2012

AMARA HOLDINGS LIMITED
ANNUAL REPORT

Contents

2012
A Year of Milestones

2012 was a significant year for Amara Holdings Limited as we celebrated our 15th year of listing.

From the completion of the asset enhancement of our shopping centre to being rebranded as 100 AM, to the successful launch of our first Executive Condominium project - CityLife@Tampines (a joint development), we are breaking new grounds and venturing further afield.

With the unwavering support from you, our stakeholders, we are sure that we will achieve many more significant milestones as we journey ahead together.

The Amara Vision

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

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

OUR CORE VALUES

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

OUR ULTIMATE GOAL

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

OUR GREATEST ASSET

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

The Amara Brand

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

AMARA HOLDINGS LIMITED

The Amara Brand

AMARA HOTELS & RESORTS

Amara presents the world with a fresh approach to luxury hotels and resorts.

We promise to enrich, fulfill and inspire our guests with individual experiences that are cherished and memorable. We are the creator of special moments and unique memories.

Our Special Moments Make Memories.

AMARA
HOTELS & RESORTS

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
SANCTUARY

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
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.

AMARA
HOTELS

SILK ROAD

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

THANYING

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

Our Business Portfolio

HOTEL INVESTMENT AND MANAGEMENT

Amara Singapore

Our flagship city centre hotel, Amara Singapore, is conveniently located next to Tanjong Pagar MRT Station in the thriving Central Business District. The hotel is easily accessible by major transportation modes and within walking distance to fascinating Chinatown, the Tanjong Pagar Conservation District, graded office buildings, foreign and local banks, post offices, shops, as well as dining and entertainment establishments. Our 388-room hotel showcases special touches including a lobby with a minimalist theme, a contemporary Balinese-style resort pool and a collection of chic restaurants including our iconic Silk Road and Thanying Restaurants. Complemented by a host of specially designed rooms, facilities and a spa, our valued guests can enjoy luxurious inner-city living at Amara Singapore. Furthermore, the Grand Ballroom with a 500 auditorium style seating capacity as well as four function rooms can cater to events of all scales from weddings and social functions to meetings and exhibitions.

Amara Sanctuary Resort, Sentosa

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

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

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

Amara Signature Shanghai

Located at the junction of Jiaozhou Road and Changshou Road in Puxi, Shanghai, Amara Signature Shanghai is a mixed-use development that will comprise a 336-room hotel, retail centre and office building. Currently under construction, Amara Signature Shanghai is expected to benefit from its strategic location within the city centre and capitalise on Shanghai's renowned status as Asia's leading business and financial centre.

Through the mixed-use development, Amara introduces refreshing extravagance and variety to the Puxi region. Business travellers are rejuvenated by a luxurious stay at the hotel. The retail centre, featuring many of Singapore's popular brands in food and beverages, entertainment and lifestyle, brings a variety of choices to the executives working around the area. Built to Grade A office specifications, the office building offers a conducive environment for business operations. Amara Signature Shanghai is scheduled to be completed by 2015.

Amara Bangkok

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

Located on 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 to commence operations in 2014.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Thanying Restaurant

Since its inception in 1988, Thanying Restaurant has devotedly created culinary history by offering the most exquisite Royal Thai cuisine fit for the royalties. Meticulous effort is put into the preparation and the presentation of each dish. Moreover, each Thai Chef has his/her own area of specialty, served in the tradition of Thai court cuisine. To top it off, Thanying's most famous dessert buffet offers a grand finale after a sumptuous feast. It consists of delicious seasonal fruits that have been thoughtfully peeled and seeded, as well as traditional Thai sweets, all of which are beautifully presented at the counter decorated with delicately carved fruits skillfully executed by our Thai Chefs. The flagship Thanying Restaurant has a seating capacity of 164 and is located at Amara Singapore. Opened in July 2007, the outlet at Amara Sanctuary Resort, Sentosa gives guests the option to dine indoors in the elegant dining room or alfresco at the large outdoor terrace set amidst a herb garden. The garden grows many herbs used in the restaurant's food preparation.

