banks to secure bank loans and bank facilities for the Group (Note 26).

(c) The Group's investment properties as at 31 December 2009 are set out below:

Address	Held by	Title	Gross floor area (sq m)	Description
165 Tanjong Pagar Road, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	10,192.4	The Amara Shopping Centre with 3 levels of basement carpark
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	4,780.6	Amara Corporate Tower, 12-storey office building
R6-J Block Rumbia Kampung Warisan, Jalan Jelatek, Kuala Lumpur, Malaysia	Creative Investments Pte Ltd	Freehold	125.7	A residential apartment

(d) In the consolidated statement of comprehensive income, rental income of $9,051,000 (2008: $8,023,000) was generated from investment properties, and direct operating expenses include $2,532,000 (2008: $2,981,000) relating to investment properties that generated rental income during the year.

21. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold property	Leasehold land and buildings	Plant and machinery, furniture, fixtures and equipment	Motor vehicles	Renovations	Operating supplies	Capital project in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation								
At 1 January 2009								
- Cost	491	96,547	21,814	965	21,750	3,130	6,243	150,940
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	148,747	21,814	965	21,750	3,130	6,243	203,140
Exchange rate adjustment	–	(616)	(3)	–	(1)	(1)	(84)	(705)
Additions, at cost	–	907	227	476	190	14	769	2,583
Disposals/write off	–	–	(383)	(325)	(438)	(71)	–	(1,217)
At 31 December 2009	**491**	**149,038**	**21,655**	**1,116**	**21,501**	**3,072**	**6,928**	**203,801**
Representing:								
- Cost	491	96,838	21,655	1,116	21,501	3,072	6,928	151,601
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	149,038	21,655	1,116	21,501	3,072	6,928	203,801
Accumulated depreciation and impairment								
At 1 January 2009	118	29,398	12,075	706	14,298	93	–	56,688
Exchange rate adjustment	–	(25)	(2)	–	(1)	–	–	(28)
Depreciation	10	1,823	2,022	180	2,048	–	–	6,083
Disposals/ write off	–	–	(182)	(325)	(71)	(10)	–	(588)
At 31 December 2009	**128**	**31,196**	**13,913**	**561**	**16,274**	**83**	**–**	**62,155**
Net carrying amount								
At 31 December 2009	**363**	**117,842**	**7,742**	**555**	**5,227**	**2,989**	**6,928**	**141,646**

21. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	Freehold property	Leasehold land and buildings	Plant and machinery, furniture, fixtures and equipment	Motor vehicles	Renovations	Operating supplies	Capital project in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation								
At 1 January 2008								
- Cost	491	118,356	22,237	1,041	20,050	3,620	6,083	171,878
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	170,556	22,237	1,041	20,050	3,620	6,083	224,078
Exchange rate adjustment	–	552	(101)	(10)	(26)	(33)	228	610
Disposal of interest in joint venture entity	–	(22,670)	(1,561)	(66)	(131)	(711)	–	(25,139)
Additions, at cost	–	309	1,532	–	1,146	243	420	3,650
Disposals/ write off	–	–	(40)	–	(1)	(18)	–	(59)
Transfer	–	–	(253)	–	712	29	(488)	–
At 31 December 2008	491	148,747	21,814	965	21,750	3,130	6,243	203,140
Representing:								
- Cost	491	96,547	21,814	965	21,750	3,130	6,243	150,940
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	148,747	21,814	965	21,750	3,130	6,243	203,140
Accumulated depreciation and impairment								
At 1 January 2008	109	34,796	11,559	558	12,258	93	–	59,373
Exchange rate adjustment	–	(318)	(93)	(7)	(4)	–	–	(422)
Depreciation	9	1,970	2,027	184	2,050	–	–	6,240
Disposal of interest in joint venture entity	–	(7,050)	(1,419)	(29)	(8)	–	–	(8,506)
Disposals/ write off	–	–	(39)	–	(1)	–	–	(40)
Impairment	–	–	40	–	3	–	–	43
At 31 December 2008	118	29,398	12,075	706	14,298	93	–	56,688
Net carrying amount								
At 31 December 2008	373	119,349	9,739	259	7,452	3,037	6,243	146,452

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group has property, plant and equipment under finance lease agreements with the following net carrying amount:

	2009 $'000	2008 $'000
Plant and machinery, furniture, fixtures and equipment	**1,529**	1,826
Operating supplies	**707**	707
Motor vehicles	**543**	247
	2,779	2,780

(b) At the reporting date, the net carrying amount of certain freehold property, leasehold land and buildings and renovation of the Group mortgaged to banks to secure bank borrowings amounted to $91,353,000 (2008: $94,153,000) (Note 26).

(c) The Group's leasehold land and buildings include borrowing costs incurred in connection with the construction of properties.

