growing on

AMARA HOLDINGS LIMITED
Annual Report 2010

CONTENTS

With the economy gaining momentum,
the soil is fertile and the time is right.

Let’s grow on!

bloom

Time-tested strategies and business principles had seen us grown through challenging times. With brighter days right ahead, we won't just be growing, but blooming.

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.

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 & RESORTS

AMARA SANCTUARY

AMARA SIGNATURE

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.

AMARA HOTELS

丝绸路 SILKROAD

Thanying Restaurant
Authentic Royal Thai Cuisine

OUR BUSINESS PORTFOLIO

HOTEL INVESTMENT AND MANAGEMENT

AMARA SINGAPORE

Our flagship city centre hotel, Amara Singapore, is conveniently located next to Tanjong Pagar MRT Station in the thriving Central Business District. The hotel is easily accessible by major transportation modes and within walking distance to fascinating Chinatown, the Tanjong Pagar Conservation District, graded office buildings, foreign and local banks, post offices, shops, as well as dining and entertainment establishments. Our 380-room hotel showcases special touches 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, 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

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

AMARA BANGKOK

Amara Bangkok will be 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, 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 end 2012.

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

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

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

AMARA CORPORATE TOWER

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

100 AM

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 among 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 FairPrice Finest 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 refurbishment is slated for completion in the second quarter of 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 6-storey freehold boutique development comprises 30 units of 1 and 2-bedroom apartments, and appeals to singles and couples seeking the tranquillity for their homes and proximity to Orchard Road.

Developed by Creslin Pte Ltd, a subsidiary of Amara Holdings, 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 close by.

Designed by award-winning team of ip:li architects firm and Atelier Ikebuchi firm, the property's interior is furbished with quality fittings, featuring signature brands such as Miele and Grohe.

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, fitness centre and landscaped environment to create a tranquil haven within the city.

CEO'S MESSAGE

During the year under review, we also announced our maiden entry into the "Land of Smiles" - Thailand. Amara Bangkok, scheduled to be opened end 2012, will cater to both leisure and business travellers, offering guests an "oasis in the city" experience.

Dear Valued Shareholders

On behalf of the Board of Directors, I am pleased to present the Group's annual report for the financial year ended December 31, 2010 ("FY2010").

In 2010, we started to see economic recovery on a global scale and especially in the Asia Pacific region. The increase in business activity and turn in economic sentiment extended a positive influence on our Group's business. Our core hotel investment and management segment benefitted from the influx of visitors to Singapore, through the increased room uptake at our flagship hotel, Amara Singapore and our boutique resort on Sentosa Island, Amara Sanctuary Resort, Sentosa. During the year under review, we also announced our maiden entry into the "Land of Smiles" - Thailand. Amara Bangkok, scheduled to be opened end 2012, will cater to both leisure and business travellers, offering guests an "oasis in the city" experience.

We have also proceeded with the asset enhancement of Amara Shopping Centre, which will be rebranded as 100 AM upon completion. Our Group has always believed in remaining relevant and keeping up with the changing landscape in the areas where our properties are located in. With the rejuvenation of the Tanjong Pagar area and the cultivation of inner-city living, we see this as an opportune time to redevelop this property and cater to the new clientele that this area will see in coming years.

Overall it has been a fruitful and exciting year for the Group. We look forward to our new developments locally and abroad and will continue to position Amara as a leading premier integrated lifestyle group in the region.

Financial Review

For FY2010, the Group recorded a 45% increase in net profit after tax to S$16.4 million. This is attributed to the better performance in our hotel investment and management segment, in line with improved economic sentiment. Profit before tax also rose by 46% to S$17.5 million in FY2010. As no new property developments were launched in the year under review, revenue decreased by 40% to S$61.7 million.

Our hotel investment and management segment contributed approximately 80% of the revenue for FY2010, raking in S$13.1 million in profit. The property investment and development segment comprised 14% of revenue contribution, while the specialty restaurants and food services segment made up the remaining 6% of revenue for FY2010.

Our financial position has been strengthened with reduced borrowings at S$133.7 million as at December 31, 2010, from S$157.1 million as at December 31, 2009. Due mainly to lower borrowings, our finance costs decreased by 17% to S$2.9 million in FY2010.

We continue to maintain healthy cash and bank balances of S$10.3 million as at December 31, 2010, and are well-positioned for future growth going forward.

OUTLOOK FOR 2011

Hotel Investment and Management

The local tourism industry experienced an influx of visitors to Singapore last year, breaking records as tourist numbers leapfrogged its previous year's number by over 20% and reached the 12 million mark and tourism receipts amounting to over S$18 billion. In a year considered by industry pundits as a watershed in tourism in Singapore with the opening of the two integrated resorts in the country. Going forward, with the noticeable pick-up in travel around the globe, Singapore is ready to welcome a steady stream of visitors to the island.

Our strategy is to position the Amara brand as one that stands for excellent service quality and to offer all our guests a warm and individual experience. By cultivating a unique experience for our hotel guests, with attention paid to their individual preferences, this will encourage customer satisfaction and in turn, lead to a positive impact on our business.

As part of our expansion strategy and to meet the growing demand for more colonial suites at Amara Sanctuary Resort, Sentosa, we will be adding 18 new suites to the exisiting rooms, villas and suites at our boutique resort. This conserved colonial building will feature 12 suites at ground level and six larger suites on the second level. Guests can luxuriate in an exclusive private retreat amidst tranquil surroundings or take a dip in a private pool which runs parallel to the colonial building.

Amara Sanctuary Resort, Sentosa combines the best in modern architecture with the charm and elegance of Sentosa's colonial past. Our guests will be able to enjoy their private spaces for quiet reflection and peaceful pursuits within the lush greenery encircling the resort. Upon completion of the additional new suites, Amara Sanctuary Resort, Sentosa will offer an enhanced luxurious selection of room, villa and suite accommodation options for guests, providing a variety of choices for families, business and luxury travellers alike.

One of our aspirations is to offer the Amara standard of hospitality to gateway cities in Asia. Last year, we announced our entry into the capital city of Thailand with a 251-room hotel development, Amara Bangkok. Thailand has always been a choice holiday destination for travellers, given its rich culture, vast selection of activities, appetising cuisine and variety of shopping options. Going forward, we see much potential for growth for this new development in Thailand.

Our Group will continue to look out for attractive opportunities to further grow our hospitality portfolio in the region. Leveraging on our experience in the field and prudent assessment strategies, it is our collective goal to strengthen the Amara brand name in the hospitality industry in Asia.

Property Investment and Management

Our current property portfolio consists of a diversified mix of office buildings and luxury residential projects, namely Amara Corporate Tower at Tras Street and upcoming projects including a mixed development Amara Signature Shanghai, residential development Killiney 118 and a shopping centre 100 AM, currently undergoing asset enhancement and rebranding.

One of our Group's strategies is to enhance the yields of our investment properties through retail mix revamp and optimisation of space utilisation, thereby increasing lettable efficiency. In line with this strategy, we are currently in the midst of the asset enhancement exercise for Amara Shopping Centre. The new mall to be rebranded as 100 AM, will add 22,000 square feet in the basement. This space will be taken up by the mall's anchor tenant, FairPrice Finest. In addition, the newly revamped four-storey mall will house a food court on the top floor and offer a variety of delectable alfresco dining options at the street level.

In line with the renewal of the Tanjong Pagar area and the creation of inner-city living especially evident in this precinct, the revamped mall will complement the new profile of shoppers, residents and working professionals that frequent the area. This is an indispensable part of our strategy to stay relevant, keep up with the changing preferences of consumers and to sustain recurring earnings.

In the pipeline is Killiney 118, an exclusive 30-unit residential development which offers facilities such as a rooftop pool and enticing landscape features. Situated just a stone's throw away from the bustling Somerset area which offers a vast array of dining and entertainment options, the location of this property is stellar. 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 have also set our sights on growing our roots in Shanghai, one of the leading business and financial centres of Asia. Amara Signature Shanghai, a mixed development comprising a 360-room hotel, retail centre and office building is currently undergoing development. Upon completion, its tenants will include renowned Singaporean brands in the food and beverage industry, as well as vibrant entertainment and lifestyle retail offerings.

Specialty Restaurants and Food Services

I am pleased to report that our specialty restaurants and food services segment achieved a turnaround from a loss of S$0.2 million in FY2009 to a profit of S$0.8 million in FY2010. Our Thanying and Silk Road restaurants, located at Amara Singapore and Amara Sanctuary Resort, Sentosa, experienced an increase in customer patronage, in line with the pick-up in the number of guests visiting our hotels and improvement in the economy as a whole.

Going forward, we see good prospects for our specialty restaurants and food services segment. Collectively, we will continue to cultivate our award-winning Thanying and Silk Road brands.
We will do so by reinventing our menu to cater to the taste preferences of our dining patrons, without compromising on the rich heritage and culture of the cuisine's origins. By upholding high service standards, we seek to fulfill the Amara Service Promise for our valued guests and patrons.

Appreciation for our stakeholders

All in all, I would like to extend my sincere thanks to all who have contributed to the interest and success of Amara Holdings. Thank you for your unyielding support through the challenging times, it is due to your belief in our company that we were strengthened through adversity and are now poised for greater growth. To reward our valued shareholders, I am pleased to announce that the Board is recommending a first and final cash dividend of 0.5 cents per ordinary share for the financial year ended December 31, 2010, subject to approval of shareholders at the upcoming Annual General Meeting.

To my fellow Board members, thank you for sharing your deep expertise and wise counsel. To the management and staff of the Amara Group, thank you for your diligence and commitment to your work. I am heartened by the teamwork and your concerted efforts in building up the Amara brand. It is my hope that together we will continue to aim for greater heights and achieve new targets in the year ahead.

ALBERT TEO HOCK CHUAN
Chief Executive Officer

Vibrant growth can only be possible with deep, strong roots. Ours is strength that is built on rock solid assets, robust business management and a pristine reputation.

strength

BOARD OF DIRECTORS

ALBERT TEO HOCK CHUAN
Chief Executive Officer

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

Over the years, Mr Teo has been instrumental in spearheading the direction and development of the Group. He played a pivotal role in the Group's diversification strategy and broadened its earnings base through an expansion of its Asian presence and the establishment of specialty food services in Singapore. The widely-acclaimed Silk Road Restaurant at Amara Singapore is a brainchild of Mr Teo.

