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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 interrelated core businesses.

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

OUR CORE VALUES

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

OUR ULTIMATE GOAL

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

OUR GREATEST ASSET

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

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

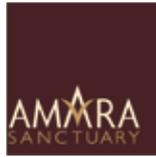


AMARA HOTELS & RESORTS

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 and 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.

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 388-room hotel showcases special touches including a lobby with a minimalist theme, a contemporary Balinese-style resort pool and a collection of chic restaurants including our iconic Silk Road and Thanying Restaurants. Complemented by a host of specially designed rooms, facilities and a spa, our valued guests can enjoy luxurious inner-city living at Amara Singapore. Furthermore, the Grand Ballroom with a 500 auditorium style seating capacity as well as four function rooms 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 a well-appointed respite from the urban hustle, one imbued with the unique Amara touch. Set amidst lush tropical greenery overlooking the South China Sea and near the white sands of Palawan beach at Sentosa Island, Amara Sanctuary Resort, Sentosa offers a unique combination of contemporary design and luxurious hotel facilities. Spacious and well-equipped, the resort promises 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 luxurious hotel facilities that come together to shape an ideal and individual resort experience – whether the stay is for business or leisure.

The resort's 140 beautifully designed guest rooms, Courtyard and Verandah suites, Larkhill Terrace 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 SIGNATURE SHANGHAI

Located at the junction of Jiaozhou Road and Changshou Road in Puxi, Shanghai, Amara Signature Shanghai is a mixed-use development that will comprise a 360-room hotel, retail centre and office building. Currently under construction, Amara Signature Shanghai is expected to benefit from its strategic location within the city centre and capitalise on Shanghai's renowned status as Asia's leading business and financial centre.

Through the mixed-use development, Amara introduces convenience and variety to the Puxi region. The 360-room hotel offers convenience to business travellers while the retail centre, featuring many of Singapore's popular brands in food and beverages, entertainment and lifestyle, brings a variety of choices to the executives working around the area. Built to Grade A office specifications, the office building offers a conducive environment for business operations.

AMARA BANGKOK

Amara Bangkok marks our first entry into the "Land of Smiles". This upcoming 251-room hotel in Bangkok is designed as an exciting business and leisure hotel with an emphasis on the use of local Thai materials to create the experience of an "oasis in the city". The full service hotel will feature Amara's signature cuisines in a chic restaurant, a tranquil sunset bar by the rooftop pool for guests to unwind, a lobby bar and comprehensive facilities for the MICE business as well as a state-of-the-art wellness level comprising a gymnasium to pamper our guests.

Located in the choice Surawong Road, parallel to Silom and Sathorn Roads, Amara Bangkok is situated in one of the most vibrant areas in Bangkok, an area known for its rich and colourful local entertainment and shopping activities as well as the financial district of Bangkok. This is a strategic location with easy access to and from Suvarnabhumi International Airport, offering convenience to tourists and business travellers alike. Amara Bangkok is scheduled for opening in 2014.

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 specialty, 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. Opened in July 2007, the outlet at Amara Sanctuary Resort, Sentosa gives guests the option to dine indoors in the elegant dining room or alfresco 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 in December 2007, at the seafront of Palawan Beach, Sentosa is a 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

100 AM

The Office Annex (previously known as Amara Corporate Tower) is a 12-storey office building strategically located at 100 Tras Street and is a stroll away from the Tanjong Pagar MRT Station. Easily accessible by bus or car, it is also located close to diverse amenities such as major local and foreign banks and post offices. The office building will be rebranded as 100 AM Medical Offices by mid 2012.

The existing four-storey Amara Shopping Centre is currently undergoing asset enhancement works and upon completion will be branded as 100 AM. The timely refurbishment of this property will complement the new profile of shoppers, tourists and young residents who frequent the Tanjong Pagar area for work and live amongst the fast growing developments in the location. This area is gradually being developed for inner-city living, has displayed much promise and growth with a cluster of high-end residential developments and hotel developments shaping up the vicinity. 100 AM, the only full-fledged shopping centre in the area, will stand to benefit from the rejuvenation of the Tanjong Pagar district.

New additions to 100 AM include a supermarket which will be situated in the expanded basement of the mall, a food court at the top level as well as an alfresco dining environment with an offering of new trendy restaurants and bars located along Tras Street. The mall is scheduled to open mid 2012.

KILLINEY 118

Situated in the prime residential enclave of District 9, Killiney 118 is the latest addition to the Amara Group's residential development projects. This six-storey freehold boutique development comprises 30 units of 1- and 2-bedroom apartments, and appeals to singles and couples seeking the tranquillity in their homes and proximity to Orchard Road.

Developed by Creslin Pte Ltd, a subsidiary of Amara Holdings Limited, Killiney 118 is within walking distance of the Somerset MRT Station and just minutes away from the Central Business District. With the new integrated resorts at Sentosa Island and Marina Bay only minutes away, residents will enjoy exciting retail choices and a myriad of lifestyle shops in new world class malls in the vicinity, as well as the entertainment choices located nearby. Designed by an award-winning team of ip:li architects firm and Atelier Ikebuchi firm, the property's interior is furnished with quality fittings, featuring signature brands such as Miele and Grohe.

Tapping on the popularity of boutique developments focussed on city living, Killiney 118 offers great investment value for investors with its freehold status and valued accessibility. This uniquely exclusive boutique development also features a rooftop swimming pool and barbeque pits, a fitness centre and an landscaped environment to create a tranquil haven within the city.



ALBERT TEO HOCK CHUAN
Chief Executive Officer

CEO'S MESSAGE

I am pleased to present the Group's annual report for the financial year ended December 31, 2011 ("FY2011").

On a macro level, 2011 had been an eventful year starting with the unrest in the Middle East and the triple disaster – earthquake, tsunami and nuclear crisis – faced by Japan in the first half of the year. In the latter half of 2011, markets around the world were left to grapple with slowing economic activities amidst the US and Europe debt crises.

Despite much uncertainty around the world, Singapore's tourism industry delivered stellar performance in 2011, with tourism receipts estimated at S\$22.2 billion, up 17% compared to the previous year. Visitor arrivals also increased 13% to 13.2 million from 2010.

Backed by a strong foundation in the hospitality industry and riding on the positive sentiment in the tourism sector, our core Hotel Investment and Management segment enjoyed healthy growth in FY2011.

For the full year ended December 31, 2011, our Group recorded steady revenue performance of S\$61.8 million, primarily due to the contribution from our Hotel Investment and Management segment which made up S\$53.4 million or 87% of total revenue, driven by robust growth in visitor arrivals. The increase in revenue in this segment was partially offset by lower turnover generated from the Property Investment and Development segment due to the closure of Amara Shopping Centre for asset enhancement works.

Our borrowings rose slightly, to S\$140.9 million as at December 31, 2011, from S\$133.7 million in the previous corresponding period. This was due to the drawdown of loans to fund the Group's ongoing projects. Despite higher costs and expenses, our Group recorded an 80% rise in net profit to S\$29.4 million in FY2011, due mainly to an increase in fair value gain on investment properties to S\$25.4 million.

As at December 31, 2011, our Group maintained a healthy balance sheet with cash and bank balances at S\$11.4 million. Basic earnings per share for FY2011 increased to 5.09 cents compared to 2.83 cents in FY2010. Net asset value per share also rose to 39.31 cents from 34.14 cents in FY2010.

We continue to be positive on our growth prospects going forward.

Backed by a strong foundation in the hospitality industry and riding on the positive sentiment in the tourism sector, our core Hotel Investment and Management segment enjoyed healthy growth in FY2011.

REFRESHING CHANGE, POSITIONED FOR GROWTH

Our Group has always believed in remaining relevant and keeping abreast of the changing landscape of the areas we operate in. FY2011 had primarily been a year of refreshing changes for Amara with the completion of the refurbishment of rooms at Amara Singapore and the addition of 18 suites to Amara Sanctuary Resort, Sentosa. Our asset enhancement exercise for Amara Shopping Centre, renamed 100 AM, is progressing well. Capitalising on the rejuvenation of the Tanjong Pagar district, this newly rebranded shopping mall has been able to attract a wide variety of exciting retail, lifestyle and F&B concepts by securing key tenants ahead of its opening.

HOTEL INVESTMENT AND MANAGEMENT

The local tourism industry delivered stellar performance, surpassing the targets set by the Singapore Tourism Board (STB) for visitor arrivals of 12 million to 13 million and tourism receipts of S\$22 billion to S\$24 billion. While STB indicated a possibility of slower growth in 2012, a report released by HVS Global Hospitality Services in February 2012 foresees Singapore's hospitality sector to enjoy a healthy operating environment in 2012. We remain positive on the industry's growth prospects, which would be driven by favourable external factors such as the buoyant meetings, incentives, conventions and exhibitions (MICE) industry; the opening of major new attractions including Gardens by the Bay, the West Zone (Equarius Water Park and Marine Life Park), the River Safari and the new International Cruise Terminal; as well as the continued growth in medical tourism. Internally, we continue to prepare and better ourselves to remain competitive.

As part of our strategy to meet growing tourist numbers and enhance our guests' experience in our hotels, we have undergone a refurbishment of rooms at our flagship hotel, Amara Singapore, and added 18 new colonial suites to Amara Sanctuary Resort, Sentosa, bringing it to a total of 140 beautifully designed guest rooms, suites and villas. With these new suites, our award-winning boutique resort at Sentosa would be in a better position to capture a greater share of the growing market for luxury beach resorts in this region.

It is also part of our Group's plans to offer the Amara standard of hospitality to gateway cities in Asia. As such, we are expanding our footprint to key cities such as Bangkok and Shanghai with our stylish contemporary hotels, Amara Bangkok and Amara Signature Shanghai respectively; both of which are currently under construction.

We will continue to explore attractive opportunities in the region to further grow our hospitality portfolio.

PROPERTY INVESTMENT AND DEVELOPMENT

Our property portfolio consists of a diversified mix of office building, a retail mall and luxury residential projects.

In its latest quarterly report, real estate consultant Colliers International had reported a 1.6% quarter-on-quarter

decline in average office rents in the fourth quarter of 2011 to S\$8.93 per square foot per month. Although office rents are projected to continue to weaken in 2012, we believe that Singapore's strong economic fundamentals could help buffer the slowdown in the sector. Our strategy to renew and differentiate ourselves gives us an edge over competitors. Our Office Annex (previously known as Amara Corporate Tower) is in the process of transformation to become a lifestyle medical centre to cater to the growing medical demand, both locally and globally. By the middle of 2012, our office building will be rebranded as 100 AM Medical Offices.

Beneath our office tower, the 100 AM mall is currently in development works. One of our Group's strategies is to enhance the yields of our investment properties through a balance of a right tenant mix and the optimisation of space utilisation to increase lettable efficiency. Previously known as Amara Shopping Centre, the rebranded 100 AM mall will have an exciting line-up of tenants. 100 AM is the only full-fledged shopping centre in the Tanjong Pagar precinct and we are optimistic about its prospects. To date, we have secured 70% occupancy ahead of its opening in the middle of 2012. We believe that professionals working in the Tanjong Pagar area as well as residents and visitors staying in the precinct will form a steady patronage flow to our new mall upon its opening. This is an indispensable part of our strategy to stay relevant and to generate recurring earnings.

According to the Singapore Residential Price Index (SRPI) compiled by the Institute of Real Estate Studies at the National University of Singapore, prices of completed properties in the central region softened a further 1.9% in January 2012 compared to the previous month. The decline was attributed to the Additional Buyer's Stamp Duty (ABSD) which affects mainly central region developments that typically attract foreigners and investors. Coupled with the influx of new supply and macroeconomic uncertainties, most experts in the industry are predicting a slow down in the private residential sector.