(d) One of the Group's leasehold land and buildings, known as the Amara Hotel, located at Tanjong Pagar Road, Singapore which has a lease period of 99 years commencing from 1979 is stated at valuation at 31 December 1987 based on an independent professional valuation carried out by Knight Frank Pte Ltd, a firm of property consultants, on 8 March 1988 on the basis of open market value for existing use. The revaluation surplus was transferred to the asset revaluation reserve.

If the leasehold land and buildings stated at valuation had been included in the financial statements at cost less depreciation, the net carrying amount would have been $22,020,000 (2008: $22,344,000).

(e) The Group's properties as at 31 December 2009 are set out below:

	Address	Held by	Title	Description
(i)	165 Tanjong Pagar Road, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	Amara Singapore a 380-guestroom hotel
(ii)	12 Hoot Kiam Road, Singapore	Amara Hotel Properties Pte Ltd	Freehold	A 2-storey pre-war intermediate terrace house
(iii)	582 and 600 Chang Shou Road, Shanghai, People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Leasehold 40 years commencing May 1997 and July 2004 respectively	Proposed mixed development comprising a 360-guestroom hotel, commercial and office components
(iv)	1 Larkhill Road, Sentosa, Singapore	Amara Sentosa Investments Pte Ltd	Leasehold 70 years commencing January 2005	Resort hotel development comprising 121 guestrooms, suites and villas

22. GOODWILL

	The Group	
	2009	2008
	$'000	$'000
Goodwill arising on consolidation		
Cost	**889**	889
Less: Accumulated impairment loss	**(45)**	(45)
	844	844

23. OTHER ASSETS

	The Group	
	2009	2008
	$'000	$'000
Prepayment		
At 1 January	**7,358**	5,741
Additions	**–**	1,700
Amortisation	**(111)**	(83)
At 31 December	**7,247**	7,358

24. DEFERRED INCOME TAXES

The movements in the deferred income taxes account are as follows:

	The Group	
	2009	2008
	$'000	$'000
At 1 January	**33,604**	33,779
Effect of change in Singapore tax rate		
- profit or loss	**(1,749)**	–
- equity	**(118)**	–
Tax credited to profit or loss		
- current year	**(260)**	(175)
- prior year	**(764)**	–
At 31 December	**30,713**	33,604

Deferred tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and unabsorbed capital allowances of $440,000 (2008: $286,000) and $46,000 (2008: $43,000) respectively 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. These tax losses have no expiry date.

24. DEFERRED INCOME TAXES (continued)

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

The Group

Deferred income tax liabilities

	Accelerated tax depreciation	Investment properties	Unremitted foreign sourced income	Asset revaluation reserve	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2009	5,577	24,006	1,745	2,120	1,121	34,569
Effect of change in Singapore tax rate						
- profit or loss	(310)	(1,334)	(97)	–	(62)	(1,803)
- equity	–	–	–	(118)	–	(118)
Credited to profit or loss	(15)	–	(638)	–	(654)	(1,307)
At 31 December 2009	**5,252**	**22,672**	**1,010**	**2,002**	**405**	**31,341**
At 1 January 2008	5,411	24,006	2,083	2,120	1,534	35,154
Charged/(credited) to profit or loss	166	–	(338)	–	(413)	(585)
At 31 December 2008	5,577	24,006	1,745	2,120	1,121	34,569

Deferred income tax assets

	Tax losses	Capital allowances	Others	Total
	$'000	$'000	$'000	$'000
At 1 January 2009	(665)	(3)	(297)	(965)
Effect of change in Singapore tax rate				
- profit or loss	37	1	16	54
Charged to profit or loss	–	2	281	283
At 31 December 2009	**(628)**	**–**	**–**	**(628)**
At 1 January 2008	(646)	(19)	(710)	(1,375)
(Credited)/charged to profit or loss	(19)	16	413	410
At 31 December 2008	(665)	(3)	(297)	(965)

24. DEFERRED INCOME TAXES (continued)

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

	The Group	
	2009	2008
	$'000	$'000
Deferred income tax assets	**(522)**	(578)
Deferred income tax liabilities	**31,235**	34,182
	30,713	33,604

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Current				
Trade payables	**4,870**	6,065	**–**	–
Due to subsidiaries	**–**	–	**1**	1
Due to related parties	**101**	124	**–**	–
Accrued operating expenses	**11,150**	10,991	**190**	557
Accrued construction costs	**1,608**	3,022	**–**	–
Sundry payables	**1,189**	1,783	**2**	113
Deposits received	**1,467**	2,095	**–**	–
	20,385	24,080	**193**	671

The amounts due to subsidiaries and related parties are unsecured, interest-free and repayable on demand.

The carrying amounts of current trade and other payables approximate their fair values.

25. TRADE AND OTHER PAYABLES (continued)

(b) Non-current

	The Group	
	2009	2008
	$'000	$'000
Advances from minority shareholder of subsidiary	**1**	1
Deposits received	**1,998**	1,561
	1,999	1,562

The advances from minority shareholder of subsidiary are unsecured, interest-free and not expected to be repaid within the next 12 months from the reporting date.