As the Group's Chief Executive Officer, Mr Teo actively leads the Group's business expansion and ongoing asset enhancement process. Mr Teo has always been 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, 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 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.

With deep expertise and understanding of the business, Mr Teo brings a wealth of experience to the Group. His previous experience includes working with 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 of the Real Estate Developers' Association of Singapore (REDAS), Chairman of REDAS Hotel Committee as well as an Executive Board Member and Vice President of the Singapore Hotel Association and Chairman of SHATEC.

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.

In her many years with the Group and vast experience in the industry, 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

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

and customer service operations management.

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

CHANG MENG TENG
Non-Executive, Independent Director

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

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

Mr Chang is the Chairman of Squire Mech Pte Ltd, a firm of consulting mechanical & electrical engineers, for which he was the Managing Director for more than 20 years. He is a Registered, Licensed Professional Engineer. 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.

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

RICHARD KHOO BOO YEONG
Non-Executive, Independent Director

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

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

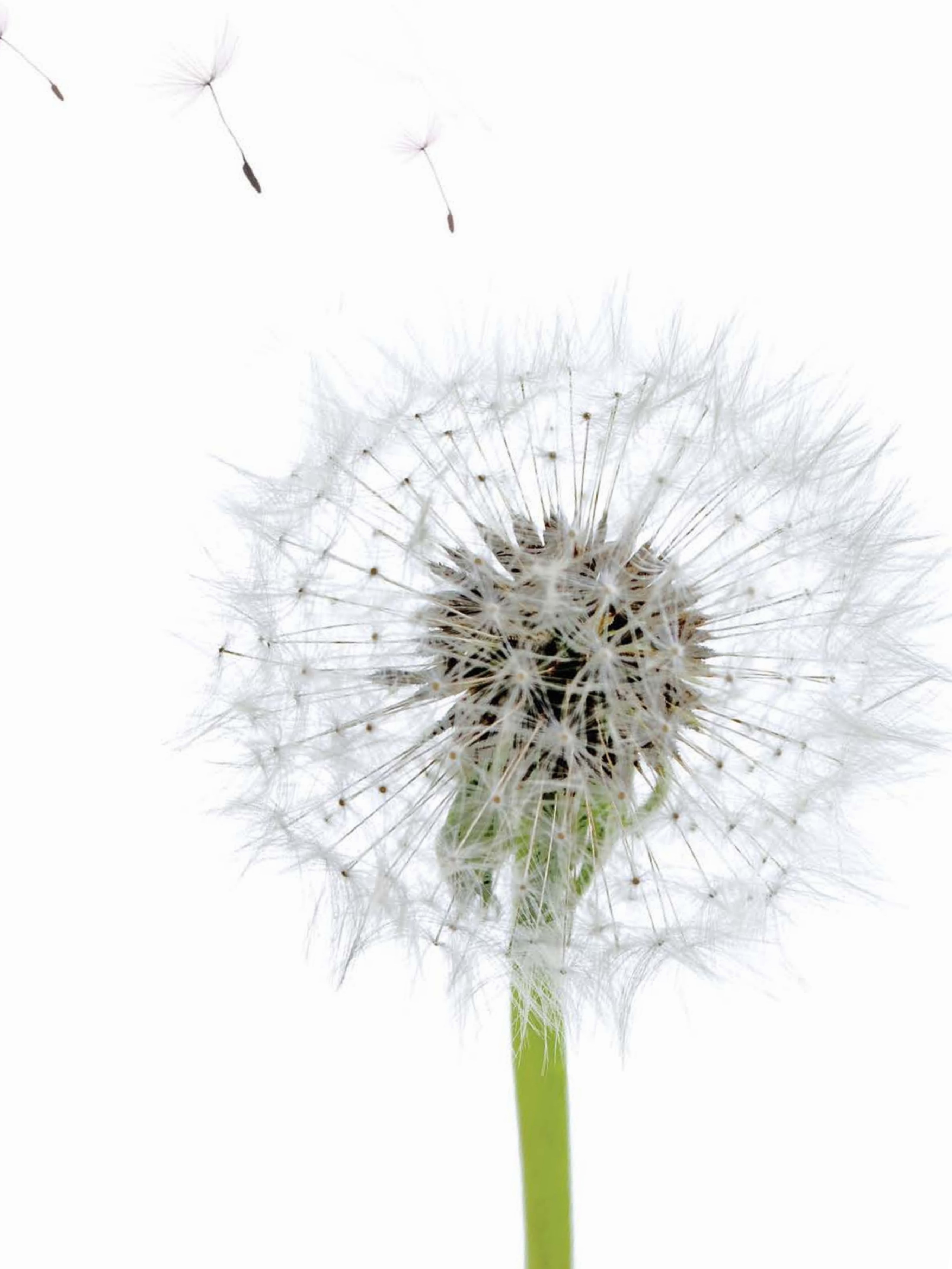
In his 29 years with the Singapore Airlines Group, Mr Khoo served in senior management positions. At corporate headquarters, he managed a broad spectrum of planning and operations functions including marketing, line operations, and human resource. Overseas postings included stints as country general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

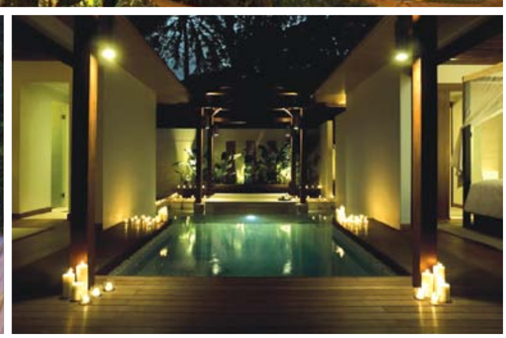
At the invitation of Government ministries, Mr Khoo served in national committees such as Manpower 21, SME 21, Singapore Learning Festival 2000 Steering Committee and Review of Tourism 21: Manpower & Image Committee.

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

reach

As we grow bigger, we are also reaching further. Out to where new opportunities and space for even greater growth beckon, and on to a future that's brighter than ever.





Clockwise from top

Amara Sanctuary Resort, Sentosa

- Colonial Suites
- Villa
- Tier Bar

Economic sentiment in 2010 improved and we started to see an increase in business activity and uplift in the performance of the global economy as a whole. Tapping on the uptrend, our Group focused on strengthening our asset portfolio. Our current projects include developing a new hotel in central Bangkok - Amara Bangkok, asset enhancement of our existing property Amara Shopping Centre to be rebranded as 100 AM and the continued development of our property in China, the Amara Signature Shanghai.

Our Group also focused on enhancing the positioning of Amara as a leading premier integrated lifestyle group in Asia. With a core interest in hotel investment and management, we benefitted from the record tourist numbers to Singapore and tourism receipts in 2010.

Under our property investment and development segment, we centered on developing residential projects with a focus on unique lifestyle concepts. Our specialty restaurants and food services segment continued to enjoy patronage from those seeking unique dining experiences rich in culture and flavour as offered by our signature Thanying and Silk Road brands.

On the whole, we achieved a 45% increase in net profit to S$16.4 million for the full year ended December 31, 2010. Profit before tax increased by 46% to S$17.5 million. This was attributed to the significant contribution from our hotel investment and management segment. In 2010, no new property developments were launched, thus revenue declined by 40% to S$61.7 million in FY2010. Notwithstanding this, our Group performed well, raking in an increased net profit for the financial year under review.

HOTEL INVESTMENT AND MANAGEMENT

From left
Amara Signature Shanghai
Amara Bangkok

The local tourism sector performed well in 2010, with tourist numbers seeing record growth, increasing by 20% to almost 12 million and tourism receipts amounting to over S$18 billion in 2010. The improvement in economic sentiment, opening of the two new integrated resorts namely Resorts World Sentosa and Marina Bay Sands, as well as the inaugural Youth Olympics held in Singapore collectively contributed to the positive performance of the sector.

In line with this trend, our Group benefitted from the surge of visitors, with a positive impact seen in the visitorship to our hotels – Amara Singapore, our flagship city centre hotel and Amara Sanctuary Resort, Sentosa. Due to increased awareness of our hotels as part of the Group's marketing efforts, our guests not only came from abroad but also included Singaporeans opting to spend their vacations at our hotels, in line with the rising trend of holidaying within one's country - "staycations".

The length of stay for travellers in Singapore is also noted to have extended. With the myriad of attractions including the integrated resorts and new world class shopping malls, tourists are now staying up to 4 to 5 nights in Singapore, as compared to 2 to 3-night stays previously. This bodes well for the take-up rates for our rooms, and will have a positive impact on the Revenue Per Available Room (RevPAR) of our hotels.

Notably, revenue from the hotel investment and management segment made up 80% of total Group revenue for FY2010 at S$49.1 million. In FY2010, this segment achieved a profit of S$13.1 million. This is a marked increase from FY2009 during which this segment made up 38% of total Group revenue and contributed S$4.0 million in profit. Clearly our Group's efforts to tap on the positive uptrend in the local hospitality industry, coupled with our strong business fundamentals have assisted in contributing to the bottomline.

Due to the positive uptrend and to meet the growing demand for more colonial suites, Amara Sanctuary Resort, Sentosa will be adding 18 more suites to its stable of luxurious villas, suites and elegant guest rooms. The upcoming colonial building will feature 12 suites at ground level with six larger suites on the second level. Guests can luxuriate in an exclusive private retreat or take a dip in a private pool which runs parallel to the colonial building. Located amidst lush greenery and quiet surroundings, these suites will offer a luxurious and restful abode with intimate private spaces for guests well-inclined towards luxury stays.

This is in line with Amara Sanctuary Resort, Sentosa's expansion strategy, to create contemporary spaces within a resort environment conducive for work, rest and play. Coupled with comprehensive luxury facilities and Amara's distinctive style of service, we ensure that guests enjoy an individual experience at our boutique resort.

This year, our Group also made its maiden entry into Thailand, with Amara Bangkok, a 251-room business and leisure hotel situated in central Bangkok. Amara Bangkok is designed with the aim of creating an "oasis in the city" and will be situated in the bustling Surawong Road, with easy access to and from Suvarnabhumi International Airport, offering leisure and business travellers utmost convenience.

Thailand has always been a choice destination, popular for its vibrant entertainment and shopping scene, appetising food choices and rich culture and history. Our Group believes that with the addition of Amara Bangkok to our asset portfolio, we will benefit from the influx of tourists to Thailand and enjoy good visitorship to this new hotel.