Still, we remain optimistic on this front given the unique selling propositions of our Killiney 118 development. This latest addition to our property portfolio will attract discerning urbanites looking for an unrivalled combination of luxury living and convenience in a choice location. We expect sale of this new property development to contribute to our Property Investment and Development segment, when it is completed in 2012.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services segment continued to demonstrate resilience, achieving a net profit of S\$1.3 million in FY2011, compared to S\$0.8 million in FY2010.

Under this segment, our Silk Road and Thanying brands continue to be recognised as award-winning brands, offering delectable cuisine rich in flavour and heritage. We will continue to develop this segment by constantly upgrading our service standards and maintaining culinary excellence. We are optimistic about this division which continues to complement our hotel division, providing a more complete suite of offerings to our hotel guests.

APPRECIATION FOR OUR STAKEHOLDERS

On behalf of the Board of Directors, I would like to thank our business partners, associates and shareholders for your unwavering support in the past year. FY2011 had been a year of preparation amidst challenging economic conditions. It is with your support that we are now ready for greater growth ahead. To reward our loyal shareholders, I am pleased to announce that the Board is recommending a first and final cash dividend of 0.6 cent per ordinary share for the financial year ended December 31, 2011, subject to approval of shareholders at the upcoming Annual General Meeting.

My appreciation also goes out to my fellow Board members for their invaluable insights and guidance. At this point, on behalf of the Board, I would like to extend a warm welcome to our new Independent Director, Mr Alphonsus Chia, who brings with him a wealth of experience in both the public and private sectors. He is presently the Chief Executive Officer of Singapore Cooperation Enterprise and prior to this, was the Deputy Chief Executive Officer of International Enterprise (IE) Singapore, the Chief Operating Officer (Asia Pacific South) and President (China) of Reed Exhibitions and the Chief Executive of SilkAir in Singapore Airlines.

Our management team and staff have also played a vital role in ensuring smooth operations of our businesses and I acknowledge the hard work, commitment and dedication they have delivered to make Amara what it is today.

As we enter into a brand new financial year, we continue to seek our stakeholders' support to stand with us as we strive for the wider horizons ahead.

ALBERT TEO HOCK CHUAN
Chief Executive Officer

BOARD OF DIRECTORS



From left to right:
Chang Meng Teng, Susan Teo Geok Tin, Albert Teo Hock Chuan, Lawrence Mok Kwok Wah,
Richard Khoo Boo Yeong, Alphonsus Chia Chung Mun

ALBERT TEO HOCK CHUAN Chief Executive Officer

Mr Teo joined the Group as Non-Executive Director in 1970 and currently serves as the Chief Executive Officer of the Group, as well as a member of the Nominating Committee. He was last re-elected as Director in April 2009.

Mr Teo has been instrumental in spearheading the direction and development of the Group. He plays a pivotal role in the Group's diversification and expansion strategy, particularly in broadening Amara's earnings base through penetration within the Asian space. The widely-acclaimed Silk Road Restaurant at Amara Singapore is a brainchild of Mr Teo.

As the Group's Chief Executive Officer, Mr Teo is passionately involved in the Group's corporate developments, including the transformation of Amara Singapore, as well as the Group's entry into the resort hotel business, Amara Sanctuary Resort, Sentosa. Under his leadership, the Group's upcoming projects include Amara Signature Shanghai – a mixed development which comprises a hotel, office building and

retail centre; Amara Bangkok – a new hotel development in Thailand; and the new mall, 100 AM, located in the heart of the Tanjong Pagar district.

Mr Teo brings with him a wealth of experience to the Group. His past experience includes working with PricewaterhouseCoopers, an international public accounting firm, and with a large listed group involved in wholesaling, manufacturing and retailing.

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

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.

SUSAN TEO GEOK TIN

Executive Director/Company Secretary

Ms Teo has served as an Executive Director of the Company since 1995. In addition, she has held the position of Company Secretary since 1989. Ms Teo was last re-elected as Director of the Company in April 2010.

Ms Teo is overall responsible for the corporate affairs of the Group which includes finance, treasury, company secretarial matters, human resource and administration.

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

Currently, 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 Committees.

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 is a Registered, Licensed Professional Engineer.

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. In addition, he 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 and Treasurer of 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.

He holds a Bachelor of Science in Electrical Engineering (Honours) degree from the University of Strathclyde, United Kingdom 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.

RICHARD KHOO BOO YEONG

Non-Executive, Independent Director

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

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

Mr Khoo held various senior management posts in his 29 years with the Singapore Airlines Group (SIA) including country general manager for South-West USA, New Zealand and India, and Chief Executive of SATS Passenger Services. At SIA's corporate headquarters, he managed a broad spectrum of planning and operations functions including marketing, line operations, and human resource.

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.

ALPHONSUS CHIA CHUNG MUN

Non-Executive, Independent Director

Mr Chia joined the Board on June 1, 2011 and was appointed an Audit Committee member on February 21, 2012.

Mr Chia is the Chief Executive Officer of Singapore Cooperation Enterprise (SCE), an agency formed by the Ministry of Trade and Industry and the Ministry of Foreign Affairs of Singapore to build long-term partnerships with foreign parties and also generate business opportunities for Singapore's private sector.

Prior to Mr Chia's current appointment, he was the Deputy Chief Executive Officer of International Enterprise (IE) Singapore from 2004 to 2007, overseeing its International Operations worldwide and other various functions like Corporate Resources, Infocomm, and Security Management and Finance.

In over 20 years of his working experience, Mr Chia held senior management positions in leading organisations – Reed Exhibitions (2001-2004) and Singapore Airlines (SIA) (1987-2000). In Reed Exhibitions, he was the Chief Operating Officer (Asia Pacific South) and President (China). In SIA, he was the Chief Executive of SilkAir and before that, Vice-President (Market Planning).

Mr Chia graduated from the National University of Singapore (NUS) in 1982 and was a gold-medal winner of the NUS' inaugural APEX-MBA programme in 1998.

Mr Chia is currently a Board Member of ST Electronics Info-Software Pte Ltd, Memstar Technology Ltd; and a member of NUS Extension Academic Advisory Board (NAAB).



Amara Sanctuary Resort, Sentosa

OPERATIONS REVIEW

Our Group continues to perform well in the financial year ended December 31, 2011 (“FY2011”). Revenue of S\$61.8 million was buoyed by better performance in our Hotel Investment and Management segment, which benefitted from strong fundamentals in the tourism industry in Singapore. Our Property Investment and Development and Specialty Restaurants and Food Services segments remained competitive despite generating lower revenue year-on-year. The dip in revenue contribution from the Property Investment and Development segment was due to the closure of Amara Shopping Centre for asset enhancement works.

Due to the higher level of activities, in line with the revenue increase in the Hotel Investment and Management segment, the cost of consumables used increased by 10% to S\$6.5 million for FY2011 from S\$5.9 million in FY2010. Correspondingly, staff costs were also up 8%. Finance costs increased by 13% to S\$3.3 million in FY2011 from S\$2.9 million in FY2010, mainly due to higher interest rate for a bank loan and higher borrowings during the year.

Other income, excluding fair value gain on investment properties, decreased by 54% to S\$0.7 million for FY2011 from S\$1.6 million for FY2010. This was due to lower miscellaneous income from the closure of Amara Shopping Centre. This decrease was partially offset by an increase in interest income from fixed deposits.

Our profit before tax increased 98% to S\$34.6 million in FY2011, after taking into account an increase in fair value gain on investment properties to S\$25.4 million. This was significantly more than the S\$5.0 million fair value gain in FY2010, due to a higher valuation of the Group’s investment properties. On the whole, we achieved an 80% rise in net profit (attributable to shareholders) to S\$29.4 million for FY2011.



Amara Sanctuary Resort, Sentosa – Larkhill Terrace Suite

HOTEL INVESTMENT AND MANAGEMENT



Amara Bangkok

Singapore's tourism industry continued to outperform industry estimates in 2011 with tourism receipts estimated at S\$22.2 billion, up 17% compared to the previous year. Visitor arrivals also increased 13% to 13.2 million from 2010. Both our flagship city centre hotel, Amara Singapore, and Amara Sanctuary Resort, Sentosa, have benefitted from the increased tourism activity in 2011.

Notably, revenue contribution from our Hotel Investment and Management segment had increased 9% to S\$53.4 million in FY2011, making up 87% of total revenue. Correspondingly, net profit from this division had also risen to S\$14.9 million in FY2011. Clearly, our Group's efforts to tap on the positive uptrend in the local hospitality industry have shown tangible results.

According to the Singapore Tourism Board, it was estimated that a third of total visitors to Singapore in 2011 were business travellers. We recognise the importance of Singapore becoming a choice location for business and meetings, incentives, conventions and exhibitions (MICE) events. In line with this trend, our Amara Singapore had undergone and completed a refurbishment of our rooms to cater to the growing business crowd.

The integrated resorts continue to draw leisure travellers especially from around the region in 2011, and this has positive effects on our Amara Sanctuary Resort, Sentosa. During the year under review, we had completed 18 new suites in our colonial building at Larkhill Terrace, which features 12 suites at the ground level and six larger suites on the second level. This ties in with our boutique resort's expansion strategy to create contemporary spaces within a resort environment conducive for rest and play. Nestled beautifully on a hilltop and set amidst 3.5 hectares of lush greenery, Amara Sanctuary Resort, Sentosa offers our guests a relaxing and luxurious experience away from the urban hustle and bustle, as well as a conducive environment for MICE events.



Amara Bangkok – Rooftop Pool

In 2012, the hospitality sector is expected to maintain healthy operating performance, driven mainly by continued growth in the MICE industry and the opening of major new attractions around Singapore, including the remaining attractions in Sentosa. Both our Amara Singapore and Amara Sanctuary Resort, Sentosa have also become popular choices for “staycations”, a trend among locals looking for a short break to unwind and relax within the country. We believe we are well positioned to capture a greater share of growth in the industry.

We believe Asia Pacific, as a developing market, continues to provide significant opportunities for our Group. We remain well placed to benefit from growing demand in these emerging markets. Our overseas projects – Amara Bangkok and Amara Signature Shanghai – have been making good progress.

Construction work for Amara Bangkok had begun in late 2011. Located near the business district and entertainment and shopping areas in Bangkok, this 251-room hotel will cater to business and leisure travellers alike. We believe the hotel will benefit from the influx of tourists to Bangkok upon its completion in 2014. Construction of our Amara Signature Shanghai is also on track. Located in the Puxi region of Shanghai, Amara Signature Shanghai is a mixed development consisting of a 360-room hotel, a retail mall and an office building. This development is expected to cater to the upwardly mobile business and leisure travellers in the region.

The Hotel Investment and Management segment is core to our business. We will constantly evaluate and refine our strategies with the aim of growing the Amara brand name as one that resonates with quality and excellence.

PROPERTY INVESTMENT AND DEVELOPMENT

For the year under review, our Property Investment and Development segment contributed revenue of S\$4.8 million, comprising 8% of total revenue. This is a drop compared to S\$8.6 million revenue contribution from this segment in FY2010. The decline in revenue contribution was primarily due to the closure of Amara Shopping Centre for asset enhancement works. Conversely, net profit contribution from this segment increased to S\$21.8 million in FY2011 compared to S\$6.6 million a year ago, due to a sharp increase in the fair value gain on the Group's investment properties.