The fair values of non-current trade and other payables are as follows:

	The Group	
	2009	2008
	$'000	$'000
Advances from minority shareholder of subsidiary	**1**	1
Deposits received	**1,924**	1,471
	1,925	1,472

The fair values are computed based on the present value of the cashflows using a discount rate of 1.89% (2008: 2.99%) per annum, which is the lending rate that the directors expect would be incurred by the Group at the reporting date.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Singapore Dollar	**22,187**	25,279	**193**	671
United States Dollar	**37**	192	**–**	–
Renminbi	**106**	112	**–**	–
Malaysia Ringgit	**54**	59	**–**	–
	22,384	25,642	**193**	671

26. BORROWINGS

	The Group	
	2009	2008
	$'000	$'000
Current		
Bank overdraft, secured	**–**	25
Bank loans, secured	**18,304**	36,876
Finance lease liabilities (Note 30)	**746**	710
	19,050	37,611
Non-current		
Bank loans, secured		
- Between 1 and 2 years	**117,254**	156,751
- Between 3 and 5 years	**19,200**	–
Finance lease liabilities (Note 30)	**1,617**	2,038
	138,071	158,789
Total borrowings	**157,121**	196,400

(a) The Group's bank borrowings at 31 December 2009 comprise the following:

(i) term loan of $19,500,000 (2008: $20,500,000), revolving credit advances of $50,000,000 (2008: $50,000,000), a short-term advance of $14,000,000 (2008: $3,500,000), and bank overdraft of $Nil (2008: $25,000) secured by way of a legal mortgage on the Amara Hotel, The Amara Shopping Centre and Amara Corporate Tower as stated in Notes 20 and 21 to the financial statements and the assignment in escrow of interest in the lease and rental proceeds from the above properties and debenture over Amara Hotel.

These banking facilities mature in 2011.

Each revolving credit advance is repayable in full upon maturity. However, as this facility is revolving, any amount repaid by the subsidiary to the said lending bank before November 2011 will remain available for reborrowing;

(ii) a revolving loan of $376,000 (2008: $376,000) is secured by a first legal mortgage on a freehold property as stated in Note 21 to the financial statements;

(iii) term loan amounting to $8,500,000 (2008: $8,400,000) is secured by way of a first legal mortgage on the development property located at Killiney Road as disclosed in Note 15 to the financial statements. This loan is further secured by an assignment of the proceeds, building contracts, insurance policies and performance bonds issued in favour of the subsidiary to the lending bank and a corporate guarantee from the Company;

(iv) a term loan of $28,000,000 (2008: $28,000,000) is secured by a mortgage-in-escrow on Amara Sanctuary Resort, Sentosa as disclosed in Note 21 to the financial statements. The loan is further secured by an assignment of all rights, benefits and entitlement under and in the hotel subleases, insurances, a corporate guarantee from the Company and debenture over the hotel. This loan matures in March 2013;

(v) a term loan of $33,554,000 (2008: $82,851,000) is secured by way of the first legal mortgage on the Amara Hotel, The Amara Shopping Centre and Amara Corporate Tower as stated in Notes 20 and 21 to the financial statements and assignment of all rental proceeds from the above properties and corporate guarantee from the Company and debenture over Amara Hotel. This loan matures in November 2011; and

(vi) a term loan of $828,000 (2008: $Nil) is secured by a fixed deposit of $2,248,000 (2008: $Nil) as stated in Note 12. This loan matures in June 2010.

26. BORROWINGS (continued)

(b) Currency risk

The borrowings are denominated in Singapore Dollar, except for a term loan of $828,000 (2008: $Nil) which is denominated in Renminbi.

(c) Interest rate risks

The weighted average effective interest rates of total borrowings at the reporting date are as follows:

	2009 Per annum	2008 Per annum
Bank overdrafts, secured	–	5.00%
Bank loans, secured	**1.89%**	2.99%
Finance lease liabilities	**6.88%**	7.29%

The exposure of borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000
At 31 December 2009					
Total borrowings	**154,298**	**1,206**	**1,525**	**92**	**157,121**
At 31 December 2008					
Total borrowings	194,001	361	1,996	42	196,400

(d) Carrying amounts and fair values

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the reporting date. The carrying amounts of current bank borrowings and lease liabilities approximate their fair value.

The carrying amounts and fair values of non-current bank borrowings are as follows:

	The Group			
	Carrying amounts		Fair values	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Non-current bank borrowings	**136,454**	156,751	**136,454**	156,751

27. SHARE CAPITAL

Issued and fully paid ordinary share capital of Amara Holdings Limited

	2009 Shares '000	2008 Shares '000	**2009 $'000**	2008 $'000
At 1 January and 31 December	**576,936**	576,936	**125,646**	125,646

28. DIVIDEND

	The Group and The Company	
	2009 $'000	2008 $'000
Ordinary dividend paid		
First and final tax exempt dividend of 0.5 cents per share (2008: 0.8 cents per share tax exempt) in respect of the previous financial year	**2,885**	4,616

At the Annual General Meeting ("AGM") to be held on 30 April 2010, a first and final tax exempt dividend for 2009 of 0.5 cents per share, amounting to $2,884,680 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2010 subject to shareholders' approval at the forthcoming AGM.