Going forward, with tourism numbers expected to remain positive, our Group will engage in a constant process of refining our service standards with the aim of establishing the Amara brand name as one that resonates with quality and excellence.

Amara Singapore

PROPERTY INVESTMENT AND DEVELOPMENT

From top
100 AM
Killiney 118, Interior

For the year under review, our property investment and development segment contributed revenue of S$8.6 million, comprising 14% of total Group revenue. This segment recorded a profit of S$6.6 million in FY2010, a decrease from FY2009 due to the fact that there were no new property developments launched in 2010. However, our Group currently has projects under progress, and these will be launched at subsequent junctures going forward.

In the pipeline is Killiney 118, an exclusive 30-unit residential development located in the choice Killiney district, a stone's throw away from the vibrant Somerset area. This luxury development offers facilities including a rooftop pool and enticing landscape features. Designed as a luxurious abode within the hustle and bustle of the city, Killiney 118 will be an attractive residential option for busy urbanites looking for convenience without compromising on luxury.

The Group has started asset enhancement works on Amara Shopping Centre, to be rebranded as 100 AM. Located in the heart of the burgeoning Tanjong Pagar district, this new development will be the only full-fledged shopping centre in the area. 100 AM will offer city dwellers and office workers a variety of food and beverage options, as well as amenities such as a supermarket and convenience stores.

The upcoming Amara Signature Shanghai, located in one of Asia's leading financial centres, will not only offer a 360-room hotel but also an office building and retail centre. Going forward, tapping on the robust economic landscape of Shanghai, we anticipate strong growth for Amara Signature Shanghai when it opens.

Locally, in line with the growing demand for housing and influx of foreign nationals, we are cautiously optimistic on the property outlook in the year ahead. Holding true to tenets of the Amara brand, we will continue to focus on developing beautiful homes in choice locations, offering property owners a luxurious abode in our bustling cosmopolitan city.

SPECIALTY RESTAURANTS AND FOOD SERVICES



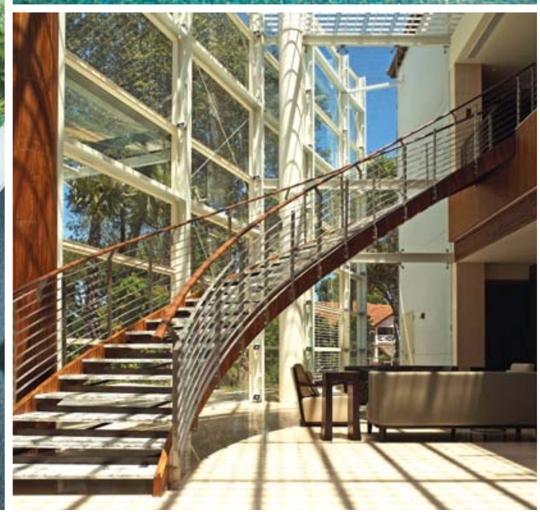
Clockwise from left
Braise Restaurant
Thanying Restaurant
Silk Road Restaurant

Our specialty restaurants and food services segment recorded revenue of S$4.0 million for FY2010 and achieved a turnaround in profit to S$0.8 million in FY2010, from a loss of S$0.2 million in FY2009. This is in line with the increased visitorship to the Amara hotels where our restaurants are located. In addition, our concept restaurants, namely Thanying Restaurant at Amara Singapore, Thanying Restaurant at Amara Sanctuary Resort, Sentosa, Silk Road Restaurant at Amara Singapore as well as Silk Road of the Sea Restaurant at Palawan Beach continue to be recognised as award-winning brands offering delectable cuisine rich in flavour and heritage.

Going forward, we seek to continue to improve our product offering and enhance our service standards, in order to provide an inspired and all-rounded sensory dining experience for our patrons.

POSITIONED FOR FURTHER SUCCESS

Clockwise from left
Killiney 118
Amara Sanctuary Resort, Sentosa
- Sky Pool
- MICE Centre



Our Group will continue to move forward into the new year with confidence, leveraging on our strong business fundamentals and expertise in the industry. We aim to constantly renew our product offering in order to maintain relevancy and strengthen the awareness of the Amara brand.

As at December 31, 2010, our Group continues to maintain healthy cash and bank balances of S$10.3 million, and are well-positioned for future growth. In addition, through effective segmentation of our business into three main components – Hotel Investment and Management, Property Investment and Development and Specialty Restaurants and Food Services, we are well-diversified for future growth. We will continue to review our portfolio and seek opportunities to enhance and build up our assets in each category.

As a Group, we hope to move forward together and share in the success that each new venture brings.

ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

• AMARA SANCTUARY RESORT, SENTOSA

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

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

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

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

ACCOLADES

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

Singapore's Best Restaurants 1992-2011
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

Singapore's Best Restaurants 2003-2011
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

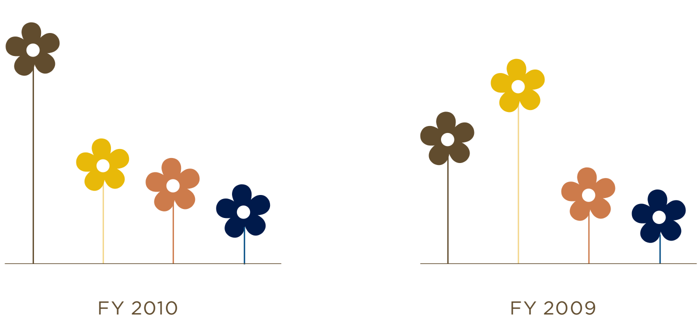
Editor's Choice
IS Magazine

FINANCIAL HIGHLIGHTS

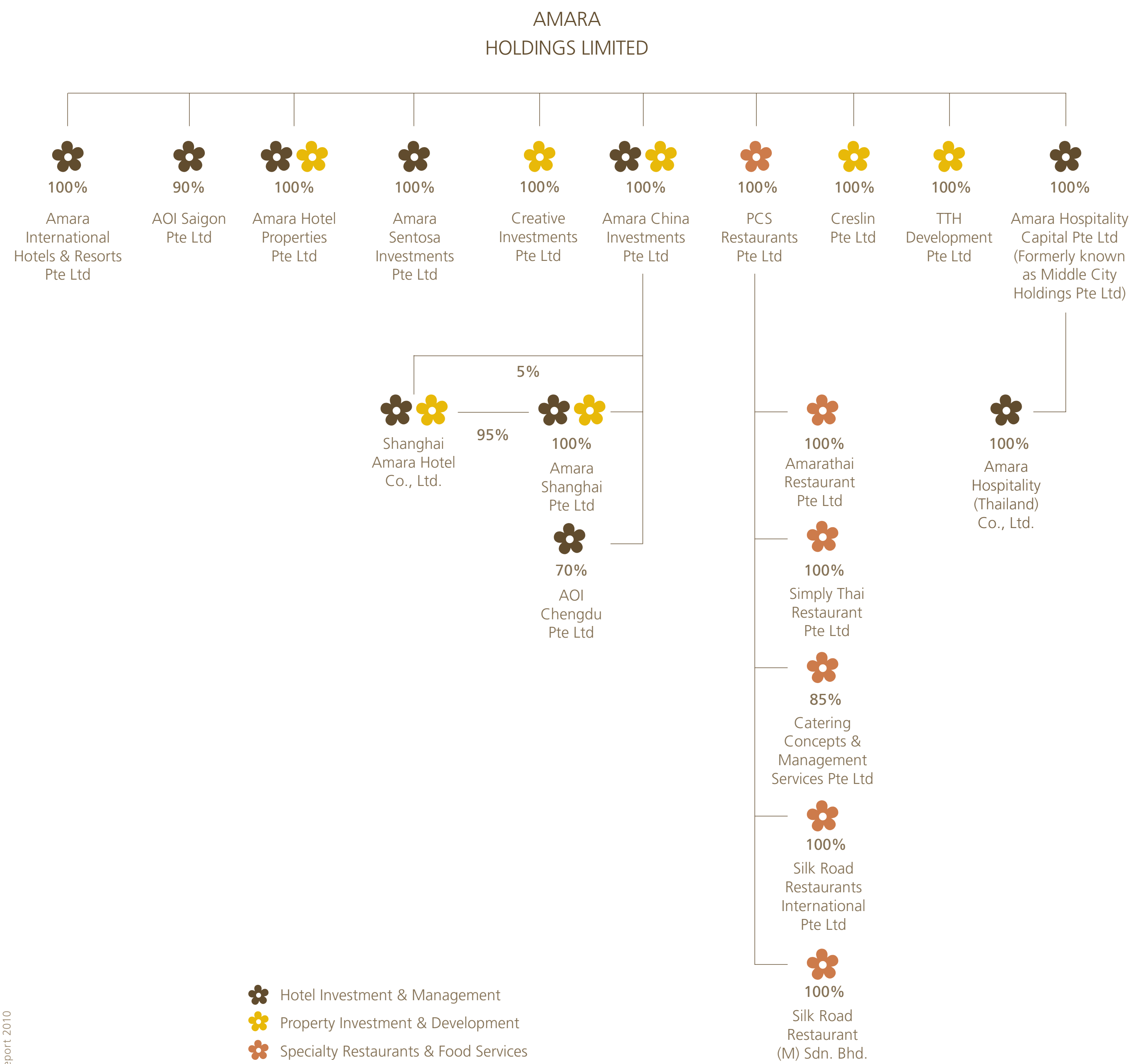
Financial year ended 31 December 2010

	FY2010 S$'000	FY2009 S$'000
INCOME STATEMENT		
Revenue	61,688	102,679
Profit before tax	17,512	11,968
Income tax expense	(1,223)	(713)
Non-controlling interests	64	–
Profit attributable to shareholders	16,353	11,255
FINANCIAL RATIOS	%	%
Profit attributable to shareholders as percentage of revenue	26.51	10.96
Gearing ratio	38.52	41.39
PER SHARE UNIT	Cents	Cents
Earnings per share	2.83	1.95
Net tangible assets per share	33.93	32.31
Net assets value per share	34.14	32.52
REVENUE BY COUNTRY (%)	%	%
Singapore	100.00	100.00
REVENUE BY ACTIVITY (%)	%	%
Hotel Investment & Management	79.57	38.44
Property Investment & Development	13.92	57.97
Specialty Restaurants & Food Services	6.49	3.58
Others	0.02	0.01
	100.00	100.00

REVENUE BY ACTIVITY



CORPORATE STRUCTURE



Corporate Governance Report

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

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

Principle 1: The board's conduct of affairs

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

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

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

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

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Albert Teo Hock Chuan	5	5	4*	4*	1	1	1*	0*
Chang Meng Teng	5	5	4	4	1	1	1	1
Susan Teo Geok Tin	5	5	4*	4*	1#	1#	1#	1#
Richard Khoo Boo Yeong	5	5	4	4	1	1	1	1
Lawrence Mok Kwok Wah	5	5	4	4	1*	1*	1	1

* By invitation   # In attendance

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

Newly appointed directors are briefed by the Board to familiarise them with the Group's business and its strategic directions. Directors are provided with regular updates on the latest governance and listing policies. They also have unrestricted access to professionals for consultation on laws, regulations and commercial risks as and when necessary at the expense of the Group.