Development works are currently underway for our retail mall, previously known as Amara Shopping Centre. The closure of the mall for asset enhancement works has no doubt affected revenue contribution from this segment. However, the refurbishment exercise is much needed and is a reflection of our strategy to keep abreast of trends and differentiate ourselves from our competitors. Re-branded as 100 AM, this will be the only full-fledged shopping centre in the Tanjong Pagar district and is set to be a hit among the burgeoning residents, visitors, as well as professionals working in the area. Reflecting 100 AM's attractive proposition, the mall has already secured 70% occupancy ahead of its scheduled opening in the middle of 2012. Some new and interesting tenants include FairPrice Finest, fashion brand Blum & Co, US shoe retailer Payless ShoeSource and a good selection of food and beverages tenants including Tsujiri Tea House – a 150-year-old Japanese brand and Pagi Sore Indonesian Restaurant.



Amara Signature Shanghai



100 AM

Located above our retail mall, the Office Annex (previously known as Amara Corporate Tower) will also be rejuvenated, with a focus on the lifestyle medical industry. With many office buildings in the Tanjong Pagar region, it is essential to determine what sets us apart from the rest. Tapping on the growing medical tourism, our office building will be re-branded as 100 AM Medical Offices by the middle of 2012.

Our residential development for the year, the 30-unit Killiney 118 is currently under construction and is scheduled for completion in 2012. Situated just a stone's throw away from Orchard Road and within the prime residential enclave of District 9, Killiney 118 appeals to busy urbanites with its artful and luxurious units designed by the award-winning team of ip:li architects and Atelier Ikebuchi. Sale of units in this development is expected to contribute positively to this segment in the new financial year.

The upcoming Amara Signature Shanghai, located in one of Asia's leading financial centres, comprises an office building and a retail centre, apart from a 360-room hotel. Tapping on the robust economic landscape of Shanghai, we are optimistic about Amara Signature Shanghai's growth potential from the commercial sector.

Our diverse mix of assets in retail, office and residential segments under the Property Investment and Development division, is a key strategy that will help us ride through any weakness in the property industry. While we are mindful of the effects of the additional property cooling measures implemented by the government, we remain confident in the inherent strengths of all our development projects. As such, we are cautiously optimistic on the property outlook in the year ahead.



Thanying Restaurant

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services segment, which made up 6% of total revenue, recorded sales of S\$3.6 million for FY2011, a marginal decline compared to the S\$4.0 million in FY2010. Bottom line, however, increased to S\$1.3 million in the period under review, compared to S\$0.8 million in FY2010. Our award-winning concept restaurants – Thanying Restaurants and Silk Road

Restaurants – continue to be recognised as premier brands offering delectable cuisine rich in flavour and heritage. Going forward, we aim to continue to improve our product offerings, enhance our service standards, and strive to provide an all-rounded sensory dining experience for our patrons. We will also be prudently exploring ways to expand our Thanying and Silk Road brands.



Silk Road Restaurant

GEARING FOR GROWTH

FY2011 had been a year of preparation and gearing up for further growth opportunities amidst the challenging business environment. Despite that, we continue to believe in the strength of our business fundamentals in each of our three divisions.

We will continue to review our portfolio and seek opportunities to enhance and build up our assets in each category. Having prepared ourselves in the last financial year, we look forward to a new beginning and are now ready to take on challenges and opportunities in the near future.



Clockwise from left: Amara Bangkok – Club Lounge; Amara Sanctuary Resort, Sentosa – Larkhill Terrace Suite Balcony; Amara Signature Shanghai – Lobby



ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

AMARA SANCTUARY RESORT, SENTOSA

HOTEL SECURITY AWARD 2011
Jointly awarded by Singapore Hotel
Association, Singapore Police and
National Crime Prevention Council

THE BEST HOTELS –
RESORTS AWARD 2011
Awarded by Singapore Tatler

EXCELLENT SERVICE AWARDS 2011
(2 STAR, 9 GOLD & 17 SILVER)
Awarded by Singapore Hotel
Association and SPRING Singapore

THE BEST HOTELS –
RESORTS AWARD 2010
Awarded by Singapore Tatler

BEST RESORT AWARD 2009
Awarded by AsiaOne People's Choice

URA ARCHITECTURAL HERITAGE
AWARDS (CATEGORY A) 2007
Awarded by the Urban
Redevelopment Authority

AMARA SINGAPORE

EXCELLENT SERVICE AWARDS
2011 (7 STAR, 18 GOLD & 13 SILVER)
Awarded by Singapore Hotel
Association and SPRING Singapore

SHA OUTSTANDING STAR
AWARD NOMINEE EXSA
(HOSPITALITY SECTOR) 2011 –
GRISH MENON SANKARAN
Awarded by Singapore
Hotel Association

HOTEL SECURITY AWARD 2011
CERTIFICATE OF EXCELLENCE
Jointly awarded by Singapore Hotel
Association, Singapore Police and
National Crime Prevention Council

HAPA SERVICE EXCELLENCE
(TOP 10) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA BEST DELUXE HOTEL
(TOP 5) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA BEST PASTRY CHEF
(TOP 5) 2009-2011
Awarded by Hospitality Asia
Platinum Awards Singapore Series

HAPA EXECUTIVE CHEF OF
THE YEAR (TOP 5) 2009-2011
Awarded by Hospitality Asia Platinum
Awards Singapore Series

HOTEL SECURITY AWARDS 2010
CERTIFICATE OF COMMENDATION
Jointly awarded by Singapore
Hotel Association, National Crime
Prevention Council and F1 & Sports
and Hospitality Singapore
Tourism Board

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

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

ELEMENT

THE SINGAPORE WOMEN'S
WEEKLY GOLD PLATE AWARDS

2011 - BUFFETS GALORE
Awarded by The Singapore
Women's Weekly

SINGAPORE'S TOP RESTAURANTS
2009 - SILVER

Awarded by Simply Dining

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

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

SIMPLY HER EDITOR'S RAVE ON
ROAST TURKEY DECEMBER 2011

Awarded by Simply Her

LUXE DINING SINGAPORE'S
BEST RESTAURANT 2011

Awarded by Singapore Tatler

SINGAPORE'S BEST RESTAURANTS
1992-2012

Awarded by Singapore Tatler

SINGAPORE'S TOP RESTAURANTS
1997-2011

Awarded by Wine & Dine

BEST EATS 2010

Awarded by CNNGo.com

LUXE DINING SINGAPORE'S BEST
RESTAURANTS 2010

Awarded by Singapore Tatler

CITIBANK-THE BUSINESS TIMES
GOURMET CHOICE AWARDS 2009

Winner Thai/Vietnamese/
Korean Category

SINGAPORE SERVICE STAR
2009-2010

Awarded by Singapore Tourism Board

GOLD PLATE AWARDS 2007

Awarded by The Singapore
Women's Weekly

"THAI SELECT" SEAL OF
APPROVAL FOR THAI CUISINE
Awarded by Ministry of
Commerce Thailand

FINALIST FOR AWARD FOR
EXCELLENCE ASIAN CUISINE
RESTAURANT 2004-2005
Awarded by Hospitality Asia
Platinum Awards

THE BEST THAI
RESTAURANT 2004
Awarded by The Straits Times
- Life! eats

EXCELLENCE IN SERVICE
ASIAN RESTAURANT 1993
Awarded by Singapore Tourism Board

EXCELLENCE IN SERVICE ASIAN
RESTAURANT (MERIT) 1991
Awarded by Singapore Tourism Board

SILK ROAD RESTAURANT

EXCELLENT SERVICE AWARDS
2011 (1 STAR, 5 GOLD & 1 SILVER)
Awarded by Singapore Hotel
Association and SPRING Singapore

THE BEST OF SINGAPORE
SERVICE STAR 2010-2011
Awarded by Singapore Tourism Board

LUXE DINING SINGAPORE'S BEST
RESTAURANT 2011
Awarded by Singapore Tatler

SINGAPORE'S BEST RESTAURANTS
2003-2012
Awarded by Singapore Tatler

SINGAPORE'S TOP RESTAURANTS
2003-2011
Awarded by Wine & Dine

THE DEFINITIVE GUIDE TO
SINGAPORE'S TOP RESTAURANTS
2010-2011
Awarded by Simply Dining

EXCELLENT AWARD 2010
(4 GOLD & 7 SILVER)
Restaurant Association of Singapore
and SPRING Singapore