29. IMMEDIATE HOLDING AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Firstrust Equity Pte Ltd, incorporated in Singapore. The ultimate holding company is First Security Pte Ltd, also incorporated in Singapore.

30. FINANCE LEASE LIABILITIES

	The Group	
	2009 $'000	2008 $'000
Minimum lease payments due:		
Not later than one financial year	**878**	875
Later than one financial year but not later than five financial years	**1,632**	2,199
Later than five financial years	**117**	45
	2,627	3,119
Less: Future finance charges	**(264)**	(371)
Present value of finance lease liabilities	**2,363**	2,748
Representing finance lease liabilities:		
Current (Note 26)	**746**	710
Non-current (Note 26)	**1,617**	2,038
	2,363	2,748

31. INTRA-GROUP FINANCIAL GUARANTEES

The value of financial guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the banks with these guarantees made available, with the estimated rates that the banks would have charged had these guarantees not been available. Corporate guarantees issued by the Company to banks in respect of banking facilities utilised by certain subsidiaries amounted to $70,054,000 (2008: $119,251,000). The directors have assessed the fair value of these financial guarantees to have no material financial impact on the results of the Company for the years ended 31 December 2009 and 31 December 2008.

32. COMMITMENTS

Commitments not provided for in the financial statements:

	The Group	
	2009	2008
	$'000	$'000
(a) Capital commitments		
Estimated expenditure contracted for:		
- Property, plant and equipment	**5,996**	2,910

(b) Operating lease commitments

The future minimum lease amounts receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables are as follows:

	The Group	
	2009	2008
	$'000	$'000
Not later than one financial year	**7,162**	8,498
Later than one financial year but not later than five financial years	**4,806**	5,774
	11,968	14,272

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are as follows:

	The Group	
	2009	2008
	$'000	$'000
Not later than one financial year	**1,004**	993
Later than one financial year but not later than five financial years	**3,692**	3,599
Later than five financial years	**77,520**	78,470
	82,216	83,062

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

(a) A comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements is as follows:

	Loans & receivables	Available-for-sale	Liabilities at amortised cost	Non-financial assets/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
2009					
The Group					
Assets					
Available-for-sale financial assets	–	1,467	–	–	1,467
Intangible assets	–	–	–	357	357
Investment properties	–	–	–	185,306	185,306
Property, plant & equipment	–	–	–	141,646	141,646
Goodwill	–	–	–	844	844
Other assets	–	–	–	7,247	7,247
Deferred income tax assets	–	–	–	522	522
Cash and bank balances	24,621	–	–	–	24,621
Trade and other receivables	7,298	–	–	–	7,298
Inventories	–	–	–	522	522
Development properties	–	–	–	32,700	32,700
Other current assets	652	–	–	167	819
	32,571	**1,467**	**–**	**369,311**	**403,349**
Liabilities					
Trade and other payables	–	–	22,067	317	22,384
Tax payables	–	–	–	4,973	4,973
Borrowings	–	–	157,121	–	157,121
Deferred income tax liabilities	–	–	–	31,235	31,235
	–	**–**	**179,188**	**36,525**	**215,713**

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Loans & receivables	Available-for-sale	Liabilities at amortised cost	Non-financial assets/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
2008					
The Group					
Assets					
Available-for-sale financial assets	–	939	–	–	939
Intangible assets	–	–	–	357	357
Investment properties	–	–	–	185,306	185,306
Property, plant & equipment	–	–	–	146,452	146,452
Goodwill	–	–	–	844	844
Other assets	–	–	–	7,358	7,358
Deferred income tax assets	–	–	–	578	578
Cash and bank balances	27,251	–	–	–	27,251
Trade and other receivables	10,845	–	–	–	10,845
Inventories	–	–	–	613	613
Development properties	–	–	–	58,539	58,539
Other current assets	843	–	–	210	1,053
	38,939	939	–	400,257	440,135
Liabilities					
Trade and other payables	–	–	25,642	–	25,642
Tax payables	–	–	–	4,708	4,708
Borrowings	–	–	196,400	–	196,400
Deferred income tax liabilities	–	–	–	34,182	34,182
	–	–	222,042	38,890	260,932