Principle 2: Board composition and guidance

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

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

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

Particulars of interests of directors who held office at the end of the financial year in shares, debentures, and share options in the Company and in related corporations are set out in the Directors' Report on pages 36 to 40 of this annual report.

Principle 3: Chairman and chief executive officer

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

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

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

Principle 4: Board membership

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

The Nominating Committee ("NC") comprises:

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

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

The Committee is charged with the responsibility of re-nomination having regard to the director's contribution and performance, including, if applicable, as an independent director. The NC is also charged with determining annually whether a director is independent.

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

Principle 4: Board membership (continued)

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

Currently, the Company's Articles of Association provide that one third of the ordinary directors for the time being or if their number is not a multiple of three, then the number nearest to one-third shall retire from office at the annual general meeting.

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

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

Principle 5: Board performance

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

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

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

Principle 6: Access to information

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

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

At least one of the Company Secretaries is present at all formal Board meetings to respond to the queries of any director and to assist in ensuring that Board procedures as well as applicable rules and regulations are followed.

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

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

Principle 7: Procedures for developing remuneration policies

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

The Remuneration Committee ("RC") comprises:

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

The RC's principal functions are to:

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

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

Principle 8: Level and mix of remuneration

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

Principle 9: Disclosure on remuneration

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

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

For the current year, the Board has recommended a fee for non-executive directors which is subject to approval at the Annual General Meeting ("AGM"). Directors' fees are set in accordance with a remuneration framework comprising a basic fee as a director and an additional fee for serving on Board Committees, taking into consideration contribution of each of the non-executive director.

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

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

	No. of Directors	
Remuneration band	2010	2009
S$750,000 and above	1	1
S$500,000 to below S$750,000	–	–
S$250,000 to below S$500,000	1	1
Below S$250,000	3	3
Total	5	5

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

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

Principle 10: Accountability

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

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

Principle 11: Audit committee

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

Principle 12: Internal controls

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

Principle 13: Internal audit

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

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

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

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

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

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

The Group has outsourced the internal audit function.

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

Principle 14: Communication with shareholders

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

Principle 15: Greater shareholder participation

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

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

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

DEALING IN SECURITIES

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

INTERESTED PERSON TRANSACTIONS

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
Yi Ning Restaurants Pte Ltd	259	–

Financial Statements

The directors present their report to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2010.

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2010	At 1.1.2010	**At 31.12.2010**	At 1.1.2010
	Number of ordinary shares			
The Company				
Albert Teo Hock Chuan	1,000	1,000	308,156,010	308,156,010
Chang Meng Teng	10,000	10,000	–	–
Susan Teo Geok Tin	83,030	83,030	308,146,010	308,146,010
Lawrence Mok Kwok Wah	660,030	660,030	*308,508,010	*308,508,010

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2010	At 1.1.2010	**At 31.12.2010**	At 1.1.2010
	Number of ordinary shares			
Ultimate holding company				
First Security Pte Ltd				
Albert Teo Hock Chuan and Susan Teo Geok Tin	10,000,000	10,000,000	–	–
Immediate holding company				
Firstrust Equity Pte Ltd				
Albert Teo Hock Chuan	–	–	5,171,935	5,171,935
Susan Teo Geok Tin	674,600	674,600	5,171,935	5,171,935
Lawrence Mok Kwok Wah	–	–	1,349,200	1,349,200
Related company				
Amara Ventures Pte Ltd				
Albert Teo Hock Chuan	85	85	9,302	9,302
Susan Teo Geok Tin	–	–	9,302	9,302
Lawrence Mok Kwok Wah	–	–	9,302	9,302

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2010	At 1.1.2010	**At 31.12.2010**	At 1.1.2010
	Number of ordinary shares			
Subsidiaries				
Catering Concepts & Management Services Pte Ltd				
Albert Teo Hock Chuan	–	–	170,000	170,000
Susan Teo Geok Tin	–	–	170,000	170,000
Lawrence Mok Kwok Wah	–	–	170,000	170,000
AOI Chengdu Pte Ltd				
Albert Teo Hock Chuan	–	–	70,000	70,000
Susan Teo Geok Tin	–	–	70,000	70,000
Lawrence Mok Kwok Wah	–	–	70,000	70,000
AOI Saigon Pte Ltd				
Albert Teo Hock Chuan	–	–	3,780,000	3,780,000
Susan Teo Geok Tin	–	–	3,780,000	3,780,000
Lawrence Mok Kwok Wah	–	–	3,780,000	3,780,000
	Number of ordinary shares partially paid			
AOI Saigon Pte Ltd				
Albert Teo Hock Chuan	–	–	5,083,947	5,083,947
Susan Teo Geok Tin	–	–	5,083,947	5,083,947
Lawrence Mok Kwok Wah	–	–	5,083,947	5,083,947

(c) The directors' interests in the share capital of the Company and of related companies as at 21 January 2011 were the same as at 31 December 2010.

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

MATERIAL CONTRACTS

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

AUDIT COMMITTEE

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

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

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

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

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

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

- reviews with the external auditors, the audit plan, the evaluation of the internal accounting controls, audit reports and any matters which the external auditors wish to discuss (in the absence of management, where necessary);
- reviews with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the overall internal control systems;

AUDIT COMMITTEE (continued)

- 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 Singapore Exchange Securities Trading Limited ("SGX-ST") and year end financial statements of the Group before submission to the Board, focusing on
    - going concern assumption;
    - compliance with financial reporting standards and regulatory requirements;
    - any changes in accounting policies and practices;
    - significant issues arising from the audit;
    - major judgemental areas; and
- any other functions which may be agreed by the Audit Committee and the Board.

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

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

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

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

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

The Audit Committee has nominated Baker Tilly 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	**CHANG MENG TENG**
Director	Director

25 March 2011

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2010

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 43 to 103 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 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

On behalf of the directors

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

25 March 2011

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 43 to 103, which comprise the statements of financial position of the Group and the Company as at 31 December 2010, 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, Cap. 50 (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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 2010 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
25 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2010

	Notes	The Group 2010 $'000	2009 $'000
Revenue	3	61,688	102,679
Other income	4	6,600	2,521
Finance costs	5	(2,881)	(3,457)
Changes in inventories of finished goods		(59)	(114)
Cost of properties sold/consumables used		(5,911)	(47,934)
Staff costs	9	(16,057)	(15,925)
Depreciation		(6,328)	(6,083)
Other expenses	6	(19,540)	(19,719)
Profit before tax	7	17,512	11,968
Income tax expense	10	(1,223)	(713)
Profit for the financial year		16,289	11,255
Other comprehensive (loss)/income, after tax:			
Currency translation differences on translation of financial statements of foreign subsidiaries		(1,941)	(628)
Fair value loss on cash flow hedge		(2,264)	–
Write back of deferred income tax liabilities due to change in tax rate		–	118
Fair value gains on available-for-sale financial assets, net		113	573
Other comprehensive (loss)/income for the financial year, net of tax		(4,092)	63
Total comprehensive income for the financial year		12,197	11,318
Profit/(loss) attributable to:			
Equity holders of the Company		16,353	11,255
Non-controlling interests		(64)	–
		16,289	11,255
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		12,261	11,318
Non-controlling interests		(64)	–
		12,197	11,318
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted (cents)	11	2.83	1.95

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

Independent Auditor's Report – Page 42

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010

		The Group		The Company	
	Notes	2010	2009	2010	2009
		$'000	$'000	$'000	$'000
Current assets					
Cash and bank balances	12	10,346	24,621	38	39
Trade and other receivables	13	8,075	7,298	42,757	42,495
Inventories	14	463	522	–	–
Development properties	15	33,780	32,700	–	–
Other current assets	16	1,593	819	3	3
		54,257	65,960	42,798	42,537
Non-current assets					
Available-for-sale financial assets	17	1,515	1,467	186	185
Intangible assets	18	357	357	–	–
Investment in subsidiaries	19	–	–	38,377	38,377
Investment properties	20	190,000	185,306	–	–
Property, plant and equipment	21	140,638	141,646	–	–
Goodwill	22	844	844	–	–
Other assets	23	7,136	7,247	–	–
Deferred income tax assets	24	489	522	–	–
		340,979	337,389	38,563	38,562
Total assets		395,236	403,349	81,361	81,099
Current liabilities					
Trade and other payables	25	24,854	20,385	221	193
Tax payables		4,572	4,973	–	–
Borrowings	26	33,699	19,050	–	–
		63,125	44,408	221	193
Non-current liabilities					
Trade and other payables	25	3,446	1,999	–	–
Borrowings	26	100,039	138,071	–	–
Deferred income tax liabilities	24	31,678	31,235	–	–
		135,163	171,305	–	–
Total liabilities		198,288	215,713	221	193
Net assets		196,948	187,636	81,140	80,906
Capital and reserves attributable to equity holders of the Company					
Share capital	27	125,646	125,646	125,646	125,646
Reserves		71,366	61,990	(44,506)	(44,740)
		197,012	187,636	81,140	80,906
Non-controlling interests		(64)	–	–	–
Total equity		196,948	187,636	81,140	80,906

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 2010

	Note	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedging reserve	Retained earnings and other reserves*	Total	Non-controlling interests	Total equity
		Equity attributable to equity holders of the Company								
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group										
Balance at 1 January 2010		125,646	9,773	1,826	(201)	–	50,592	187,636	–	187,636
Profit/(loss) for the year		–	–	–	–	–	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)
Fair values loss on cash flow hedge		–	–	–	–	(2,264)	–	(2,264)	–	(2,264)
Fair value gains on available-for-sale financial assets, net		–	–	–	113	–	–	113	–	113
Other comprehensive income/(loss) for the year, net of tax		–	–	(1,941)	113	(2,264)	–	(4,092)	–	(4,092)
Total comprehensive income/(loss) for the year		–	–	(1,941)	113	(2,264)	16,353	12,261	(64)	12,197
Dividend relating to 2009	28	–	–	–	–	–	(2,885)	(2,885)	–	(2,885)
Balance at 31 December 2010		125,646	9,773	(115)	(88)	(2,264)	64,060	197,012	(64)	196,948

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

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STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2010

	Note	Share capital	Asset revaluation reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings and other reserves*	Total
		Equity attributable to equity holders of the Company					
		$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 January 2009		125,646	9,655	2,454	(774)	42,222	179,203
Profit for the year		–	–	–	–	11,255	11,255
Other comprehensive income/(loss)							
Currency translation differences on translation of financial statements of foreign subsidiaries		–	–	(628)	–	–	(628)
Write back of deferred income tax liabilities due to change in tax rate		–	118	–	–	–	118
Fair value gains on available-for-sale financial assets, net		–	–	–	573	–	573
Other comprehensive income/(loss) for the year, net of tax		–	118	(628)	573	–	63
Total comprehensive income/(loss) for the year		–	118	(628)	573	11,255	11,318
Dividend relating to 2008	28	–	–	–	–	(2,885)	(2,885)
Balance at 31 December 2009		125,646	9,773	1,826	(201)	50,592	187,636

* Includes other reserves of $112,000 as at 31 December 2010 (2009: $112,000).