HEALTHIER RESTAURANT
AWARD 2009-2011
Awarded by Health Promotion Board

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

SINGAPORE SERVICE STAR
2009-2010
Awarded by Singapore Tourism Board

SUPERSTAR FINALIST EXCELLENT
SERVICE AWARD 2008
Awarded by SPRING Singapore

EXCELLENT SERVICE AWARD
2008 (4 STAR & 3 SILVER)
Awarded by SPRING Singapore

EXCELLENT SERVICE AWARDS
2007 (6 GOLD)
Awarded by SPRING Singapore

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

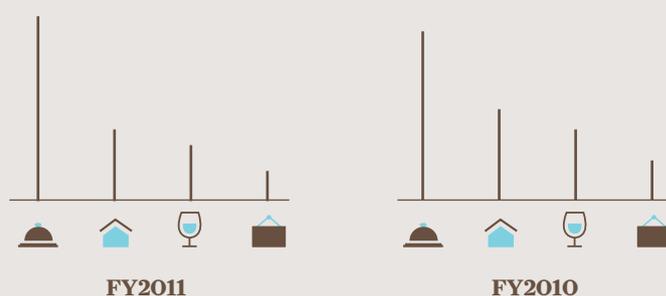
EDITOR'S CHOICE
IS Magazine

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 DECEMBER 2011

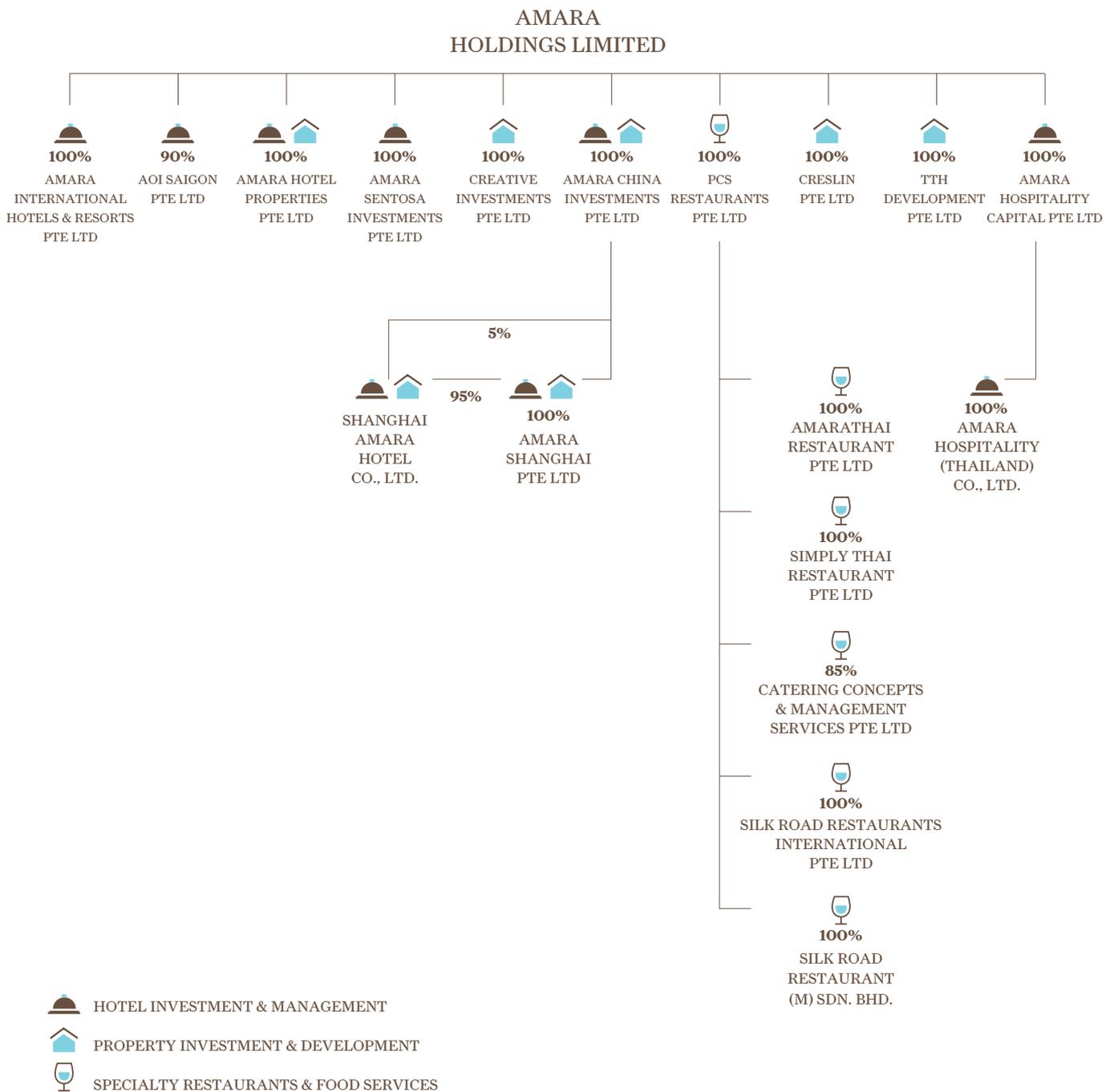
	FY2011 S\$'000	FY2010 S\$'000
INCOME STATEMENT		
Revenue	61,767	61,688
Profit before tax	34,607	17,512
Income tax expense	(5,263)	(1,223)
Non-controlling interests	24	64
Profit attributable to shareholders	29,368	16,353
FINANCIAL RATIOS		
Profit attributable to shareholders as percentage of revenue	47.55	26.51
Gearing ratio	36.36	38.52
PER SHARE UNIT		
Earnings per share	5.09	2.83
Net tangible assets per share	39.10	33.93
Net assets value per share	39.31	34.14
REVENUE BY COUNTRY (%)		
Singapore	100.00	100.00
REVENUE BY ACTIVITY (%)		
 Hotel Investment & Management	86.51	79.57
 Property Investment & Development	7.70	13.92
 Specialty Restaurants & Food Services	5.78	6.49
 Others	0.01	0.02
	100.00	100.00

REVENUE BY ACTIVITY



CORPORATE STRUCTURE

FINANCIAL YEAR ENDED 31 DECEMBER 2011



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

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

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2005 (the “Code”). There are other sections of this annual report that contain information required by the Code and these should be read together with this report.

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	4	4	5*	5*	1	1	1*	1*
Chang Meng Teng	4	4	5	5	1	1	1	1
Susan Teo Geok Tin	4	4	5*	5*	1*	1*	1*	1*
Richard Khoo Boo Yeong	4	4	5	5	1	1	1	1
Lawrence Mok Kwok Wah	4	4	5	5	1*	1*	1	1
Alphonsus Chia Chung Mun##	2	2	2*	2*	NA	NA	NA	NA

##Appointed as a Director on 1 June 2011 and as an Audit Committee member on 21 February 2012

* 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.

CORPORATE GOVERNANCE REPORT

Principle 1: The board's conduct of affairs (continued)

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.

With the appointment of Alphonsus Chia Chung Mun as a director on 1 June 2011, the Board consists of six directors. The Board comprises two executive directors and four non-executive directors, of whom three 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, Richard Khoo Boo Yeong and Alphonsus Chia Chung Mun. 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 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 40 to 44 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

CORPORATE GOVERNANCE REPORT

Principle 4: Board membership (continued)

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 Company's Articles of Association provide that one third of the directors for the time being or if their number is not a multiple of three, then the number nearest to one-third shall retire from office at the annual general meeting. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. 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. 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. The NC is satisfied that each individual director has allocated sufficient time and resources to the affairs of the Company.

The NC is also charged with determining annually whether a director is independent. The NC has reviewed and determined that the independent directors are independent.

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.

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 a Company Secretary are subject to the Board's approval.

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

CORPORATE GOVERNANCE REPORT

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 directors.

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

CORPORATE GOVERNANCE REPORT

Principle 9: Disclosure on remuneration (continued)

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:

Remuneration band	No. of Directors	
	2011	2010
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	4	3
Total	6	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 and audit

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.

With the appointment of Alphonsus Chia Chung Mun as an AC member on 21 February 2012, the AC comprises four non-executive directors, three of whom, including the Chairman are independent. They are Chang Meng Teng (Chairman of the AC), Richard Khoo Boo Yeong, Lawrence Mok Kwok Wah and Alphonsus Chia Chung Mun. 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.

CORPORATE GOVERNANCE REPORT

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

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.

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

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

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

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.

The Group has outsourced the internal audit function.

CORPORATE GOVERNANCE REPORT

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

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, with the concurrence of the AC, is satisfied with the adequacy of the internal controls to provide reasonable assurance in addressing financial, operational and compliance risks.

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.

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

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

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

The directors are pleased to 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 2011.

DIRECTORS

The directors 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
 Alphonsus Chia Chung Mun (*Appointed on 1 June 2011*)

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 31.12.2011	At 1.1.2011	At 31.12.2011	At 1.1.2011
	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	710,030	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 Firsttrust 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' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 31.12.2011	At 1.1.2011	At 31.12.2011	At 1.1.2011
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' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 31.12.2011	At 1.1.2011	At 31.12.2011	At 1.1.2011
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
Susan Teo Geok Tin	-	-	-	70,000
Lawrence Mok Kwok Wah	-	-	-	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 2012 were the same as at 31 December 2011.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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
Alphonsus Chia Chung Mun (*Appointed on 21 February 2012*)

This subcommittee of the Board had five meetings during the financial year. The meetings had 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 had 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;

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

AUDIT COMMITTEE (continued)

- 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 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 judgmental 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 TFW LLP 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 TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

ALBERT TEO HOCK CHUAN
Director

CHANG MENG TENG
Director

23 March 2012

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 47 to 107 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 2011 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
Director

CHANG MENG TENG
Director

23 March 2012

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Amara Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 47 to 107, which comprise the statements of financial position of the Group and the Company as at 31 December 2011, 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 information.

Management's Responsibility for the Financial Statements

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

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 judgment, 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 of financial statements that give a true and fair view 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, 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 2011 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Baker Tilly TFW LLP

Public Accountants and
Certified Public Accountants

Singapore
23 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Notes	The Group	
		2011 \$'000	2010 \$'000
Revenue	3	61,767	61,688
Other income	4	26,103	6,600
Finance costs	5	(3,261)	(2,881)
Changes in inventories of finished goods		(21)	(59)
Cost of properties sold/consumables used		(6,478)	(5,911)
Staff costs	9	(17,341)	(16,057)
Depreciation	21	(5,490)	(6,328)
Other expenses	6	(20,672)	(19,540)
Profit before tax	7	34,607	17,512
Income tax expense	10	(5,263)	(1,223)
Profit for the financial year		29,344	16,289
Other comprehensive income/(loss) after tax:			
Currency translation differences on translation of financial statements of foreign subsidiaries		2,654	(1,941)
Fair value gains/(losses) on cash flow hedge		991	(2,264)
Fair value (losses)/gains on available-for-sale financial assets, net		(346)	113
Other comprehensive income/(loss) for the financial year, net of tax		3,299	(4,092)
Total comprehensive income for the financial year		32,643	12,197
Profit attributable to:			
Equity holders of the Company		29,368	16,353
Non-controlling interests		(24)	(64)
		29,344	16,289
Total comprehensive income attributable to:			
Equity holders of the Company		32,667	12,261
Non-controlling interests		(24)	(64)
		32,643	12,197
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted (cents)	11	5.09	2.83

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Notes	The Group		The Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current assets					
Cash and cash equivalents	12	11,443	10,346	33	38
Trade and other receivables	13	6,817	8,075	40,739	42,757
Inventories	14	442	463	-	-
Development properties	15	36,453	33,780	-	-
Other current assets	16	1,226	1,593	10	3
		56,381	54,257	40,782	42,798
Non-current assets					
Available-for-sale financial assets	17	1,159	1,515	164	186
Intangible assets	18	357	357	-	-
Investment in subsidiaries	19	-	-	40,937	38,377
Investment properties	20	214,500	190,000	-	-
Property, plant and equipment	21	150,760	140,638	-	-
Goodwill	22	844	844	-	-
Other assets	23	7,024	7,136	-	-
Deferred income tax assets	24	539	489	-	-
		375,183	340,979	41,101	38,563
Total assets		431,564	395,236	81,883	81,361
Current liabilities					
Trade and other payables	25	23,090	24,854	189	221
Tax payables		2,850	4,572	-	-
Borrowings	26	16,991	33,699	-	-
		42,931	63,125	189	221
Non-current liabilities					
Trade and other payables	25	2,992	3,446	-	-
Borrowings	26	123,954	100,039	-	-
Deferred income tax liabilities	24	34,981	31,678	-	-
		161,927	135,163	-	-
Total liabilities		204,858	198,288	189	221
Net assets		226,706	196,948	81,694	81,140
Capital and reserves attributable to equity holders of the Company					
Share capital	27	125,646	125,646	125,646	125,646
Reserves		101,148	71,366	(43,952)	(44,506)
		226,794	197,012	81,694	81,140
Non-controlling interests		(88)	(64)	-	-
Total equity		226,706	196,948	81,694	81,140

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

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STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Note	Equity attributable to equity holders of the Company									
	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedging reserve	Retained earnings and other reserves*	Total reserves	Non-controlling interests		Total equity
								Total	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group										
Balance at 1 January 2011	125,646	9,773	(115)	(88)	(2,264)	64,060	71,366	197,012	(64)	196,948
Profit/(loss) for the year	-	-	-	-	-	29,368	29,368	29,368	(24)	29,344
Other comprehensive income/(loss)										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	2,654	-	-	-	2,654	2,654	-	2,654
Fair value gains on cash flow hedge	-	-	-	-	991	-	991	991	-	991
Fair value losses on available-for-sale financial assets, net	-	-	-	(346)	-	-	(346)	(346)	-	(346)
Other comprehensive income/(loss) for the year, net of tax	-	-	2,654	(346)	991	-	3,299	3,299	-	3,299
Total comprehensive income/(loss) for the year	-	-	2,654	(346)	991	29,368	32,667	32,667	(24)	32,643
Dividend relating to 2010	28	-	-	-	-	(2,885)	(2,885)	(2,885)	-	(2,885)
Balance at 31 December 2011	125,646	9,773	2,539	(434)	(1,273)	90,543	101,148	226,794	(88)	226,706
Balance at 1 January 2010	125,646	9,773	1,826	(201)	-	50,592	61,990	187,636	-	187,636
Profit/(loss) for the year	-	-	-	-	-	16,353	16,353	16,353	(64)	16,289
Other comprehensive income/(loss)										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	(1,941)	-	-	-	(1,941)	(1,941)	-	(1,941)
Fair value losses on cash flow hedge	-	-	-	-	(2,264)	-	(2,264)	(2,264)	-	(2,264)
Fair value gains on available-for-sale financial assets, net	-	-	-	113	-	-	113	113	-	113
Other comprehensive income/(loss) for the year, net of tax	-	-	(1,941)	113	(2,264)	-	(4,092)	(4,092)	-	(4,092)
Total comprehensive income/(loss) for the year	-	-	(1,941)	113	(2,264)	16,353	12,261	12,261	(64)	12,197
Dividend relating to 2009	28	-	-	-	-	(2,885)	(2,885)	(2,885)	-	(2,885)
Balance at 31 December 2010	125,646	9,773	(115)	(88)	(2,264)	64,060	71,366	197,012	(64)	196,948

* Includes other reserves of \$112,000 as at 31 December 2011 (2010: \$112,000).