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Loans & receivables	Available-for-sale	Liabilities at amortised cost	Non-financial assets/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
2009					
The Company					
Assets					
Available-for-sale financial assets	–	185	–	–	185
Investment in subsidiaries	–	–	–	38,377	38,377
Cash and bank balances	39	–	–	–	39
Trade and other receivables	42,495	–	–	–	42,495
Other current assets	–	–	–	3	3
	42,534	**185**	**–**	**38,380**	**81,099**
Liabilities					
Trade and other payables	–	–	193	–	193
	–	**–**	**193**	**–**	**193**
2008					
The Company					
Assets					
Available-for-sale financial assets	–	112	–	–	112
Investment in subsidiaries	–	–	–	38,377	38,377
Cash and bank balances	39	–	–	–	39
Trade and other receivables	42,671	–	–	–	42,671
Other current assets	–	–	–	3	3
	42,710	112	–	38,380	81,202
Liabilities					
Trade and other payables	–	–	671	–	671
	–	–	671	–	671

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(b) Fair value measurements of financial instruments that are carried at fair value

The following table presents the level of fair value hierarchy for each class of financial instruments measured at fair value on the statement of financial position at 31 December 2009.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2009				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,433	–	–	1,433
- Quoted unit trust	34	–	–	34
	1,467	**–**	**–**	**1,467**
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	**185**	**–**	**–**	**185**

The fair value hierarchy levels are defined as follows:

a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(c) Determination of fair values

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Treasury. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing with counterparties with appropriate credit history.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimised.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the statement of financial position;
- an amount of $2,740,000 (2008: $5,632,000) receivable from a third party past due but not impaired as disclosed in Note 13 to the financial statements; and
- corporate guarantees issued by the Company to banks in respect of banking facilities utilised by certain subsidiaries amounted to $70,054,000 (2008: $119,251,000).

At the reporting date, there were no other material trade and other receivables of the Group that were due from third parties while approximately all of the Company's receivables were balances with related parties.

The aged analysis of receivables due from third parties and related parties past due but not impaired are as follows:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Past due 0 to 1 month	**70**	1,213	**–**	–
Past due 1 to 3 months	**118**	551	**–**	–
Past due over 3 months	**3,812**	5,976	**–**	–
	4,000	7,740	**–**	–

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

The carrying amount of third parties receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Gross amount	**6,771**	6,926	**17**	17
Less: Allowance for impairment	**(4,031)**	(1,294)	**(17)**	(17)
	2,740	5,632	**–**	–
At 1 January	**1,294**	2,343	**17**	17
Allowance made	**2,798**	76	**–**	–
Allowance written back	**(13)**	(21)	**–**	–
Allowance written off	**(48)**	(159)	**–**	–
Disposal of interest in joint venture entity	**–**	(902)	**–**	–
Exchange realignment	**–**	(43)	**–**	–
At 31 December	**4,031**	1,294	**17**	17

The impaired receivables due from third parties arise mainly from potential uncollectible balances.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

At the reporting date, approximately 12.1% (2008: 19.2%) of the Group's loans and borrowings (Note 26) will mature in less than one year based on the carrying amounts reflected in the financial statements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted payments.

	2009				2008			
	1 year or less	1 to 5 years	Over 5 years	Total	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
Trade and other payables	20,068	1,999	–	22,067	24,080	1,562	–	25,642
Borrowings	19,211	138,301	116	157,628	37,868	159,341	45	197,254
	39,279	140,300	116	179,695	61,948	160,903	45	222,896

	One year or less	
	2009	2008
	$'000	$'000
The Company		
Trade and other payables	193	671

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less	
	2009	2008
	$'000	$'000
Financial guarantee contracts	70,054	119,251

(c) Interest rate risk

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

At the reporting date, if SGD interest rates had been 25 (2008: 25) basis points lower/higher with all other variables held constant, the Group's profit would have been $367,000 (2008: $430,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans and bank overdrafts.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The tables below set out the Group's and the Company's exposure to interest rate risks. Included in the tables are the financial assets and financial liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

The Group

	Variable rates	Fixed rates					
	Less than 6 months	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2009							
Financial assets							
Cash and bank balances	205	19,273	–	–	–	5,143	24,621
Trade and other receivables	–	–	–	–	–	7,298	7,298
Available-for-sale financial assets	–	–	–	–	–	1,467	1,467
Other current assets (excluding prepayments)	–	–	–	–	–	652	652
Total financial assets	**205**	**19,273**	**–**	**–**	**–**	**14,560**	**34,038**
Financial liabilities							
Trade and other payables	–	–	–	–	–	22,067	22,067
Borrowings	153,931	367	1,206	1,525	92	–	157,121
Total financial liabilities	**153,931**	**367**	**1,206**	**1,525**	**92**	**22,067**	**179,188**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The Group

	Variable rates	Fixed rates					
	Less than 6 months	Less than 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2008							
Financial assets							
Cash and bank balances	146	23,632	–	–	–	3,473	27,251
Trade and other receivables	–	–	–	–	–	10,845	10,845
Available-for-sale financial assets	–	–	–	–	–	939	939
Other current assets (excluding prepayments)	–	–	–	–	–	843	843
Total financial assets	146	23,632	–	–	–	16,100	39,878
Financial liabilities							
Trade and other payables	–	–	–	–	–	25,642	25,642
Borrowings	193,652	349	361	1,996	42	–	196,400
Total financial liabilities	193,652	349	361	1,996	42	25,642	222,042

The Company

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

(d) Market price risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

The table below summarises the impact to the Group's profit after tax and equity arising as a result of a 10% increase/decrease in the fair value of the quoted investments. This analysis assumes that all other variables remain constant.