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

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STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2010

	Note	Share capital	Accumulated losses	Fair value reserve	Other reserves	Total
		$'000	$'000	$'000	$'000	$'000
The Company						
Balance at 1 January 2010		125,646	(45,691)	25	926	80,906
Profit for the year		–	3,118	–	–	3,118
Fair value gains on available-for-sale financial assets		–	–	1	–	1
Total comprehensive income for the year		–	3,118	1	–	3,119
Dividend relating to 2009	28	–	(2,885)	–	–	(2,885)
Balance at 31 December 2010		125,646	(45,458)	26	926	81,140

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

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

Independent Auditor's Report – Page 42

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2010

	Note	2010 $'000	2009 $'000
Cash flows from operating activities			
Profit before tax		17,512	11,968
Adjustments for:			
Gain from fair value adjustment of investment properties		(5,000)	–
Amortisation of other assets		111	111
Investment property written off		128	–
Exchange difference		359	573
Depreciation of property, plant and equipment		6,328	6,083
Income from financial assets		(65)	(36)
Interest income		(44)	(53)
Interest expense		2,881	3,457
Loss on disposal of property, plant and equipment		9	302
Gain from disposal of investment property		(35)	–
Gain on disposal of available-for-sale financial assets		(48)	(7)
Property, plant and equipment written off		3	143
Operating cash flow before working capital changes		22,139	22,541
Changes in operating assets and liabilities:			
Inventories		59	91
Receivables		(1,551)	3,806
Payables		3,652	(3,258)
Development properties		(1,080)	25,839
Cash generated from operations		23,219	49,019
Income tax paid (net)		(1,148)	(3,221)
Net cash generated from operating activities		22,071	45,798
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		122	47
Purchase of available-for-sale financial assets		(9)	(20)
Payments for property, plant and equipment (Note A)		(7,193)	(2,185)
Proceeds from disposal of an investment property		213	–
Proceeds from disposal of property, plant and equipment		13	184
Income received from quoted equity investments		65	36
Interest received		44	53
Net cash used in investing activities		(6,745)	(1,885)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the financial year ended 31 December 2010

	Note	2010 $'000	2009 $'000
Cash flows from financing activities			
Bank balance secured for financing		2,248	(2,048)
Interest paid		(2,881)	(3,457)
Dividends paid to shareholders of Amara Holdings Limited		(2,885)	(2,885)
Repayment of finance lease liabilities		(765)	(783)
Net repayment of bank borrowings		(22,668)	(38,869)
Net cash used in financing activities		(26,951)	(48,042)
Net decrease in cash and cash equivalents held		(11,625)	(4,129)
Cash and cash equivalents at beginning of financial year		22,373	27,026
Effects of exchange rate changes on cash and cash equivalents		(402)	(524)
Cash and cash equivalents at end of financial year	12	10,346	22,373

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $7,243,000 (2009: $2,583,000) of which $50,000 (2009: $398,000) was financed by means of finance lease. Cash payment of $7,193,000 (2009: $2,185,000) was made to purchase property, plant and equipment.

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

1. GENERAL

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with 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 has no material effect on the financial statements, except for the adoption of the following new or revised FRS which are relevant to the Group:

(1) FRS 103 (revised) Business Combinations

The Group adopted the revised standard on 1 January 2010.

Changes in significant accounting policies resulting from the adoption of the revised FRS 103 are summarised as follows:

- Acquisition-related transactions costs would no longer be capitalised as part of the cost of acquisition but will be expensed in profit or loss when incurred;

- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but in profit or loss;

- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and

- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 January 2010 are not adjusted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(2) FRS 27 (revised) Consolidated and Separate Financial Statements

The Group adopted the revisions to FRS 27 on 1 January 2010. Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in loss of control is accounted for as equity transactions. Such change will not have any impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

As the changes have been implemented prospectively in accordance with the standard's transitional provisions, the adoption of the revised standard did not require any adjustments to any amounts previously recognised in the financial statements, and there were no impact on the financial statements for the current financial year.

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

FRS 24	Related Party Disclosures
INT FRS 115	Agreements for the Construction of Real Estate
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments
Amendments to FRS 32	Classification of Rights Issues
Amendments to FRS 101	Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement
Improvements to FRSs 2010	

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, except for FRS 24 Related Party Disclosures and INT FRS 115 Agreements for the Construction of Real Estate as indicated below.

(i) FRS 24 (revised) Related Party Disclosure

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2011.

(ii) INT FRS 115 Agreements for the Construction of Real Estate

INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses. The Group will apply INT FRS 115 from 1 January 2011.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant accounting estimates and judgements

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

(1) Key sources of estimation uncertainty

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

i) Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's current tax payables, deferred income tax assets and deferred income tax liabilities at 31 December 2010 were $4,572,000 (2009: $4,973,000), $489,000 (2009: $522,000) and $31,678,000 (2009: $31,235,000), 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 2010 were $140,638,000 (2009: $141,646,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

iii) Impairment of non-financial assets

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

(2) Critical judgements made to applying accounting policies

Operating lease commitments – As lessor

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

Revenue comprises the fair value for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. 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 earned.
Revenue from rendering of services is recognised on the performance of services.

(2) Rental income

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

(3) Development properties for sale

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

(4) Management fee

Management fee income is recognised 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.

2. 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.

2. 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.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

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.

2. 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	10 – 331/3
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, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(5) Disposal

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investment properties

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

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

(h) Impairment of assets

(1) Goodwill

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

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

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

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

Impairment loss on goodwill is not reversed in subsequent period.

(2) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets

(1) Classification

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

i) Loans and receivables

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

ii) Financial assets, available-for-sale

Financial assets, 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.

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(4) Subsequent measurement (continued)

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.

(6) Impairment

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

(i) Loans and receivables

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

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

(ii) Financial assets, available-for-sale

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(6) Impairment (continued)

(ii) Financial assets, available-for-sale (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income taxes

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

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

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

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 obligation as a result of past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Employee benefits

(1) Employee leave entitlement

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

(2) Defined contribution plans

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

(2) Transactions and balances

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

(3) Translation of Group entities' financial statements

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Foreign currency translation (continued)

(3) Translation of Group entities' financial statements (continued)

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

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

(t) Segment reporting

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

(u) Cash and cash equivalents

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

(v) Government grants

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

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

(w) Share capital

Ordinary shares are classified as equity.

(x) Dividend

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

(y) Related parties

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor 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.

(aa) 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 hedge item affects profit or loss.

3. REVENUE

	The Group	
	2010	2009
	$'000	$'000
Room, food and beverage and other revenue	53,086	43,149
Rental income from investment properties	8,590	9,051
Revenue recognised on development properties	–	50,470
Income from available-for-sale financial assets	12	9
	61,688	102,679

4. OTHER INCOME

	The Group	
	2010	2009
	$'000	$'000
Other income		
- Government grant	177	958
- Gain from fair value adjustment of investment properties	5,000	–
- Rental income	5	244
- Gain on disposal of an investment property	35	–
- Income from available-for-sale financial assets	102	33
- Others	1,237	1,233
	6,556	2,468
Interest income - fixed deposits	44	53
	6,600	2,521

5. FINANCE COSTS

	The Group	
	2010	2009
	$'000	$'000
Interest expense		
- Finance leases	135	176
- Bank loans and overdraft	2,746	3,281
	2,881	3,457

6. OTHER EXPENSES

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

7. PROFIT BEFORE TAX

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

	The Group	
	2010 $'000	2009 $'000
Profit before tax is arrived at after:		
Charging/(Crediting):		
Allowance for doubtful trade receivables	137	58
Allowance for doubtful non-trade receivables	53	2,740
Allowance for doubtful receivables written back (trade)	(33)	(13)
Allowance for doubtful receivables written back (non-trade)	(238)	–
Amortisation of other assets (Note 23)	111	111
Bad debts written off	34	–
Depreciation of property, plant and equipment (Note 21)		
- Freehold property	10	10
- Leasehold land and buildings	2,289	1,823
- Plant and machinery, furniture, fixtures and equipment	1,774	2,022
- Motor vehicles	224	180
- Renovations	2,031	2,048
Directors' fees	102	102
Loss on disposal of property, plant and equipment	9	302
Net foreign exchange loss	987	597
Other fees paid/payable to the auditors of the Company	37	59
Investment property written off	128	–
Property, plant and equipment written off	3	143
Rental expense - operating leases	1,534	1,004

8. REMUNERATION BANDS OF DIRECTORS OF THE COMPANY

	The Group	
	2010	2009
Number of directors of the Company in remuneration bands:		
$750,000 and above	1	1
$500,000 to below $750,000	–	–
$250,000 to below $500,000	1	1
Below $250,000	3	3
Total	5	5

The depreciation charges relating to motor vehicles of the Group which were made available for the use of the directors were $101,000 (2009: $79,000). These amounts have been included in the remuneration of directors of the Company for the purposes of this Note.