STATEMENTS OF CHANGES IN EQUITY (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Share capital	Accumulated losses	Fair value reserve	Other reserves	Total reserves	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Company							
Balance at 1 January 2011		125,646	(45,458)	26	926	(44,506)	81,140
Profit for the year		-	3,462	-	-	3,462	3,462
Fair value losses on available-for-sale financial assets, net		-	-	(23)	-	(23)	(23)
Total comprehensive income/(loss) for the year		-	3,462	(23)	-	3,439	3,439
Dividend relating to 2010	28	-	(2,885)	-	-	(2,885)	(2,885)
Balance at 31 December 2011		125,646	(44,881)	3	926	(43,952)	81,694
Balance at 1 January 2010		125,646	(45,691)	25	926	(44,740)	80,906
Profit for the year		-	3,118	-	-	3,118	3,118
Fair value gains on available-for-sale financial assets, net		-	-	1	-	1	1
Total comprehensive income for the year		-	3,118	1	-	3,119	3,119
Dividend relating to 2009	28	-	(2,885)	-	-	(2,885)	(2,885)
Balance at 31 December 2010		125,646	(45,458)	26	926	(44,506)	81,140

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	The Group	
		2011 \$'000	2010 \$'000
Cash flows from operating activities			
Profit before tax		34,607	17,512
Adjustments for:			
Gains from fair value adjustment of investment properties		(25,361)	(5,000)
Amortisation of other assets		112	111
Investment property written off		-	128
Exchange difference		155	359
Depreciation of property, plant and equipment		5,490	6,328
Income from financial assets		(53)	(65)
Interest income		(72)	(44)
Interest expense		3,261	2,881
(Gains)/losses from disposal of property, plant and equipment		(19)	9
Gains from disposal of an investment property		-	(35)
Gains from disposal of available-for-sale financial assets		(2)	(48)
Losses from liquidation of a subsidiary		342	-
Property, plant and equipment written off		9	3
Operating cash flow before working capital changes		18,469	22,139
Changes in operating assets and liabilities:			
Inventories		21	59
Receivables		1,625	(1,551)
Payables		(503)	3,652
Development properties		(2,673)	(1,080)
Cash generated from operations		16,939	23,219
Income tax paid, net		(3,732)	(1,148)
Net cash generated from operating activities		13,207	22,071
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		25	122
Purchase of available-for-sale financial assets		(13)	(9)
Payments for property, plant and equipment (Note A)		(13,565)	(7,193)
Proceeds from disposal of an investment property		-	213
Proceeds from disposal of property, plant and equipment		24	13
Income received from quoted equity investments		53	65
Interest received		72	44
Net cash used in investing activities		(13,404)	(6,745)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	The Group	
		2011 \$'000	2010 \$'000
Cash flows from financing activities			
Bank balance secured for financing		-	2,248
Interest paid		(3,261)	(2,881)
Dividends paid to shareholders of Amara Holdings Limited		(2,885)	(2,885)
Repayment of finance lease liabilities		(806)	(765)
Repayment of bank borrowings		(7,600)	(40,358)
Proceeds from bank borrowings		15,550	17,690
Net cash from / (used in) financing activities		998	(26,951)
Net increase / (decrease) in cash and cash equivalents held			
Cash and cash equivalents at beginning of financial year		10,346	22,373
Effects of exchange rate changes on cash and cash equivalents		296	(402)
Cash and cash equivalents at end of financial year	12	11,443	10,346

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$13,628,000 (2010: \$7,243,000) of which \$63,000 (2010: \$50,000) was financed by means of finance lease. Cash payment of \$13,565,000 (2010: \$7,193,000) was made to purchase property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

1. CORPORATE INFORMATION

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
100 AM
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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and 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 and INT FRS did not result in substantial changes to the Group’s accounting policies and had no material effect on the financial statements.

Identification of related party

With effect from 1 January 2011, the Group has applied the revised FRS 24 Related Party Disclosures (2010) to identify parties that are related to the Group and for determination of required related party disclosures. The wordings in the revised FRS 24 were improved to provide clarity and additional guidance in the definitions and disclosures for related parties.

The adoption of FRS 24 (2010) affects only disclosures made in the financial statements. There is no financial effect on the financial statements of the Group. The Group’s related party disclosures are in Note 36.

At the reporting date, the following FRSs and INT FRS were issued, revised or amended but not effective:

FRS 19	Employee Benefits
FRS 27	Separate Financial Statements
FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
FRS 113	Fair Value Measurements
Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
Amendments to FRS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 101	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 107	Disclosures - Transfers of Financial Assets

The Group anticipates that the adoption of these FRSs and INT FRSs (where applicable) in future periods will have no material impact on the financial statements of the Company and the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant accounting estimates and judgments

The Group's accounting policies and use of estimates are integral to the reported results. Certain accounting estimates require exercise of management's judgment 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 judgment 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 income tax assets and deferred income tax liabilities at 31 December 2011 were \$2,850,000 (2010: \$4,572,000), \$539,000 (2010: \$489,000) and \$34,981,000 (2010: \$31,678,000), 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 2011 were \$150,760,000 (2010: \$140,638,000). 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. The carrying amounts of Group's property, plant and equipment and Company's investment in subsidiaries, net of impairment loss at the end of the reporting period are disclosed in Notes 21 and 19 to the financial statements.

iv) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value as at 31 December 2011.

The fair value of investment properties is determined by independent professional valuer using recognised valuation technique. These techniques comprise both the income method of valuation and direct sale comparison approach.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant accounting estimates and judgments (continued)

(1) Key sources of estimation uncertainty (continued)

iv) Revaluation of investment properties (continued)

The determination of the fair value of the investment properties requires the use of estimates such as future cash flows from assets (such as lettings, future revenue streams, capital values of fixtures and fittings and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, appropriate adjustments are made between the comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing market conditions and all other relevant factors affecting its value. These estimates are based on local market conditions existing at the end of each reporting date.

(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. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and related cost can be reliably measured.

(1) Hotel and restaurant operations and other services rendered

Revenue from hotel and restaurant operations is recognised when the services are rendered.

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 profit or loss 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 when services are rendered.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Group accounting

(1) *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control over another entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(2) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(f). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Group accounting (continued)

(2) Basis of consolidation (continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if the subsidiary incurred losses and the losses allocated exceed the non-controlling interests in the subsidiary's equity.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the 'non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners).

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific FRS.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

(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	5 – 33 $\frac{1}{3}$
Motor vehicles	20
Renovations	10

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(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 associated with the item 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries 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 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) Club memberships

Club memberships are held on a long-term basis and are stated at cost less accumulated 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of assets (continued)

(2) *Property, plant and equipment Investment in subsidiaries*

Property, plant and equipment and investment in subsidiaries are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (ie 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 cash equivalents" on the statement of financial position.

ii) Financial assets, available-for-sale

Financial assets, including equity and debt securities, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(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.

(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, less impairment.

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 (ie 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 (ie 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(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 receivables, probability that the receivables will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivables are 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF 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 substantively 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 except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting nor taxable profit or loss.

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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income taxes (continued)

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.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's 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 the 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 contributions 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 Company's functional currency.

(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 foreign currency translation reserve within equity in the consolidated financial statements.

Currency translation differences on non-monetary items, such as available-for-sale equity securities, are reported as part of the fair value gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Foreign currency translation (continued)

(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.

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 it on a systematic basis to the costs that it is intended to compensate.

(w) Share capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Financial guarantees

A financial guarantees contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivable fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

(z) Derivative financial instruments and hedging activities

Cash flow hedges

The Group holds interest rate swaps to hedge its interest rate risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80% - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss as incurred.

Subsequent to initial recognition, changes in the fair value of the derivative hedging instrument designated as the hedging instrument in the cash flow hedge, is recognised directly in other comprehensive income and presented in the hedging reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity, remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

3. REVENUE

	The Group	
	2011 \$'000	2010 \$'000
Room, food and beverage and other revenue	57,007	53,086
Rental income from investment properties	4,754	8,590
Income from available-for-sale financial assets	6	12
	61,767	61,688

4. OTHER INCOME

	The Group	
	2011 \$'000	2010 \$'000
Other income		
- Government grant	-	177
- Gain from fair value adjustment of investment properties	25,361	5,000
- Rental income	-	5
- Gain on disposal of an investment property	-	35
- Gain on disposal of property, plant and equipment	19	-
- Income from available-for-sale financial assets	50	102
- Others	601	1,237
	26,031	6,556
Interest income - fixed deposits	72	44
	26,103	6,600

5. FINANCE COSTS

	The Group	
	2011 \$'000	2010 \$'000
Interest expense		
- Finance leases	81	135
- Bank loans and overdraft	3,180	2,746
	3,261	2,881

6. OTHER EXPENSES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

7. PROFIT BEFORE TAX

	The Group	
	2011 \$'000	2010 \$'000
Profit before tax is arrived at after:		
<i>Charging/(Crediting):</i>		
Allowance for doubtful trade receivables	382	137
Allowance for doubtful non-trade receivables	22	53
Allowance for doubtful receivables written back (trade)	(38)	(33)
Allowance for doubtful receivables written back (non-trade)	-	(238)
Amortisation of other assets (Note 23)	112	111
Audit fees payable/paid to the auditor of the Company	112	112
Audit fees payable/paid to the other auditors*	9	9
Bad debts written off	-	34
Depreciation of property, plant and equipment (Note 21)		
- Freehold property	10	10
- Leasehold land and buildings	1,834	2,289
- Plant and machinery, furniture, fixtures and equipment	1,512	1,774
- Motor vehicles	209	224
- Renovations	1,925	2,031
Directors' fees	126	102
Investment property written off	-	128
Loss on disposal of property, plant and equipment	-	9
Loss on liquidation of a subsidiary	342	-
Net foreign exchange loss	170	987
Other fees payable/paid to the auditor of the Company	38	37
Property, plant and equipment written off	9	3
Rental expense - operating leases	1,937	1,534

* Includes independent member firms of the Baker Tilly International network.