Silk Road Restaurant

Established in November 2001 and located at Amara Singapore, the award-winning 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.

PROPERTY INVESTMENT AND DEVELOPMENT

100 AM

The former four-storey Amara Shopping Centre has completed its asset enhancement which started since mid 2011 and has been rebranded as 100 AM. It is the only full-fledged shopping centre in the west-end of Central Business District and stands to benefit from the rejuvenation of the Tanjong Pagar district. This area is gradually being developed for inner-city living and displays much promise and growth with a cluster of high-end residential developments and hotel developments shaping up the vicinity.

100 AM soft opened in November 2012 to an overwhelming response from residents, office workers, professionals, business travellers and tourists in the precinct with its diverse and attractive retail mix. Anchor tenant FairPrice Finest offers shoppers a high standard of grocery shopping with a wider finer selection. Koufu Food Court as well as a line-up of restaurants and cafes, namely, Skinny Pizza, Tsujiri Tea House, Imperial Treasure Noodle and Congee House, The Oyster & Crab Restaurant, House of Dimpas, Jeju Korean Restaurant, Pagi Sore Indonesian Restaurant, Cedele, Starbucks, Ya Kun Kaya Toast and others provide more dining options. Well-known lifestyle brands such as Strip & Browhaus add a vibrant buzz to 100 AM while a bevy of fashion boutiques attract the fashionistas.

The 12-storey office building strategically located at 100 Tras Street is only a stroll away from the Tanjong Pagar MRT Station. Easily accessible by bus or car, it is also located close to diverse amenities such as major local and foreign banks and post offices. The office annex will be rebranded as 100 AM Medical.Offices.

Killiney 118

Situated in the prime residential enclave of District 9, Killiney 118 is a six-storey freehold boutique development which comprises of 30 units of 1- and 2-bedroom apartments, and appeals to singles and couples seeking the tranquillity in their homes and proximity to Orchard Road.

Developed by Creslin Pte Ltd, a subsidiary of Amara Holdings Limited, Killiney 118 is within walking distance of the Somerset MRT Station and just minutes away from the Central Business District. With the integrated resorts at Sentosa Island and Marina Bay only minutes away, residents enjoy exciting retail choices and a myriad of lifestyle shops in world class malls in the vicinity, as well as the entertainment choices located nearby. Designed by an award-winning team of ip:li architects firm and Atelier Ikebuchi firm, the property's interior is 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, a fitness centre and a landscaped environment to create a tranquil haven within the city.

CityLife@Tampines

Singapore's first luxury hotel-inspired Executive Condominium developed by Tampines EC Pte Ltd – a consortium comprising Amara Holdings Limited, Kay Lim Holdings Pte Ltd and SingXpress Land Ltd (now renamed as SingHaiyi Group Ltd) – is a 514-unit Executive Condominium project which launched in November 2012 to tremendous success.

CityLife@Tampines is set in the heart of Tampines Regional Centre, which houses Singapore's second largest commercial hub outside of the Central Business District. The well-developed network of amenities and infrastructure in Tampines makes it a bustling and vibrant city in itself.

Offering 2/3/4/5-bedroom, dual-key, Skysuite and Penthouse units, CityLife@Tampines boasts a host of luxury hotel-inspired design features and services, including the Home Concierge Service, a 100-metre Infinity Pool, resort-style landscaping (Bamboo Boulevard, three Aromatherapy Gardens, and six Sky Gardens at various altitudes), complimentary WiFi at common areas, and designer-brand fittings and appliances.

CityLife@Tampines offers a number of unique unit designs, such as Skysuites, which are exclusive 4- and 5-bedroom units with living/dining room that opens out to a wrap-around open terrace. There are also 3- and 4-bedroom dual-key unit options.

100 AM Exterior

CEO's Message

Albert Teo Hock Chuan
Chief Executive Officer

It is my great pleasure to present you the annual report for 2012.