9. STAFF COSTS

	The Group	
	2010	2009
	$'000	$'000
Wages and salaries	13,706	13,762
Employer's contribution to Central Provident Fund	1,310	1,232
Other benefits	1,041	931
	16,057	15,925

10. INCOME TAX EXPENSE

	The Group	
	2010	2009
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax - Singapore	3,233	2,726
Deferred income tax (Note 24)	476	(2,009)
	3,709	717
(Over)/under provision in preceding financial years:		
- Current income tax	(2,486)	760
- Deferred income tax (Note 24)	–	(764)
	1,223	713

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	
	2010	2009
	$'000	$'000
Profit before tax	17,512	11,968
Tax calculated at a tax rate of 17%	2,977	2,035
Expenses not deductible for tax purposes	991	1,329
Income not taxable	(163)	(184)
Deferred tax asset not recognised	14	27
Utilisation of deferred tax asset previously not recognised	(6)	(583)
Effect of change in tax rate	–	(1,749)
Others	(104)	(158)
	3,709	717

11. EARNINGS PER ORDINARY SHARE

	The Group	
	2010	2009
Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	16,353	11,255
Number of ordinary shares in issue ('000)	576,936	576,936
Basic and diluted earnings per ordinary share (cents)	2.83	1.95

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

12. CASH AND BANK BALANCES

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Cash at bank and on hand	3,919	5,348	38	39
Fixed deposits with financial institutions	6,427	19,273	–	–
	10,346	24,621	38	39

Included in the above are:-

(i) $120,000 (2009: $37,000) held under the Housing Developers (Project Account) Rules (1997 Ed), withdrawals from which are restricted to payments for project expenditure incurred.

(ii) $Nil (2009: $2,248,000) which is charged to a bank by a subsidiary for financing facilities.

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

The Group's fixed deposits with financial institutions mature on varying dates within 3 months (2009: 1 month) from the financial year end. The weighted average effective interest rate of these deposits as at 31 December 2010 was 1.47% (2009: 0.10%) per annum.

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Singapore Dollar	3,186	4,893	38	39
United States Dollar	6,083	19,522	–	–
Renminbi	1,020	180	–	–
Others	57	26	–	–
	10,346	24,621	38	39

12. CASH AND BANK BALANCES (continued)

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

	The Group	
	2010 $'000	2009 $'000
Cash and bank balances	10,346	24,621
Less: Bank balances secured for financing activities (Note 26)	–	(2,248)
Cash and cash equivalents per consolidated statement of cash flows	10,346	22,373

13. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Trade receivables				
- Third parties	5,734	5,296	21	20
- Related party	–	240	–	–
	5,734	5,536	21	20
Less: Allowance for doubtful trade receivables	(1,162)	(1,233)	(17)	(17)
Trade receivables - net	4,572	4,303	4	3
Non-trade receivables				
- Third parties	5,847	5,535	–	–
- Subsidiaries	–	–	42,753	42,492
- Minority shareholder of subsidiary	258	258	–	–
	6,105	5,793	42,753	42,492
Less: Allowance for doubtful non-trade receivables	(2,602)	(2,798)	–	–
Non-trade receivables - net	3,503	2,995	42,753	42,492
	8,075	7,298	42,757	42,495

13. TRADE AND OTHER RECEIVABLES (continued)

In year 2009, the amount due from a related party in which a close family member of a director has significant interest was unsecured and interest-free.

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

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

Included in the Group's non-trade receivable balance is amount due from a third party with a carrying amount of $2,542,000 (2009: $2,740,000) 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	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore Dollar	5,034	4,221	42,757	42,495
United States Dollar	965	1,203	–	–
Renminbi	1,873	1,874	–	–
Others	203	–	–	–
	8,075	7,298	42,757	42,495

14. INVENTORIES

	The Group	
	2010 $'000	2009 $'000
Food and beverage, at cost	335	343
Other hotel and catering supplies, at cost	128	179
	463	522

15. DEVELOPMENT PROPERTIES

	The Group	
	2010	2009
	$'000	$'000
Properties under development	31,410	30,330
Completed properties held for sale	2,370	2,370
	33,780	32,700

(a) Properties under development

	The Group	
	2010	2009
	$'000	$'000
Land and other related costs	31,410	30,330
Borrowing costs capitalised during the financial year	164	356

The weighted average effective interest rate of borrowing costs capitalised for the year ended 31 December 2010 is 1.61% (2009: 2.43%) per annum.

(b) Completed properties held for sale

	The Group	
	2010	2009
	$'000	$'000
Land and other related costs	1,449	1,449
Development costs	921	921
	2,370	2,370

As at 31 December 2010 and 2009, certain properties are mortgaged to banks to secure credit facilities as disclosed in Note 26.

15. DEVELOPMENT PROPERTIES (continued)

The Group's development properties as at 31 December 2010 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 a block of 6-storey apartments consisting 1st storey shophouses with 1 level basement carparks and swimming pool	100
(iii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2012	2,300	Proposed residential development of 1 block of about 11 storey apartments	100

16. OTHER CURRENT ASSETS

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Deposits	1,192	642	–	–
Prepayments	392	167	3	3
Staff advances	9	10	–	–
	1,593	819	3	3

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

16. OTHER CURRENT ASSETS (continued)

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

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Singapore Dollar	1,158	580	–	–
Renminbi	43	45	–	–
Malaysia Ringgit	–	27	–	–
	1,201	652	–	–

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Quoted investments				
- Equity shares in corporations	1,480	1,433	186	185
- Quoted unit trust	35	34	–	–
At fair value	1,515	1,467	186	185

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

18. INTANGIBLE ASSETS

	The Group	
	2010	2009
	$'000	$'000
Club memberships	532	532
Less: Impairment loss	(175)	(175)
	357	357

19. INVESTMENT IN SUBSIDIARIES

	The Company	
	2010	2009
	$'000	$'000
Unquoted equity shares, at cost	48,206	48,206
Less: Impairment loss	(9,829)	(9,829)
	38,377	38,377

Allowance for impairment loss balance is as follows:

	The Company	
	2010	2009
	$'000	$'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	Effective equity interest held by The Company		Effective equity interest held by Subsidiaries		Cost of investment	
		2010	2009	2010	2009	2010	2009
		%	%	%	%	$'000	$'000
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	100	100	–	–	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	100	100	–	–	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	100	100	–	–	6,704	6,704
Creslin Pte Ltd	Property development and provision of construction services	100	100	–	–	1,000	1,000

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Effective equity interest held by The Company 2010 %	The Company 2009 %	Subsidiaries 2010 %	Subsidiaries 2009 %	Cost of investment 2010 $'000	Cost of investment 2009 $'000
PCS Restaurants Pte Ltd	Investment holding	100	100	–	–	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	100	100	–	–	–**	–**
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	100	100	–	–	–**	–**
AOI Saigon Pte Ltd *	Hotelier, restaurateur and investment holding	90	90	–	–	4,773	4,773
Amara Hospitality Capital Pte Ltd (Formerly known as "Middle City Holdings Pte Ltd")	Investment holding	100	100	–	–	5,056	5,056
Amara Sentosa Investments Pte Ltd	Hotelier, restaurateur and investment holding	100	100	–	–	8,000	8,000
Held by PCS Restaurants Pte Ltd							
Catering Concepts & Management Services Pte Ltd	Food & beverage caterer and proprietor of a food court	–	–	85	85	–	–
Silk Road Restaurants International Pte Ltd	Restaurateur and franchisor	–	–	100	100	–	–
Amarathai Restaurant Pte Ltd	Restaurateur	–	–	100	100	–	–
Simply Thai Restaurant Pte Ltd	Restaurateur	–	–	100	100	–	–
Silk Road Restaurant (M) Sdn Bhd	Restaurateur	–	–	100	100	–	–

19. INVESTMENT IN SUBSIDIARIES (continued)

Name of subsidiary	Principal activities	Effective equity interest held by The Company 2010 %	The Company 2009 %	Subsidiaries 2010 %	Subsidiaries 2009 %	Cost of investment 2010 $'000	Cost of investment 2009 $'000
Held by Amara Hospitality Capital Pte Ltd							
Amara Hospitality (Thailand) Co., Ltd	Hotel development and ownership	–	–	100	–	–	–
Held by Amara China Investments Pte Ltd							
AOI Chengdu Pte Ltd	Hotelier and investment holding	–	–	70	70	–	–
Amara Shanghai Pte Ltd*	Investment holding	–	–	100	100	–	–
Shanghai Amara Hotel Co., Ltd.	Hotel development and ownership	–	–	5	5	–	–
Held by Amara Shanghai Pte Ltd							
Shanghai Amara Hotel Co., Ltd.	Hotel development and ownership	–	–	95	95	–	–
						48,206	48,206

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

** cost of less than $1,000.

(a) On 16 July 2010, Amara Hospitality Capital Pte Ltd incorporated Amara Hospitality (Thailand) Co., Ltd, a wholly owned subsidiary in Thailand with an issued and paid up capital of 10,000 ordinary shares, paid up to Thai Baht 2.5 each.

(b) During the year, the paid up capital of Shanghai Amara Hotel Co., Ltd was increased by US$6,700,000 through injections of share capital through Amara Shanghai Pte Ltd and Amara China Investments Pte Ltd.

All the subsidiaries' country of incorporation and place of business is in Singapore and audited by Baker Tilly TFW LLP, except for Shanghai Amara Hotel Co., Ltd. whose country of incorporation and place of business is in the People's Republic of China and audited by Shanghai Certified Public Accountants and Amara Hospitality (Thailand) Co., Ltd whose country of incorporation and place of business is in Thailand and audited by Baker Tilly Thailand Limited.

20. INVESTMENT PROPERTIES

	The Group	
	2010 $'000	2009 $'000
At 1 January	185,306	185,306
Disposals/write off	(306)	–
Fair value gain adjustment	5,000	–
At 31 December	190,000	185,306

(a) Investment properties are stated at fair value, which has been determined based on valuations as at 31 December 2010. Valuation was performed by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2010, on the Group's investment properties referred to as The Amara Shopping Centre and Amara Corporate Tower on the basis of open market value for existing use. It is the intention of the directors to hold the investment properties for long term.

(b) At the reporting date, The Amara Shopping Centre and Amara Corporate Tower with aggregate carrying amount of $190,000,000 (2009: $185,000,000) were mortgaged to banks to secure bank loans and bank facilities for the Group (Note 26).