8. REMUNERATION BANDS OF DIRECTORS OF THE COMPANY

	The Group	
	2011	2010
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	4	3
Total	6	5

The depreciation charges relating to motor vehicles of the Group which were made available for the use of the directors were \$87,287 (2010: \$101,000). These amounts have been included in the remuneration of directors of the Company for the purposes of this Note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

9. STAFF COSTS

	The Group	
	2011 \$'000	2010 \$'000
Wages and salaries	14,720	13,706
Employer's contribution to the Central Provident Fund	1,556	1,310
Other benefits	1,065	1,041
	17,341	16,057

10. INCOME TAX EXPENSE

	The Group	
	2011 \$'000	2010 \$'000
Tax expense attributable to the results is made up of:		
Current income tax	2,458	3,233
Deferred income tax (Note 24)	4,055	476
	6,513	3,709
Over provision in preceding financial years:		
- Current income tax	(448)	(2,486)
- Deferred income tax (Note 24)	(802)	-
	5,263	1,223

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	
	2011 \$'000	2010 \$'000
Profit before tax	34,607	17,512
Tax calculated at a tax rate of 17%	5,883	2,977
Expenses not deductible for tax purposes	1,537	991
Income not taxable	(901)	(163)
Deferred tax asset not recognised	-	14
Utilisation of deferred tax asset previously not recognised	(8)	(6)
Others	2	(104)
	6,513	3,709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

11. EARNINGS PER ORDINARY SHARE

	The Group	
	2011	2010
Profit after tax attributable to the equity holders of Amara Holdings Limited (\$'000)	29,368	16,353
Number of ordinary shares in issue ('000)	576,936	576,936
Basic and diluted earnings per ordinary share (cents)	5.09	2.83

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 CASH EQUIVALENTS

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand	5,630	3,919	33	38
Fixed deposits with financial institutions	5,813	6,427	-	-
	11,443	10,346	33	38

Included in the above is an amount of \$365,000 (2010: \$120,000) held under the Housing Developers (Project Account) Rules (1997 Ed), withdrawals from which are restricted to payments for project expenditure incurred.

The carrying amounts of cash and cash equivalents approximate their fair values.

The Group's fixed deposits with financial institutions mature on varying dates within 1 to 3 months (2010: 3 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 December 2011 was 1.76% (2010: 1.47%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore Dollar	3,856	3,186	33	38
United States Dollar	5,110	6,083	-	-
Renminbi	1,123	1,020	-	-
Thai Baht	1,335	30	-	-
Others	19	27	-	-
	11,443	10,346	33	38

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

13. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade receivables				
- Third parties	4,538	5,734	20	21
Less: Allowance for doubtful trade receivables	(1,506)	(1,162)	(17)	(17)
Trade receivables - net	3,032	4,572	3	4
Non-trade receivables				
- Third parties	6,409	5,847	-	-
- Subsidiaries	-	-	40,736	42,753
- Minority shareholder of subsidiary	-	258	-	-
	6,409	6,105	40,736	42,753
Less: Allowance for doubtful non-trade receivables	(2,624)	(2,602)	-	-
Non-trade receivables - net	3,785	3,503	40,736	42,753
	6,817	8,075	40,739	42,757

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 an amount due from a third party with a carrying amount of \$2,563,000 (2010: \$2,542,000) 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore Dollar	4,534	5,034	40,739	42,757
United States Dollar	2,407	965	-	-
Renminbi	(158)	1,873	-	-
Others	34	203	-	-
	6,817	8,075	40,739	42,757

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

14. INVENTORIES

	The Group	
	2011 \$'000	2010 \$'000
Food and beverage, at cost	325	335
Other hotel and catering supplies, at cost	117	128
	442	463

15. DEVELOPMENT PROPERTIES

	The Group	
	2011 \$'000	2010 \$'000
Properties under development	34,083	31,410
Completed properties held for sale	2,370	2,370
	36,453	33,780

(a) Properties under development

	The Group	
	2011 \$'000	2010 \$'000
Land, development and other related costs	34,083	31,410
Borrowing costs capitalised during the financial year	145	164

The weighted average effective interest rate of borrowing costs capitalised for the year ended 31 December 2011 is 1.67% (2010: 1.61%) per annum.

As at 31 December 2011 and 2010, certain properties are mortgaged to banks to secure credit facilities as disclosed in Note 26.

(b) Completed properties held for sale

	The Group	
	2011 \$'000	2010 \$'000
Land and other related costs	1,449	1,449
Development costs	921	921
	2,370	2,370

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

15. DEVELOPMENT PROPERTIES (continued)

The Group's development properties as at 31 December 2011 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/ 2012	2,604	Proposed block of 6-storey apartments consisting 1st storey shophouse with 1 level basement carpark and swimming pool	100
(iii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2013	2,300	Proposed residential development of 1 block of about 11 storey apartments	100
(iv)	29 Newton Road, Singapore	Freehold	Under development	1,994	Proposed residential development	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

16. OTHER CURRENT ASSETS

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Deposits	636	1,192	-	-
Prepayments	576	392	3	3
Staff advances	14	9	-	-
Other receivables	-	-	7	-
	1,226	1,593	10	3

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

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

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	564	1,158	7	-
Renminbi	77	43	-	-
Thai Baht	9	-	-	-
	650	1,201	7	-

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Singapore quoted investments				
- Equity shares in corporations	1,129	1,480	164	186
- Quoted unit trust	30	35	-	-
At fair value	1,159	1,515	164	186

The fair values of quoted investments are determined by reference to Singapore Exchange quoted bid prices.

18. INTANGIBLE ASSETS

	The Group	
	2011	2010
	\$'000	\$'000
Club memberships	532	532
Less: Impairment loss	(175)	(175)
	357	357

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. INVESTMENT IN SUBSIDIARIES

	The Company	
	2011 \$'000	2010 \$'000
Cost of unquoted equity shares at beginning of year	48,206	48,206
Addition during the year	2,560	-
Cost of unquoted equity shares at end of year	50,766	48,206
Less: Impairment loss	(9,829)	(9,829)
	40,937	38,377

Allowance for impairment loss balance is as follows:

	The Company	
	2011 \$'000	2010 \$'000
At 1 January and 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	Country of incorporation and business	Proportion of ownership interest		Cost of investment	
			2011 %	2010 %	2011 \$'000	2010 \$'000
Held by the Company						
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	Singapore	100	100	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100	6,704	6,704
Creslin Pte Ltd	Property development and provision of construction services	Singapore	100	100	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Country of incorporation and business	Proportion of ownership interest		Cost of investment	
			2011 %	2010 %	2011 \$'000	2010 \$'000
Held by the Company (continued)						
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100	—**	—**
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	Singapore	100	100	—**	—**
AOI Saigon Pte Ltd *	Hotelier, restaurateur and investment holding	Singapore	90	90	4,773	4,773
Amara Hospitality Capital Pte Ltd	Investment holding	Singapore	100	100	7,616	5,056
Amara Sentosa Investments Pte Ltd	Hotelier, restaurateur and investment holding	Singapore	100	100	8,000	8,000
					50,766	48,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Country of incorporation and business	Proportion of ownership interest	
			2011 %	2010 %
Held by PCS Restaurants Pte Ltd				
Catering Concepts & Management Services Pte Ltd	Food & beverage caterer and proprietor of a food court	Singapore	85	85
Silk Road Restaurants International Pte Ltd	Restaurateur and franchisor	Singapore	100	100
Amarathai Restaurant Pte Ltd	Restaurateur	Singapore	100	100
Simply Thai Restaurant Pte Ltd	Restaurateur	Singapore	100	100
Silk Road Restaurant (M) Sdn. Bhd.	Restaurateur	Malaysia	100	100
Held by Amara Hospitality Capital Pte Ltd				
Amara Hospitality (Thailand) Co., Ltd #	Hotel development and ownership	Thailand	100	100
Held by Amara China Investments Pte Ltd				
AOI Chengdu Pte Ltd ***	Hotelier and investment holding	Singapore	-	70
Amara Shanghai Pte Ltd *	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. ##	Hotel development and ownership	The People's Republic of China	5	5
Held by Amara Shanghai Pte Ltd				
Shanghai Amara Hotel Co., Ltd. ##	Hotel development and ownership	The People's Republic of China	95	95

* 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 investment less than \$1,000.

*** Liquidated during the year.

Audited by independent overseas member firm of Baker Tilly International in Thailand.

Audited by Shanghai Certified Public Accountants, The People's Republic of China.

Subsidiaries incorporated and operating their businesses in Singapore are audited by Baker Tilly TFW LLP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

19. INVESTMENT IN SUBSIDIARIES (continued)

On 14 December 2011, the Company had increased its paid up capital in its wholly owned subsidiary, Amara Hospitality Capital Pte Ltd, by \$2,560,000. The increase in capital is for the purpose of investments and was funded by internal sources of funds.

20. INVESTMENT PROPERTIES

	The Group	
	2011 \$'000	2010 \$'000
At beginning of year	190,000	185,306
Write off	-	(306)
Adjustment	(861)	-
Fair value gain adjustment	25,361	5,000
At end of year	214,500	190,000

- (a) Investment properties are carried at fair value at the balance sheet date. Valuation was performed by Chesterton Suntec International Pte Ltd, a firm of property consultants in December 2011, on the Group's investment properties referred to as 100 AM (formerly known as 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, 100 AM with aggregate carrying amount of \$214,500,000 (2010: \$190,000,000) 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 2011 are set out below:

Address	Held by	Title	Gross floor area (sq m)	Description
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	10,192.4	100 AM, 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	100 AM, 12-storey office building

- (d) In the consolidated statement of comprehensive income, rental income of \$4,754,000 (2010: \$8,590,000) was generated from investment properties, and direct operating expenses include \$2,792,000 (2010: \$2,904,000) relating to investment properties that generated rental income during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 2011								
- Cost	491	95,231	21,767	1,238	21,731	3,037	12,836	156,331
- Valuation	-	52,200	-	-	-	-	-	52,200
	491	147,431	21,767	1,238	21,731	3,037	12,836	208,531
Exchange rate adjustment	-	1,939	7	-	-	-	373	2,319
Additions, at cost	-	7	354	70	45	33	13,119	13,628
Transfers, at cost	-	-	1,008	-	1,565	-	(2,573)	-
Adjustments	-	-	(50)	-	(155)	-	-	(205)
Disposals/write off	-	-	(475)	-	(473)	(7)	-	(955)
At 31 December 2011	491	149,377	22,611	1,308	22,713	3,063	23,755	223,318
Representing:								
- Cost	491	97,177	22,611	1,308	22,713	3,063	23,755	171,118
- Valuation	-	52,200	-	-	-	-	-	52,200
	491	149,377	22,611	1,308	22,713	3,063	23,755	223,318
Accumulated depreciation and impairment								
At 1 January 2011	138	33,400	15,361	689	18,294	11	-	67,893
Exchange rate adjustment	-	110	6	-	-	-	-	116
Depreciation	10	1,834	1,512	209	1,925	-	-	5,490
Disposals/write off	-	-	(468)	-	(473)	-	-	(941)
At 31 December 2011	148	35,344	16,411	898	19,746	11	-	72,558
Net carrying amount								
At 31 December 2011	343	114,033	6,200	410	2,967	3,052	23,755	150,760

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 2010								
- 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
Exchange rate adjustment	-	(1,709)	(6)	-	-	-	(273)	(1,988)
Additions, at cost	-	102	455	218	250	37	6,181	7,243
Disposals/write off	-	-	(337)	(96)	(20)	(72)	-	(525)
At 31 December 2010	491	147,431	21,767	1,238	21,731	3,037	12,836	208,531
Representing:								
- Cost	491	95,231	21,767	1,238	21,731	3,037	12,836	156,331
- Valuation	-	52,200	-	-	-	-	-	52,200
	491	147,431	21,767	1,238	21,731	3,037	12,836	208,531
Accumulated depreciation and impairment								
At 1 January 2010	128	31,196	13,913	561	16,274	83	-	62,155
Exchange rate adjustment	-	(85)	(5)	-	-	-	-	(90)
Depreciation	10	2,289	1,774	224	2,031	-	-	6,328
Disposals/write off	-	-	(321)	(96)	(11)	(72)	-	(500)
At 31 December 2010	138	33,400	15,361	689	18,294	11	-	67,893
Net carrying amount								
At 31 December 2010	353	114,031	6,406	549	3,437	3,026	12,836	140,638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

21. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	2011 \$'000	2010 \$'000
Plant and machinery, furniture, fixtures and equipment	959	1,243
Operating supplies	707	707
Motor vehicles	380	514
	2,046	2,464

- (b) At the reporting date, the net carrying amount of certain freehold property, leasehold land and buildings and renovations of the Group mortgaged to banks to secure bank borrowings amounted to \$86,065,000 (2010: \$87,979,000) (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 \$21,370,000 (2010: \$21,695,000).