	Profit after tax		Equity	
	10% increase	10% decrease	10% increase	10% decrease
	$'000	$'000	$'000	$'000
The Group				
2009				
Quoted investments	**–**	**–**	**122**	**(122)**
2008				
Quoted investments	–	–	77	(77)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Foreign currency risk

To minimise foreign currency exchange risk, the Group conducts the majority of both its purchase and sale transactions in the same currency.

The Group has foreign currency exposure arising from cash and bank balances, trade receivables and advances to and from third parties. These cash and bank balances, trade receivables and advances are mainly denominated in United States Dollar (USD). Approximately $3,149,000 (2008: $6,105,000) of receivables and $197,000 (2008: $363,000) of payables are denominated in foreign currencies.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD (against SGD) at reporting date, with all other variables held constant, of the Group's profit after tax.

			The Group	
			Profit after tax	
			2009	2008
			$'000	$'000
USD	-	strengthened 3% (2008: 3%)	**584**	625
	-	weakened 3% (2008: 3%)	**(584)**	(625)

35. CAPITAL MANAGEMENT

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 2009 and 31 December 2008.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital using gearing ratio, which is computed as net borrowings divided by the sum of shareholders' equity and net borrowings. Net borrowings is computed as borrowings less cash and bank balances.

	The Group	
	2009	2008
	$'000	$'000
Borrowings	**157,121**	196,400
Less: Cash and bank balances	**(24,621)**	(27,251)
Net borrowings	**132,500**	169,149
Shareholders' equity	**187,636**	179,203
	320,136	348,352

35. CAPITAL MANAGEMENT (continued)

	The Group	
	2009	2008
	%	%
Gearing ratio	**41.39**	48.56

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2009 and 31 December 2008.

36. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

(a) Sales and purchases of goods and services

	The Group	
	2009	2008
	$'000	$'000
A company in which a close family member of a director has significant interest		
- Rental income received/receivable	**110**	134
A joint venture partner		
- Hotel management fee received/receivable	**–**	71

(b) Key management's remuneration

The key management's remuneration includes salary, bonus, commission, CPF contributions and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefit. Key management's remuneration amounted to $2,214,000 (2008: $2,228,000) for the financial year ended 31 December 2009.

Included in the above is remuneration to directors of the Company amounting to $1,295,000 (2008: $1,314,000), excluding directors' fees which is disclosed in Note 7 to the financial statements.

37. SEGMENT INFORMATION

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

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

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

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

37. SEGMENT INFORMATION (continued)

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

	Hotel investment and management	Property investment and development	Specialty restaurants and food services	Others	Eliminations	The Group
	$'000	$'000	$'000	$'000	$'000	$'000
2009						
Segment revenue						
Sales to external customers	39,468	59,521	3,680	10	–	102,679
Intersegment sales	406	909	151	3,400	(4,866)	–
Total revenue	39,874	60,430	3,831	3,410	(4,866)	102,679
Segment profit/(loss)	4,017	11,727	(198)	33	–	15,579
Depreciation and amortisation	5,763	185	246	–	–	6,194
Other significant non-cash expenses	2,762	36	–	–	–	2,798
Segment assets	354,442	25,691	2,810	271	–	383,214
Unallocated assets						20,135
Total assets						403,349
Segment assets include:						
Additions to						
- Property, plant and equipment	2,376	2	205	–	–	2,583
Segment liabilities	(12,635)	(7,945)	(1,616)	(187)	–	(22,383)
Unallocated liabilities						(193,330)
Total liabilities						(215,713)

37. SEGMENT INFORMATION (continued)

	Hotel investment and management	Property investment and development	Specialty restaurants and food services	Others	Eliminations	The Group
	$'000	$'000	$'000	$'000	$'000	$'000
2008						
Segment revenue						
Sales to external customers	52,407	14,722	4,292	8	–	71,429
Intersegment sales	535	1,239	174	4,600	(6,548)	–
Total revenue	52,942	15,961	4,466	4,608	(6,548)	71,429
Segment profit/(loss)	29,533	(8,062)	138	(169)	–	21,440
Depreciation and amortisation	5,858	188	277	–	–	6,323
Impairment losses	–	39	43	–	–	82
Other significant non-cash expense	815	255	–	20	–	1,090
Segment assets	348,455	63,645	3,288	205	–	415,593
Unallocated assets						24,542
Total assets						440,135
Segment assets includes:						
Additions to						
- Property, plant and equipment	2,547	26	1,077	–	–	3,650
Segment liabilities	(13,439)	(9,960)	(1,577)	(664)	–	(25,640)
Unallocated liabilities						(235,292)
Total liabilities						(260,932)

37. 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 Group financing is managed on a group basis.