(c) The Group's investment properties as at 31 December 2010 are set out below:

Address	Held by	Title	Gross floor area (sq m)	Description
165 Tanjong Pagar Road, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	10,192.4	The Amara Shopping Centre with 3 levels of basement carpark
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	4,780.6	Amara Corporate Tower, 12-storey office building

(d) In the consolidated statement of comprehensive income, rental income of $8,590,000 (2009: $9,051,000) was generated from investment properties, and direct operating expenses include $2,904,000 (2009: $2,532,000) relating to investment properties that generated rental income during the year.

21. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold property	Leasehold land and buildings	Plant and machinery, furniture, fixtures and equipment	Motor vehicles	Renovations	Operating supplies	Capital project in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation								
At 1 January 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

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

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

	2010	2009
	$'000	$'000
Plant and machinery, furniture, fixtures and equipment	1,243	1,529
Operating supplies	707	707
Motor vehicles	514	543
	2,464	2,779

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) At the reporting date, the net carrying amount of certain freehold property, leasehold land and buildings and renovation of the Group mortgaged to banks to secure bank borrowings amounted to $87,979,000 (2009: $91,353,000) (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 $21,695,000 (2009: $22,020,000).

An independent professional valuation on the Amara Hotel was carried out by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2010 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to $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 2010 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land amounting to $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 Resorts Sentosa at 31 December 2010 was carried out by Knight Frank Pte Ltd, a firm of property consultants, in January 2011 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to $54,337,000 has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

(e) The Group's properties as at 31 December 2010 are set out below:

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

22. GOODWILL

	The Group	
	2010	2009
	$'000	$'000
Goodwill arising on consolidation		
Cost	889	889
Less: Accumulated impairment loss	(45)	(45)
	844	844

23. OTHER ASSETS

	The Group	
	2010	2009
	$'000	$'000
Prepayment		
At 1 January	7,247	7,358
Amortisation	(111)	(111)
At 31 December	7,136	7,247

24. DEFERRED INCOME TAXES

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

	The Group	
	2010	2009
	$'000	$'000
At 1 January	30,713	33,604
Effect of change in Singapore tax rate		
- profit or loss	–	(1,749)
- equity	–	(118)
Tax debited/(credited) to profit or loss		
- current year	476	(260)
- prior year	–	(764)
At 31 December	31,189	30,713

Deferred 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 $521,000 (2009: $440,000) and $47,000 (2009: $46,000) respectively which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These tax losses have no expiry date.

24. DEFERRED INCOME TAXES (continued)

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

The Group

Deferred income tax liabilities

	Accelerated tax depreciation	Investment properties	Unremitted foreign sourced income	Asset revaluation reserve	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2010	5,252	22,672	1,010	2,002	405	31,341
(Credited)/debited to profit or loss	(380)	850	–	–	6	476
At 31 December 2010	4,872	23,522	1,010	2,002	411	31,817
At 1 January 2009	5,577	24,006	1,745	2,120	1,121	34,569
Effect of change in Singapore tax rate						
- profit or loss	(310)	(1,334)	(97)	–	(62)	(1,803)
- equity	–	–	–	(118)	–	(118)
Credited to profit or loss	(15)	–	(638)	–	(654)	(1,307)
At 31 December 2009	5,252	22,672	1,010	2,002	405	31,341

Deferred income tax assets

	Tax losses	Capital allowances	Others	Total
	$'000	$'000	$'000	$'000
At 1 January 2010 and 31 December 2010	(628)	–	–	(628)
At 1 January 2009	(665)	(3)	(297)	(965)
Effect of change in Singapore tax rate				
- profit or loss	37	1	16	54
Charged to profit or loss	–	2	281	283
At 31 December 2009	(628)	–	–	(628)

24. DEFERRED INCOME TAXES (continued)

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

	The Group	
	2010 $'000	2009 $'000
Deferred income tax assets	(489)	(522)
Deferred income tax liabilities	31,678	31,235
	31,189	30,713

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
(a) Current				
Trade payables	5,062	4,870	3	–
Due to subsidiaries	–	–	–	1
Due to related parties	94	101	–	–
Accrued operating expenses	13,497	11,150	190	190
Accrued construction costs	2,208	1,608	–	–
Sundry payables	1,074	1,189	28	2
Deposits received	2,919	1,467	–	–
	24,854	20,385	221	193

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

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

25. TRADE AND OTHER PAYABLES (continued)

(b) Non-current

	The Group	
	2010	2009
	$'000	$'000
Derivative financial instrument	2,264	–
Advances from minority shareholder of subsidiary	–	1
Deposits received	1,182	1,998
	3,446	1,999

Derivative financial instrument represents a cash flow hedge interest rate swap with a notional amount of $26,000,000 (2009: $NIL). The interest rate swap receives floating interest and pays a fixed rate of interest and matures in March 2013.

In year 2009, the advances from minority shareholder of subsidiary were unsecured and interest-free.

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

	The Group	
	2010	2009
	$'000	$'000
Derivative financial instrument	2,264	–
Advances from minority shareholder of subsidiary	–	1
Deposits received	1,132	1,924
	3,396	1,925

The fair values are computed based on the present value of the cashflows using a discount rate of 2.55% (2009: 1.89%) 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	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Singapore Dollar	28,135	22,187	221	193
United States Dollar	35	37	–	–
Renminbi	118	106	–	–
Malaysia Ringgit	12	54	–	–
	28,300	22,384	221	193

26. BORROWINGS

	The Group	
	2010	2009
	$'000	$'000
Current		
Bank loans, secured	32,900	18,304
Finance lease liabilities (Note 30)	799	746
	33,699	19,050
Non-current		
Bank loans, secured		
- Between 1 and 2 years	99,190	117,254
- Between 3 and 5 years	–	19,200
Finance lease liabilities (Note 30)	849	1,617
	100,039	138,071
Total borrowings	133,738	157,121

(a) The Group's bank borrowings at 31 December 2010 comprise the following:

(i) term loan of $18,500,000 (2009: $19,500,000), revolving credit advances of $50,000,000 (2009: $50,000,000) and a short-term advance of $Nil (2009: $14,000,000) secured by way of a legal mortgage on the Amara Hotel, The Amara Shopping Centre and Amara Corporate Tower as stated in Notes 20 and 21 to the financial statements and the assignment in escrow of interest in the lease and rental proceeds from the above properties and debenture over Amara Hotel.

These banking facilities have been extended to 2012.

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 February 2012 will remain available for reborrowing;

(ii) a revolving loan of $Nil (2009: $376,000) is secured by a first legal mortgage on a freehold property as stated in Note 21 to the financial statements;

(iii) term loan of $8,400,000 (2009: $8,400,000) and revolving credit advances of $290,000 (2009: $100,000) 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;

(iv) a term loan of $26,000,000 (2009: $28,000,000) is secured by a mortgage-in-escrow on Amara Sanctuary Resort, Sentosa as disclosed in Note 21 to the financial statements. The loan is further secured by an assignment of all rights, benefits and entitlement under and in the construction contracts, construction guarantees, hotel subleases, insurances, a corporate guarantee from the Company and debenture over the hotel. This loan matures in March 2013;

(v) a term loan of $28,900,000 (2009: $33,554,000) is secured by way of the first legal mortgage on the Amara Hotel, The Amara Shopping Centre and Amara Corporate Tower as stated in Notes 20 and 21 to the financial statements and assignment of all rental proceeds from the above properties and corporate guarantee from the Company and debenture over Amara Hotel. This loan matures in November 2011; and

(vi) a term loan of $Nil (2009: $828,000) is secured by a fixed deposit of $Nil (2009: $2,248,000) as stated in Note 12. This loan matured in June 2010.

26. BORROWINGS (continued)

(b) Currency risk

The borrowings are denominated in Singapore Dollar, except for a term loan of $Nil (2009: $828,000) which was denominated in Renminbi.

(c) Interest rate risks

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

	2010 Per annum	2009 Per annum
Bank loans, secured	2.55%	1.89%
Finance lease liabilities	6.72%	6.88%

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 $'000	6 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
At 31 December 2010					
Total borrowings	132,491	398	817	32	133,738
At 31 December 2009					
Total borrowings	154,298	1,206	1,525	92	157,121

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

(d) Carrying amounts and fair values

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

27. SHARE CAPITAL

Issued and fully paid ordinary share capital of Amara Holdings Limited

	2010 Shares '000	2009 Shares '000	2010 $'000	2009 $'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	
	2010 $'000	2009 $'000
Ordinary dividend paid		
First and final tax exempt dividend of 0.5 cents per share (2009: 0.5 cents 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 29 April 2011, a first and final tax exempt dividend for 2010 of 0.5 cents per share, amounting to $2,884,680 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2011 subject to shareholders' approval at the forthcoming AGM.

29. IMMEDIATE HOLDING AND ULTIMATE HOLDING COMPANIES

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

30. FINANCE LEASE LIABILITIES

	The Group	
	2010 $'000	2009 $'000
Minimum lease payments due:		
Not later than one financial year	879	878
Later than one financial year but not later than five financial years	866	1,632
Later than five financial years	36	117
	1,781	2,627
Less: Future finance charges	(133)	(264)
Present value of finance lease liabilities	1,648	2,363
Representing finance lease liabilities:		
Current (Note 26)	799	746
Non-current (Note 26)	849	1,617
	1,648	2,363

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 $63,300,000 (2009: $70,054,000). 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 2010 and 31 December 2009.

32. COMMITMENTS

Commitments not provided for in the financial statements:

	The Group	
	2010	2009
	$'000	$'000
(a) Capital commitments		
Estimated expenditure contracted for:		
- Property, plant and equipment	11,143	5,996

(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	
	2010	2009
	$'000	$'000
Not later than one financial year	4,328	7,162
Later than one financial year but not later than five financial years	3,734	4,806
	8,062	11,968

(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	
	2010	2009
	$'000	$'000
Not later than one financial year	1,022	1,004
Later than one financial year but not later than five financial years	3,752	3,692
Later than five financial years	76,570	77,520
	81,344	82,216

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
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 bank balances	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

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Loans & receivables	Available-for-sale	Liabilities at amortised cost	Non-financial assets/ liabilities	Total
	$'000	$'000	$'000	$'000	$'000
2010					
The Company					
Assets					
Available-for-sale financial assets	–	186	–	–	186
Investment in subsidiaries	–	–	–	38,377	38,377
Cash and bank balances	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
2009					
The Company					
Assets					
Available-for-sale financial assets	–	185	–	–	185
Investment in subsidiaries	–	–	–	38,377	38,377
Cash and bank balances	39	–	–	–	39
Trade and other receivables	42,495	–	–	–	42,495
Other current assets	–	–	–	3	3
	42,534	185	–	38,380	81,099
Liabilities					
Trade and other payables	–	–	193	–	193

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

The following table presents the level of fair value hierarchy for each class of financial instruments measured at fair value on the statement of financial position at 31 December 2010.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
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
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	186	–	–	186
2009				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,433	–	–	1,433
- Quoted unit trust	34	–	–	34
	1,467	–	–	1,467
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	185	–	–	185

The fair value hierarchy levels are defined as follows:

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

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

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

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(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 swap counterparty at the reporting date.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Treasury. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The 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 default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing with counterparties with appropriate credit history.