An independent professional valuation on the Amara Hotel was carried out by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2011 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to \$229,230,000 (2010: \$178,000,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

An independent professional valuation on the leasehold land located at 582 and 600 Changshou Road, Shanghai was carried out by DTZ Debenham Tie Leung Ltd, a firm of property consultants, in December 2011 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land amounting to \$86,497,000 (2010: \$79,898,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

An independent professional valuation on the Amara Sanctuary Resort, Sentosa was carried out by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2011 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to \$71,603,000 (2010: \$54,337,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(e) The Group's properties as at 31 December 2011 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 388-guestroom hotel
(ii)	12 Hoot Kiam Road, Singapore	Amara Hotel Properties Pte Ltd	Freehold	A 2-storey pre-war intermediate terrace house
(iii)	582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Leasehold 45 years and 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 140 guestrooms, suites and villas

22. GOODWILL

	The Group	
	2011 \$'000	2010 \$'000
Goodwill arising on consolidation		
Cost	889	889
Less: Accumulated impairment loss	(45)	(45)
	844	844

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

23. OTHER ASSETS

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

	The Group	
	2011 \$'000	2010 \$'000
Prepayment		
At beginning of year	7,136	7,247
Amortisation	(112)	(111)
At end of year	7,024	7,136

The amortisation rate for the prepaid lease is 1.47% per annum.

24. DEFERRED INCOME TAXES

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

	The Group	
	2011 \$'000	2010 \$'000
At beginning of year	31,189	30,713
Tax debited/(credited) to profit or loss		
- current year	4,055	476
- prior year	(802)	-
At end of year	34,442	31,189

Deferred income tax assets are recognised for tax losses 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 (2010: \$521,000) and Nil (2010: \$47,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

24. DEFERRED INCOME TAXES (continued)

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

Deferred income tax liabilities

The Group

	Accelerated tax depreciation	Investment properties	Unremitted foreign sourced income	Asset revaluation reserve	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011						
At beginning of year	4,872	23,522	1,010	2,002	411	31,817
(Credited)/debited to profit or loss	(158)	4,311	(983)	-	(6)	3,164
At end of year	4,714	27,833	27	2,002	405	34,981
2010						
At beginning of year	5,252	22,672	1,010	2,002	405	31,341
(Credited)/debited to profit or loss	(380)	850	-	-	6	476
At end of year	4,872	23,522	1,010	2,002	411	31,817

Deferred income tax assets

	The Group	
	2011 \$'000	2010 \$'000
Tax losses:		
At beginning of year	(628)	(628)
Debited to profit or loss	89	-
At end of year	(539)	(628)

Deferred income 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

24. DEFERRED INCOME TAXES (continued)

	The Group	
	2011 \$'000	2010 \$'000
Deferred income tax assets	(539)	(489)
Deferred income tax liabilities	34,981	31,678
	34,442	31,189

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(a) Current				
Trade payables	5,346	5,062	1	3
Due to related parties	94	94	-	-
Accrued operating expenses	14,650	13,497	187	190
Accrued construction costs	171	2,208	-	-
Sundry payables	1,644	1,074	1	28
Deposits received	1,185	2,919	-	-
	23,090	24,854	189	221

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

25. TRADE AND OTHER PAYABLES (continued)

(b) Non-current

	The Group	
	2011 \$'000	2010 \$'000
Derivative financial instrument	1,273	2,264
Deposits received	1,719	1,182
	2,992	3,446

Derivative financial instrument represents a cash flow hedge interest rate swap with a notional amount of \$23,000,000 (2010: \$26,000,000). The interest rate swap receives floating interest and pays a fixed rate of interest and matures in March 2013.

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

	The Group	
	2011 \$'000	2010 \$'000
Derivative financial instrument	1,273	2,264
Deposits received	1,656	1,132
	2,929	3,396

The fair value of deposit is computed based on the present value of the cash flows using a discount rate of 2.49% (2010: 2.55%) 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore Dollar	26,020	28,135	189	221
United States Dollar	36	35	-	-
Renminbi	21	118	-	-
Thai Baht	5	-	-	-
Others	-	12	-	-
	26,082	28,300	189	221

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

26. BORROWINGS

	The Group	
	2011 \$'000	2010 \$'000
Current		
Bank loans, secured	16,360	32,900
Finance lease liabilities (Note 30)	631	799
	16,991	33,699
Non-current		
Bank loans, secured		
- Between 1 and 2 years	123,680	99,190
Finance lease liabilities (Note 30)	274	849
	123,954	100,039
Total borrowings	140,945	133,738

(a) The Group's bank borrowings at 31 December 2011 comprise the following:

- (i) term loan of \$17,500,000 (2010: \$18,500,000), revolving credit advances of \$50,000,000 (2010: \$50,000,000) and a short-term advance of \$3,160,000 (2010: Nil) secured by way of a legal mortgage on the Amara Hotel, 100 AM (shopping centre and office 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 May 2015.

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 May 2015 will remain available for reborrowing;

- (ii) term loan amounting to \$8,400,000 (2010: \$8,400,000) and revolving credit advances of \$720,000 (2010: \$290,000) are 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. These loans are 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;
- (iii) a term loan of \$23,000,000 (2010: \$26,000,000) 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 construction contracts, construction guarantees, hotel subleases, insurances, a corporate guarantee from the Company and debenture over the hotel. This loan matures in March 2013; and
- (iv) a term loan of \$37,260,000 (2010: \$28,900,000) is secured by way of the first legal mortgage on the Amara Hotel, 100 AM 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 February 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

26. BORROWINGS (continued)

(b) Currency risk

All borrowings are denominated in Singapore Dollar.

(c) Interest rate risks

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

	The Group	
	2011 Per annum	2010 Per annum
Bank loans, secured	2.49%	2.55%
Finance lease liabilities	6.36%	6.72%

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 2011					
Total borrowings	140,456	215	274	-	140,945
At 31 December 2010					
Total borrowings	132,491	398	817	32	133,738

To manage interest rate risk, the Group, where appropriate, uses interest rate swap.

(d) Carrying amounts and fair values

The carrying amounts of bank borrowings and lease liabilities approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

27. SHARE CAPITAL

Issued and fully paid ordinary share capital of Amara Holdings Limited

	2011	2010	2011	2010
	Number of	Number of		
	shares issued	shares issued		
	'000	'000	\$'000	\$'000
At 1 January and 31 December	576,936	576,936	125,646	125,646

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

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

28. DIVIDEND

	The Group and The Company	
	2011	2010
	\$'000	\$'000
Ordinary dividend paid		
First and final tax exempt dividend of 0.5 cent per share (2010: 0.5 cent per share tax exempt) in respect of the previous financial year	2,885	2,885

At the Annual General Meeting ("AGM") to be held on 27 April 2012, a first and final tax exempt dividend for 2011 of 0.6 cent per share, amounting to \$3,461,616 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 2012 subject to shareholders' approval at the forthcoming AGM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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	
	2011 \$'000	2010 \$'000
Minimum lease payments due:		
Not later than one financial year	617	879
Later than one financial year but not later than five financial years	340	866
Later than five financial years	11	36
	968	1,781
Less: Future finance charges	(63)	(133)
Present value of finance lease liabilities	905	1,648
Representing finance lease liabilities:		
Current (Note 26)	631	799
Non-current (Note 26)	274	849
	905	1,648

31. INTRA-GROUP FINANCIAL GUARANTEES

The fair 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 \$141,618,000 (2010: \$63,300,000). 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 2011 and 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

32. COMMITMENTS

Commitments not provided for in the financial statements:

	The Group	
	2011 \$'000	2010 \$'000
(a) Capital commitments		
Estimated expenditure contracted for:		
- Property, plant and equipment	123,692	11,143

(b) Lease commitments - where the Group is a lessor

The Group leases out shopping centre and office premises space to non-related parties under non-cancellable operating leases.

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	
	2011 \$'000	2010 \$'000
Not later than one financial year	2,575	4,328
Later than one financial year but not later than five financial years	3,356	3,734
	5,931	8,062

(c) Lease commitments - where the Group is a lessee

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

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	
	2011 \$'000	2010 \$'000
Not later than one financial year	1,452	1,022
Later than one financial year but not later than five financial years	5,460	3,752
Later than five financial years	92,533	76,570
	99,445	81,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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	Derivative used for hedging	Non- financial assets/ liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011						
The Group						
Assets						
Available-for-sale financial assets	-	1,159	-	-	-	1,159
Intangible assets	-	-	-	-	357	357
Investment properties	-	-	-	-	214,500	214,500
Property, plant & equipment	-	-	-	-	150,760	150,760
Goodwill	-	-	-	-	844	844
Other assets	-	-	-	-	7,024	7,024
Deferred income tax assets	-	-	-	-	539	539
Cash and cash equivalents	11,443	-	-	-	-	11,443
Trade and other receivables	6,817	-	-	-	-	6,817
Inventories	-	-	-	-	442	442
Development properties	-	-	-	-	36,453	36,453
Other current assets	650	-	-	-	576	1,226
	18,910	1,159	-	-	411,495	431,564
Liabilities						
Trade and other payables	-	-	24,438	1,273	371	26,082
Tax payables	-	-	-	-	2,850	2,850
Borrowings	-	-	140,945	-	-	140,945
Deferred income tax liabilities	-	-	-	-	34,981	34,981
	-	-	165,383	1,273	38,202	204,858

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Loans & receivables	Available- for-sale	Liabilities at amortised cost	Derivative used for hedging	Non- financial assets/ liabilities	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010						
The Group						
Assets						
Available-for-sale financial assets	-	1,515	-	-	-	1,515
Intangible assets	-	-	-	-	357	357
Investment properties	-	-	-	-	190,000	190,000
Property, plant & equipment	-	-	-	-	140,638	140,638
Goodwill	-	-	-	-	844	844
Other assets	-	-	-	-	7,136	7,136
Deferred income tax assets	-	-	-	-	489	489
Cash and cash equivalents	10,346	-	-	-	-	10,346
Trade and other receivables	8,075	-	-	-	-	8,075
Inventories	-	-	-	-	463	463
Development properties	-	-	-	-	33,780	33,780
Other current assets	1,201	-	-	-	392	1,593
	19,622	1,515	-	-	374,099	395,236
Liabilities						
Trade and other payables	-	-	25,689	2,264	347	28,300
Tax payables	-	-	-	-	4,572	4,572
Borrowings	-	-	133,738	-	-	133,738
Deferred income tax liabilities	-	-	-	-	31,678	31,678
	-	-	159,427	2,264	36,597	198,288

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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
2011					
The Company					
Assets					
Available-for-sale financial assets	-	164	-	-	164
Investment in subsidiaries	-	-	-	40,937	40,937
Cash and cash equivalents	33	-	-	-	33
Trade and other receivables	40,739	-	-	-	40,739
Other current assets	7	-	-	3	10
	40,779	164	-	40,940	81,883
Liabilities					
Trade and other payables	-	-	189	-	189
2010					
The Company					
Assets					
Available-for-sale financial assets	-	186	-	-	186
Investment in subsidiaries	-	-	-	38,377	38,377
Cash and cash equivalents	38	-	-	-	38
Trade and other receivables	42,757	-	-	-	42,757
Other current assets	-	-	-	3	3
	42,795	186	-	38,380	81,361
Liabilities					
Trade and other payables	-	-	221	-	221

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 levels of fair value hierarchy for each class of financial instruments measured at fair value in the statement of financial position at 31 December 2011.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
2011				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,129	-	-	1,129
- Quoted unit trust	30	-	-	30
	1,159	-	-	1,159
Liabilities				
Derivative				
- Interest rate swaps	-	1,273	-	1,273
	-	1,273	-	1,273
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	164	-	-	164
	164	-	-	164
2010				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,480	-	-	1,480
- Quoted unit trust	35	-	-	35
	1,515	-	-	1,515
Liabilities				
Derivative				
- Interest rate swaps	-	2,264	-	2,264
	-	2,264	-	2,264
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	186	-	-	186
	186	-	-	186

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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 (ie 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.