A reconciliation of segment profit to the consolidated profit before tax is as follows:

	The Group	
	2009	2008
	$'000	$'000
Segment profit	**15,579**	21,440
Interest income	**53**	557
Interest expenses on borrowings	**(3,457)**	(6,231)
Unallocated corporate expenses	**(207)**	(825)
Profit before tax	**11,968**	14,941

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 certain corporate borrowings. These liabilities are classified as unallocated liabilities.

Geographical segments

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

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
- Vietnam – hotel investment and management
- PRC – hotel investment and management

37. SEGMENT INFORMATION (continued)

Geographical segments (continued)

	Revenue		Non-current assets	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Singapore	**102,679**	69,590	**299,778**	304,712
Vietnam	**–**	1,839	**–**	–
PRC	**–**	–	**35,622**	35,605
	102,679	71,429	**335,400**	340,317

Sales revenue is based on the country in which the customer is located. Non-current assets are shown by the geographical area in which the assets are located.

Non-current assets information presented above are non-current assets as presented on the statements of financial position excluding financial instruments and deferred income tax assets.

Information about major customer

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

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Amara Holdings Limited on 26 March 2010.

CORPORATE DATA

BOARD OF DIRECTORS

Albert Teo Hock Chuan
Chief Executive Officer

Chang Meng Teng
Susan Teo Geok Tin
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah

COMPANY SECRETARIES

Susan Teo Geok Tin
Foo Soon Soo

AUDIT COMMITTEE

Chang Meng Teng
Chairman

Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah

NOMINATING COMMITTEE

Richard Khoo Boo Yeong
Chairman

Albert Teo Hock Chuan
Chang Meng Teng

REMUNERATION COMMITTEE

Richard Khoo Boo Yeong
Chairman

Chang Meng Teng
Lawrence Mok Kwok Wah

AUDITORS

Baker Tilly TFWLCL
Certified Public Accountants
15 Beach Road #03-10
Beach Centre
Singapore 189677

Tay Guat Peng
Partner-in-charge of the audit
(Appointed in financial year ended
31 December 2008)

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.
Standard Chartered Bank

REGISTRAR

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

REGISTERED OFFICE

100 Tras Street #06-01 Amara Corporate Tower
Singapore 079027

CORPORATE OFFICE

Telephone 6879 2515
Facsimile 6224 2660
Email: corporate@amaraholdings.com
Website: www.amaraholdings.com

INVESTOR RELATIONS CONTACTS

Internal: ir@amaraholdings.com

External: Citigate Dewe Rogerson, i.MAGE
Dolores Phua / Andrea Low
1 Raffles Place OUB Centre #26-02
Singapore 048616
Tel: (65) 6534 5122
Fax: (65) 6534 4171
Email: dolores.phua@citigatedrimage.com
Email: andrea.low@citigatedrimage.com

STATISTICS OF SHAREHOLDINGS

As at 22 March 2010

Class of Shares : Ordinary shares each fully paid up
Voting Rights : 1 vote per share
No. of Holders : 7,156

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.07	1,560	0.00
1,000 - 10,000	5,369	75.03	26,818,500	4.65
10,001 - 1,000,000	1,753	24.50	73,797,030	12.79
1,000,001 and above	29	0.40	476,318,910	82.56
Total	**7,156**	**100.00**	**576,936,000**	**100.00**

Based on information available to the Company on 22 March 2010, approximately 27% of the Company's issued ordinary shares were held by the public and accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Firstrust Equity Pte Ltd	193,146,010	33.48
2	UOB Nominees (2006) Pte Ltd	50,000,000	8.67
3	Teo Chew Chuan	35,827,000	6.21
4	Teo Hin Chuan	26,080,000	4.52
5	Teo Peng Chuan	22,007,000	3.81
6	RHB Bank Nominees Pte Ltd	20,000,000	3.47
7	Singapore Nominees Pte Ltd	19,110,000	3.31
8	United Overseas Bank Nominees Pte Ltd	18,801,000	3.26
9	Lim Ah Choon	16,253,497	2.82
10	DBS Nominees Pte Ltd	9,218,000	1.60
11	SBS Nominees Pte Ltd	9,005,000	1.56
12	Sing Investments & Finance Nominees Pte Ltd	9,000,000	1.56
13	Ong Kian Kok	7,100,000	1.23
14	Hong Leong Finance Nominees Pte Ltd	6,717,000	1.16
15	OCBC Nominees Singapore Pte Ltd	5,725,000	0.99
16	Teo Guan Hoon	3,238,000	0.56
17	Poh Lay Eng	3,153,493	0.55
18	DBS Vickers Securities (S) Pte Ltd	2,345,000	0.41
19	Citibank Nominees Singapore Pte Ltd	2,222,000	0.39
20	Lim Siang Ing	2,186,000	0.38
	Total	461,134,000	79.94