2012 was a volatile year on the global front as the world watched the continued unfolding of Sovereign Debt Crisis in Europe, the leadership transition in China, and the Presidential Election and possible Fiscal Cliff in the US.

All these created a sense of uncertainty for the global economy, and took a toll on Singapore's. Our GDP growth slowed down to 1.3% in 2012 from 5.2% in 2011. Excluding the Great Recession of 2009, this would be the slowest growth in a decade.

“After over a year of closure to undergo refurbishments, Amara Shopping Centre reopened late last year. Rebranded as 100 AM, this is the only full-fledged shopping mall in the west-end of the Central Business District, and aims to offer residents, tourists, professionals and office workers in the vicinity a brand new shopping and dining experience.”

Amidst all the turmoil, I am pleased to report that Amara managed to continue to expand both our top and bottom line. Our revenue increased 45% to S$90.3 million, driven mainly by the robust growth of our Property Investment and Development segment. Reported Net Profit dipped 13% to S$29.4 million, but that was due to lower fair value gain on investment properties in 2012. Operationally, excluding the fair value gain, Net Profit would have surged 118% to S$18.1 million.

Last year saw a few significant developments for us.

Hotel Investment and Management

Our Hotel Investment and Management segment continues to see steady growth. Profit contribution from this segment climbed 18% to S$17.6 million as we benefitted from the robust growth in visitors' arrival into Singapore. According to Singapore Tourism Board's estimate, tourist arrival rose 9% in 2012 to 14.4 million, and Average Room Rate for hotels in Singapore grew 6%.

Looking ahead, we remain optimistic on the outlook for 2013.

Our hotels are expected to continue to perform well. The tourism board has targeted visitors' arrival of 17 million by 2015. This will be achieved with the opening of new tourist attractions, such as the Maritime Experiential Museum, River Safari and Marine Life Park, as well as developing Singapore into the leading convention and exhibition city in Asia.

We have also put in place strategies to improve our room yields and revenue from F&B. This should enhance the profitability of our hotels.

Our Amara Bangkok, Thailand and Amara Signature Shanghai projects are progressing well. These two hotels are scheduled to open in 2014 and 2015 respectively.

The biggest challenge for this segment continues to be the tight labour situation in the industry. The government has tightened control on foreign labour, which has traditionally made up a significant portion of the workforce in the hospitality industry, especially in the more labour intensive areas such as housekeeping, F&B and maintenance. This means that we will need to innovate and improve our productivity in order to accomplish greater output with fewer headcounts, while still maintaining our signature standard of service. It is a challenge that we will strive to overcome.

100 AM

Property Investment and Development

After over a year of closure to undergo refurbishments, Amara Shopping Centre reopened late last year. Rebranded as 100 AM, this is the only full-fledged shopping mall in the west-end of the Central Business District, and aims to offer residents, tourists, professionals and office workers in the vicinity a brand new shopping and dining experience.

100 AM features a wide array of lifestyle and F&B concepts, including exciting brands that are introduced to Singapore for the first time, such as Tsujiri, a 150-year old tea house from Kyoto, and Okada Coffee, a 65-year old coffee chain from Kumamoto, Japan.

The office annex is slowly morphing into a lifestyle medical centre with the opening of St. Andrew's Dental, MHC Medical Group and Seacare Medical Centre. This will cater to the wellness needs of the office crowd in the Central Business District as well as medical tourists from the region. We intend to rename the building '100 AM Medical.Offices'.

On the property development front, we are delighted that our first Executive Condominium project, CityLife@Tampines, was met with an overwhelming response. Jointly developed with our partners, Kay Lim Holdings Pte Ltd and SingXpress Land Ltd (now renamed as SingHaiyi Group Ltd), by the end of the application period, it was more than three times subscribed, with the project almost sold out on the first day of its launch and is now 100% sold.