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

Exposure to credit risk

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

- the carrying amount of each class of financial assets recognised in the statement of financial position;
- an amount of $2,542,000 (2009: $2,740,000) 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 $63,300,000 (2009: $70,054,000).

At 31 December 2010, 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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Past due 0 to 1 month	442	70	–	–
Past due 1 to 3 months	20	118	–	–
Past due over 3 months	3,891	3,812	–	–
	4,353	4,000	–	–

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Gross amount	6,306	6,771	17	17
Less: Allowance for impairment	(3,764)	(4,031)	(17)	(17)
	2,542	2,740	–	–
At 1 January	4,031	1,294	17	17
Allowance made	190	2,798	–	–
Allowance written back	(271)	(13)	–	–
Allowance written off	(186)	(48)	–	–
At 31 December	3,764	4,031	17	17

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 25.2% (2009: 12.1%) of the Group's loans and borrowings (Note 26) will mature in less than one year based on the carrying amounts reflected in the financial statements.

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

	2010				2009			
	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	24,507	1,182	–	25,689	20,068	1,999	–	22,067
Derivative interest rate swaps	–	2,264	–	2,264	–	–	–	–
Borrowings	33,849	100,267	36	134,152	19,211	138,301	116	157,628
	58,356	103,713	36	162,105	39,279	140,300	116	179,695

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	One year or less	
	2010	2009
	$'000	$'000
The Company		
Trade and other payables	221	193

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

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

	One year or less	
	2010	2009
	$'000	$'000
Financial guarantee contracts	63,300	70,054

(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 21% (2009: 2%) of the Group's borrowings are at fixed rates of interest.

At the reporting date, if SGD interest rates had been 25 (2009: 25) basis points lower/higher with all other variables held constant, the Group's profit would have been $224,000 (2009: $367,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans and bank overdrafts.

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.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Foreign currency risk

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

The Group has foreign currency exposure arising from cash and bank balances, trade receivables and advances to and from third parties. These cash and bank balances, trade receivables and advances are mainly denominated in United States Dollar (USD). Approximately $3,084,000 (2009: $3,149,000) of receivables and $165,000 (2009: $197,000) of payables are denominated in foreign currencies.

Sensitivity analysis for foreign currency risk

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

	The Group Profit after tax	
	2010 $'000	2009 $'000
USD - strengthened 3% (2009: 3%)	196	584
- weakened 3% (2009: 3%)	(196)	(584)

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 2010 and 31 December 2009.

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 is computed as borrowings less cash and bank balances.

35. CAPITAL MANAGEMENT (continued)

	The Group	
	2010	2009
	$'000	$'000
Borrowings	133,738	157,121
Less: Cash and bank balances	(10,346)	(24,621)
Net borrowings	123,392	132,500
Total equity	196,948	187,636
	320,340	320,136

	The Group	
	2010	2009
	%	%
Gearing ratio	38.52	41.39

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2010 and 31 December 2009.

36. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	The Group	
	2010	2009
	$'000	$'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	110

(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 $2,400,000 (2009: $2,214,000) for the financial year ended 31 December 2010.

Included in the above is remuneration to directors of the Company amounting to $1,379,000 (2009: $1,295,000), 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.

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
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)

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

37. SEGMENT INFORMATION (continued)

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	
	2010 $'000	2009 $'000
Segment profit	20,624	15,579
Interest income	44	53
Interest expenses on borrowings	(2,881)	(3,457)
Unallocated corporate expenses	(275)	(207)
Profit before tax	17,512	11,968

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.

37. SEGMENT INFORMATION (continued)

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 two main geographical areas, namely Singapore and the People's Republic of China ("PRC").

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

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

	Revenue		Non-current assets	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore	61,688	102,679	304,654	299,778
PRC	–	–	34,321	35,622
	61,688	102,679	338,975	335,400

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

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

Information about major customer

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

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Amara Holdings Limited on 25 March 2011.

CORPORATE DATA

BOARD OF DIRECTORS

Albert Teo Hock Chuan
Chief Executive Officer

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

COMPANY SECRETARIES

Susan Teo Geok Tin
Foo Soon Soo

AUDIT COMMITTEE

Chang Meng Teng
Chairman

Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah

NOMINATING COMMITTEE

Richard Khoo Boo Yeong
Chairman

Albert Teo Hock Chuan
Chang Meng Teng

REMUNERATION COMMITTEE

Richard Khoo Boo Yeong
Chairman

Chang Meng Teng
Lawrence Mok Kwok Wah

AUDITORS

Baker Tilly 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 Amara Corporate Tower
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 / Ann Lee
1 Raffles Place OUB Centre #26-02
Singapore 048616
Tel: (65) 6534 5122
Fax: (65) 6534 4171
Email: dolores.phua@citigatedrimage.com
Email: ann.lee@citigatedrimage.com

STATISTICS OF SHAREHOLDINGS

As at 25 March 2011

Class of Shares : Ordinary shares each fully paid up
Voting Rights : 1 vote per share
No. of Holders : 6,898

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	3	0.04	1,230	0.00
1,000 - 10,000	5,121	74.24	25,563,800	4.43
10,001 - 1,000,000	1,744	25.28	75,221,060	13.04
1,000,001 and above	30	0.44	476,149,910	82.53
Total	6,898	100.00	576,936,000	100.00

Based on information available to the Company on 25 March 2011, approximately 27% of the Company's issued ordinary shares were held by the public and accordingly, Rule 723 of the listing Manual of the SGX-ST has been complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Firstrust Equity Pte Ltd	193,146,010	33.48
2	UOB Nominees (2006) Pte Ltd	50,000,000	8.67
3	Teo Chew Chuan	35,827,000	6.21
4	Teo Hin Chuan	26,080,000	4.52
5	Teo Peng Chuan	22,007,000	3.81
6	RHB Bank Nominees Pte Ltd	20,000,000	3.47
7	Singapore Nominees Pte Ltd	19,100,000	3.31
8	United Overseas Bank Nominees Pte Ltd	18,361,000	3.18
9	Lim Ah Choon	16,253,497	2.82
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	8,524,000	1.48
13	Ong Kian Kok	7,500,000	1.30
14	Hong Leong Finance Nominees Pte Ltd	6,714,000	1.16
15	OCBC Nominees Singapore Pte Ltd	5,341,000	0.93
16	Teo Guan Hoon	3,238,000	0.56
17	Poh Lay Eng	3,153,493	0.55
18	DBS Vickers Securities (S) Pte Ltd	2,536,000	0.44
19	Lim Siang Ing	2,449,000	0.42
20	Lim & Tan Securities Pte Ltd	2,144,000	0.37
	Total	460,374,000	79.80

STATISTICS OF SHAREHOLDINGS

As at 25 March 2011

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539, on Friday, 29 April 2011, 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 2010 together with the Reports of the Directors and the Auditors thereon (Resolution 1).

2. To declare a first and final dividend of 0.5 cents per share for the year ended 31 December 2010 (Resolution 2).

3. To re-elect Mr Chang Meng Teng as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 3).

   Mr Chang Meng Teng will, upon re-election as Director of the Company, remain as Chairman 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 member of both the Remuneration Committee and Nominating Committee.

4. To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 4).

   Mr Lawrence Mok Kwok Wah will, upon re-election as Director of the Company, remain a member of the Audit Committee and will be considered non independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain a member of the Remuneration Committee.

5. To approve payment of Directors' Fees of $102,000 for the year ended 31 December 2010 (2009: $102,000) (Resolution 5).

6. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration (Resolution 6).

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

AS SPECIAL BUSINESS

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

8. **Authority to Directors to issue Shares**

   (a) That, pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:

      (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

      (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

      (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

   (b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force,

   provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

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

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

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

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

See Explanatory Note 1.

9. Renewal of Share Purchase Mandate

That:

(a) For the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore ("Act"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

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

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

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

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

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

(ii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

(c) In this Ordinary Resolution:

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

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

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

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

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

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

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

See Explanatory Note 2.

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a first and final dividend of 0.5 cents per share, in respect of the year ended 31 December 2010 will be paid on 27 June 2011 to shareholders whose names appear in the Register of Members on 15 June 2011.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 15 June 2011 after 5.00 p.m. to 16 June 2011, 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 15 June 2011 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
14 April 2011

EXPLANATORY NOTE 1:

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

EXPLANATORY NOTE 2:

In respect of the Ordinary Resolution in item 9, the Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance purchases or acquisitions of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, among other things, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustration purposes, the financial effects of Share Purchases on the audited financial statements of Amara Group and the Company for the financial year ended 31 December 2010 based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 14 April 2011 in relation to the proposed renewal of the Share Purchase Mandate.

NOTE:

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

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

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 (%)

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 29 April 2011 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 For*	Against*	To be used in the event of a poll For**	Against**
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 together with the Reports of the Directors and the Auditors thereon.				
2.	To declare a first and final dividend of 0.5 cents per share for the year ended 31 December 2010.				
3.	To re-elect Mr Chang Meng Teng as a Director retiring under Article 87 of the Articles of Association of the Company.				
4.	To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Article 87 of the Articles of Association of the Company.				
5.	To approve payment of Directors' Fees of $102,000 for the year ended 31 December 2010 (2009: $102,000).				
6.	To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.				
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				
8.	To approve the renewal of the Share Purchase Mandate.				

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

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

Dated this day of 2011

Total number of Shares held

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Please cut along dotted line

NOTES FOR PROXY FORM

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

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

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

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

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

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

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

AMARA HOLDINGS LIMITED
(Registration Number 197000732N)
100 Tras Street #06-01 Amara Corporate Tower Singapore 079027 Tel (65) 6879 2515 Fax (65) 6224 2660
corporate@amaraholdings.com   www.amaraholdings.com