STATISTICS OF SHAREHOLDINGS

As at 22 March 2010

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest	Deemed Interest	Total	%
Albert Teo Hock Chuan	1,000	308,146,010	308,147,010	53.41
Susan Teo Geok Tin	83,030	308,146,010	308,229,040	53.43
Teo Kwee Chuan	20,030	308,146,010	308,166,040	53.41
Firstrust Equity Pte Ltd	308,146,010	-	308,146,010	53.41
Corinne Teo Siew Bee	362,000	308,146,010	308,508,010	53.47
First Security Pte Ltd	-	308,146,010	308,146,010	53.41
Goh Ah Moy	-	308,146,010	308,146,010	53.41
Teo Chew Chuan	35,827,000	3,153,493	38,980,493	6.76

Albert Teo Hock Chuan, Susan Teo Geok Tin, Teo Kwee Chuan, Corinne Teo Siew Bee, First Security Pte Ltd and Goh Ah Moy are each deemed to have an interest in the 308,146,010 shares in which Firstrust Equity Pte Ltd is interested in as they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of Firstrust Equity Pte Ltd.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539, on Friday, 30 April 2010, at 10.30 a.m., to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon (Resolution 1).
2. To declare a first and final dividend of 0.5 cents per share for the year ended 31 December 2009 (Resolution 2).
3. To re-elect Mr Richard Khoo Boo Yeong as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 3).

   Mr Richard Khoo Boo Yeong will, upon re-election as Director of the Company, remain a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as Chairman of the Remuneration Committee and Nominating Committee.
4. To re-elect Ms Susan Teo Geok Tin as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 4).
5. To approve payment of Directors' Fees of $102,000 for the year ended 31 December 2009 (2008: $101,600) (Resolution 5).
6. To re-appoint Messrs Baker Tilly TFWLCL as Auditors of the Company and to authorise the Directors to fix their remuneration (Resolution 6).
7. To transact any other business that may be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

8. Authority to Directors to issue Shares

   (a) That, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, 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;

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

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

(bb) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

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

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier (Resolution 7).

See Explanatory Note 1.

9. Renewal of Share Purchase Mandate

That:

(a) For the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore ("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 Singapore Exchange Securities Trading Limited ("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 Articles of Association 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 after the relevant 5 Market Days; and

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

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

See Explanatory Note 2.

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a first and final dividend of 0.5 cents per share, in respect of the year ended 31 December 2009 will be paid on 28 June 2010 to shareholders whose names appear in the Register of Members on 16 June 2010.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 16 June 2010 after 5.00 p.m. to 17 June 2010, 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 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m., on 16 June 2010 will be registered before entitlements to the dividend are determined.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo
Company Secretaries

Singapore
15 April 2010

EXPLANATORY NOTE 1:

The Ordinary Resolution in item 8 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

EXPLANATORY NOTE 2:

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 2009, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 15 April 2010 in relation to the proposed renewal of the Share Purchase Mandate.

NOTE:

A member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or notarially certified or office copy thereof must be lodged at the Registered Office of the Company not less than 48 hours before the time appointed for the meeting.

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. The Proxy Form is, therefore, not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We (Name)

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 of the Company to be held on Friday, 30 April 2010 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 Meeting 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 Meeting.

		To be used on a show of hands		To be used in the event of a poll	
No.	**Ordinary Resolutions**	**For***	**Against***	**For****	**Against****
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Reports of the Directors and the Auditors thereon.				
2.	To declare a first and final dividend of 0.5 cents per share for the year ended 31 December 2009.				
3.	To re-elect Mr Richard Khoo Boo Yeong as a Director retiring under Article 87 of the Articles of Association of the Company.				
4.	To re-elect Ms Susan Teo Geok Tin as a Director retiring under Article 87 of the Articles of Association of the Company.				
5.	To approve payment of Directors' Fees of $102,000 for the year ended 31 December 2009 (2008: $101,600).				
6.	To re-appoint Messrs Baker Tilly TFWLCL as Auditors of the Company and to authorise the Directors to fix their remuneration.				
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				
8.	To approve the renewal of the Share Purchase Mandate.				

* Please indicate your vote "For" or "Against" with a (✔) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✔) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this day of 2010

Total number of Shares held

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Please cut along dotted line

NOTES FOR PROXY FORM

1. A member entitled to attend and vote at a meeting of the Company 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.

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

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members 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.

5. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

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

7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office at 100 Tras Street #06-01, Amara Corporate Tower, Singapore 079027, not less than 48 hours before the time set for the meeting, and in default the instrument of proxy shall not be treated as valid.

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 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

This page have been left blank intentionally

This page have been left blank intentionally

Amara Holdings Limited
(Registration Number 197000732N)
100 Tras Street
#06-01 Amara Corporate Tower
Singapore 079027
Tel. 65 6879 2515 Fax. 65 6224 2660

corporate@amaraholdings.com
www.amaraholdings.com