The fair value of interest rate swaps, obtained from a reputable financial institution, is the estimated amount that the Group is expected to pay to terminate the swap with the swap counterparty at the reporting date. This instrument is included in Level 2.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from their 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 years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

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.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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 \$2,563,000 (2010: \$2,542,000) 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 \$141,618,000 (2010: \$63,300,000).

At 31 December 2011, 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Past due 0 to 1 month	726	442	-	-
Past due 1 to 3 months	346	20	-	-
Past due over 3 months	4,050	3,891	7	-
	5,122	4,353	7	-

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Gross amount	6,693	6,306	17	17
Less: Allowance for impairment	(4,130)	(3,764)	(17)	(17)
	2,563	2,542	-	-
At 1 January	3,764	4,031	17	17
Allowance made	404	190	-	-
Allowance written back	(38)	(271)	-	-
Allowance written off	-	(186)	-	-
At 31 December	4,130	3,764	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.

At the reporting date, approximately 12.1% (2010: 25.2%) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

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.

	2011				2010			
	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	22,719	1,719	-	24,438	24,507	1,182	-	25,689
Derivative interest rate swaps	-	1,273	-	1,273	-	2,264	-	2,264
Borrowings	17,011	124,277	12	141,300	33,849	100,267	36	134,152
	39,730	127,269	12	167,011	58,356	103,713	36	162,105

	One year or less	
	2011 \$'000	2010 \$'000
The Company		
Trade and other payables	189	221

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 amounts of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less	
	2011 \$'000	2010 \$'000
Financial guarantee contracts	141,618	63,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

To manage interest rate risk, the Group, where appropriate, uses interest rate swaps. Approximately 17% (2010: 21%) of the Group's borrowings are at fixed rates of interest.

At the reporting date, if SGD interest rates had been 25 (2010: 25) basis points lower/higher with all other variables held constant, the Group's profit would have been \$245,000 (2010: \$224,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans.

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 sensitivity analysis for market price risk is not disclosed as the effect on the profit or loss is considered not significant.

(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 cash equivalents, trade receivables and advances to and from third parties. These cash and cash equivalents, trade receivables and advances are mainly denominated in United States Dollar (USD). Approximately \$2,368,000 (2010: \$3,084,000) of receivables, \$7,587,000 (2010: \$7,160,000) of cash and cash equivalents, and \$61,000 (2010: \$165,000) of payables are denominated in foreign currencies.

The sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss is considered not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 2011 and 31 December 2010.

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 total equity and net borrowings. Net borrowings are computed as borrowings less cash and cash equivalents.

	The Group	
	2011 \$'000	2010 \$'000
Borrowings	140,945	133,738
Less: Cash and cash equivalents	(11,443)	(10,346)
Net borrowings	129,502	123,392
Total equity	226,706	196,948
	356,208	320,340

	The Group	
	2011 %	2010 %
Gearing ratio	36.36	38.52

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2011 and 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

36. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

(a) Sales and purchases of goods and services

	The Group	
	2011 \$'000	2010 \$'000
A company in which a close family member of a director has significant interest		
- Purchase of property, plant and equipment	-	242
- Rental income received/receivable	-	17

(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 \$2,458,000 (2010: \$2,400,000) for the financial year ended 31 December 2011.

Included in the above is remuneration to directors of the Company amounting to \$1,372,000 (2010: \$1,379,000), 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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
2011						
Segment revenue						
Sales to external customers	53,435	4,754	3,572	6	-	61,767
Intersegment sales	407	382	153	-	(942)	-
Total revenue	53,842	5,136	3,725	6	(942)	61,767
Segment profit	14,910	21,826	1,277	50	-	38,063
Depreciation and amortisation	4,934	178	490	-	-	5,602
Other significant non-cash expenses	404	-	-	-	-	404
Segment assets	412,649	10,404	1,877	250	-	425,180
Unallocated assets						6,384
Total assets						431,564
Segment assets include:						
Additions to						
- Property, plant and equipment	13,557	-	71	-	-	13,628
Segment liabilities	(18,485)	(5,710)	(1,705)	(183)	-	(26,083)
Unallocated liabilities						(178,775)
Total liabilities						(204,858)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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
2010						
Segment revenue						
Sales to external customers	49,082	8,590	4,004	12	-	61,688
Intersegment sales	411	735	153	3,400	(4,699)	-
Total revenue	49,493	9,325	4,157	3,412	(4,699)	61,688
Segment profit	13,101	6,587	834	102	-	20,624
Depreciation and amortisation	6,056	178	205	-	-	6,439
Other significant non-cash expenses	137	-	87	-	-	224
Segment assets	372,160	13,097	2,757	271	-	388,285
Unallocated assets						6,951
Total assets						395,236
Segment assets include:						
Additions to						
- Property, plant and equipment	6,968	-	275	-	-	7,243
Segment liabilities	(19,043)	(7,323)	(1,719)	(215)	-	(28,300)
Unallocated liabilities						(169,988)
Total liabilities						(198,288)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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	
	2011 \$'000	2010 \$'000
Segment profit	38,063	20,624
Interest income	72	44
Interest expense on borrowings	(3,261)	(2,881)
Unallocated corporate expenses	(267)	(275)
Profit before tax	34,607	17,512

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 People's Republic of China ("PRC") and Thailand.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

37. SEGMENT INFORMATION (continued)

Geographical segments (continued)

	Revenue		Non-current assets	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Singapore	61,767	61,688	331,314	304,532
PRC	-	-	41,603	34,321
Thailand	-	-	568	122
	61,767	61,688	373,485	338,975

Revenue and 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 23 March 2012.

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
Alphonsus Chia Chung Mun
(Appointed on 1 June 2011)

COMPANY SECRETARIES

Susan Teo Geok Tin
Foo Soon Soo

AUDIT COMMITTEE

Chang Meng Teng
Chairman

Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah
Alphonsus Chia Chung Mun
(Appointed on 21 February 2012)

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 TFW LLP
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
100 AM
Singapore 079027

CORPORATE OFFICE

Tel: (65) 6879 2515
Fax: (65) 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
1 Raffles Place
One Raffles Place #26-02
Singapore 048616
Tel: (65) 6534 5122
Fax: (65) 6534 4171
Email: dolores.phua@citigatedrimage.com

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2012

Class of Shares : Ordinary shares each fully paid up
 Voting Rights : 1 vote per share
 No. of Holders : 6,817

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	3	0.04	2,000	0.00
1,000 - 10,000	4,974	72.96	24,776,000	4.30
10,001 - 1,000,000	1,811	26.57	80,275,090	13.91
1,000,001 and above	29	0.43	471,882,910	81.79
Total	6,817	100.00	576,936,000	100.00

Based on information available to the Company on 23 March 2012, 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	Firsttrust Equity Pte Ltd	194,146,010	33.65
2	UOB Nominees (2006) Pte Ltd	50,000,000	8.67
3	Teo Chew Chuan	42,578,500	7.38
4	Teo Hin Chuan	32,580,997	5.65
5	RHB Bank Nominees Pte Ltd	27,000,000	4.68
6	Teo Peng Chuan	22,007,000	3.81
7	Singapore Nominees Pte Ltd	19,100,000	3.31
8	United Overseas Bank Nominees Pte Ltd	10,086,000	1.75
9	Ong Kian Kok	9,900,000	1.72
10	SBS Nominees Pte Ltd	9,000,000	1.56
11	Sing Investments & Finance Nominees Pte Ltd	9,000,000	1.56
12	DBS Nominees Pte Ltd	8,338,000	1.45
13	OCBC Nominees Singapore Pte Ltd	5,392,000	0.93
14	Teo Deng Jie (Zhang Deng Jie)	5,000,000	0.87
15	Teo Guan Hoon	3,238,000	0.56
16	Poh Lay Eng	3,153,493	0.55
17	Hong Leong Finance Nominees Pte Ltd	2,247,000	0.39
18	Poh Tian Peng	2,000,000	0.35
19	UOB Kay Hian Pte Ltd	1,992,000	0.35
20	DBS Vickers Securities (S) Pte Ltd	1,857,000	0.32
	Total	458,616,000	79.51

STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2012

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
Firsttrust 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	42,578,500	3,153,493	45,731,993	7.93
Teo Hin Chuan	32,580,997	-	32,580,997	5.65

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 Firsttrust 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 Firsttrust 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, 27 April 2012, 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 2011 together with the Reports of the Directors and the Auditors thereon (Resolution 1).
2. To declare a first and final dividend of 0.6 cent per ordinary share for the year ended 31 December 2011 (Resolution 2).
3. To re-elect Mr Alphonsus Chia Chung Mun as a Director retiring under Article 94 of the Articles of Association of the Company (Resolution 3).
4. To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 4).
5. To re-elect Mr Richard Khoo Boo Yeong as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 5).

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 Nominating Committee and Remuneration Committee.

6. To approve payment of Directors' Fees of \$126,500 for the year ended 31 December 2011 (2010: \$102,000) (Resolution 6).
7. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration (Resolution 7).
8. 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):

9. 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 8).

See Explanatory Note 1.

10. 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").

NOTICE OF ANNUAL GENERAL MEETING

- (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 9).

See Explanatory Note 2.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a first and final dividend of 0.6 cent per share, in respect of the year ended 31 December 2011 will be paid on 27 June 2012 to shareholders whose names appear in the Register of Members on 14 June 2012.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 14 June 2012 after 5.00 p.m. to 15 June 2012, 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 14 June 2012 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
12 April 2012

EXPLANATORY NOTE 1:

The Ordinary Resolution in item 9 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to 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 10, the Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance purchases or acquisitions of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, among other things, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustration purposes, the financial effects of Share Purchases on the audited financial statements of Amara Group and the Company for the financial year ended 31 December 2011, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 12 April 2012 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.

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

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.

PROXY FORM

ANNUAL GENERAL MEETING

I/We (Name)

of (Address)

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

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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, 27 April 2012 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.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To declare a first and final dividend of 0.6 cent per ordinary share for the year ended 31 December 2011.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Mr Alphonsus Chia Chung Mun as a Director retiring under Article 94 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect Mr Albert Teo Hock Chuan as a Director retiring under Article 87 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-elect Mr Richard Khoo Boo Yeong as a Director retiring under Article 87 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	To approve payment of Directors' Fees of \$126,500 for the year ended 31 December 2011 (2010: \$102,000).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	To approve the renewal of the Share Purchase Mandate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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 2012

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, 100 AM, 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.



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(Registration Number 197000732N)

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