More than the rave reception, we are excited that we could leverage on our years of hospitality experience to bring elements of luxury hotel-inspired touches into this project. CityLife@Tampines is designed with a 100-metre infinity pool, the longest infinity pool for an Executive Condominium, resort-style landscaping, wifi in common areas, and even offers residents concierge service. Dual-key units are planned with multi-generational families in mind, who want to stay together, yet appreciates a little privacy and personal space.

Going forward, in the Property Investment and Development segment, 100 AM, which soft opened in November last year and almost fully leased by now, should begin to contribute rental revenue this year. Our Killiney 118 project received its Temporary Occupation Permit (TOP) in January 2013 and is approximately 80% sold to date. It should continue to contribute revenue for this fiscal year.

In January 2013, the government has announced more stringent property measures, imposing Additional Buyers' Stamp Duty on foreigners and permanent residents, as well as Singaporeans buying their second property. This has a dampening effect on market sentiment as would-be buyers adopt a wait-and-see attitude.

Our other remaining residential development projects are 29 Newton Road and 5 Jalan Mutiara, with the latter currently in the design and planning phase. We would be looking for an appropriate time to launch these projects.

We will continue to look for the right opportunities to replenish our land bank. We believe that the government wants to clamp down speculative demand, but continues to be supportive of first time home buyers and upgraders. As such, we believe robust demand for projects will continue at the right price point, such as executive condominiums - as we have seen in CityLife@Tampines - and mass market developments.

Specialty Restaurants and Food Services

Our Specialty Restaurants and Food Services segment continues to deliver a small but steady stream of income for the Group. We view this segment as complementary to our Hotel segment to provide a complete service to our guests. We will be leveraging on the expansion of our hotel networks to grow our restaurants. We believe Thanying would offer a unique dining experience for our guests in Amara Signature Shanghai, just as Silk Road would for guests in Amara Bangkok.

In all, although business conditions are likely to remain challenging, given the lacklustre economy in the developed countries and expected muted growth of 1% to 3% in Singapore's 2013 GDP, we believe Amara is well-positioned to ride through the storm.

Word of Thanks

On behalf of the Board of Directors, I would like to express our heartfelt appreciation for our business partners, associates and shareholders for your unwavering support in the past years. I am also pleased to announce that the Board is recommending a first and final dividend of 0.6 cent per ordinary share for the financial year ended December 31, 2012, subject to shareholders approval in the upcoming Annual General Meeting.

My deepest gratitude also to my fellow board members for their invaluable counsel and guidance. And a big "Thank You" to all management and staff of Amara for your hard work and dedication. It is you who have helped built Amara to what it is today.

As we begin to embark on the next step of our journey, I look forward to the support of all our stakeholders so that we can reach greater heights.

Albert Teo Hock Chuan
Chief Executive Officer

Board of Directors

1. Albert Teo Hock Chuan
2. Susan Teo Geok Tin
3. Lawrence Mok Kwok Wah
4. Chang Meng Teng
5. Richard Khoo Boo Yeong
6. Alphonsus Chia Chung Mun

ALBERT TEO HOCK CHUAN
Chief Executive Officer

Mr Teo joined the Group as Non-Executive Director in 1970 and currently serves as the Chief Executive Officer of the Group, as well as a member of the Nominating Committee. He was last re-elected as Director in April 2012.

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

As the Group's Chief Executive Officer, Mr Teo is passionately involved in the Group's corporate developments, including the transformation of Amara Singapore, as well as the Group's entry into the resort hotel business, Amara Sanctuary Resort, Sentosa. Under his leadership, the Group's recurring earnings will be enhanced from upcoming projects including Amara Signature Shanghai - a mixed-use development which comprises a hotel, office building and retail centre; Amara Bangkok - a new business hotel development in Thailand; and the newly revamped and rebranded mall, 100 AM, located in the heart of the Tanjong Pagar district which was successfully launched.

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

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

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

SUSAN TEO GEOK TIN
Executive Director/Company Secretary

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

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

Ms Teo holds a Bachelor of Business (Distinction) degree from the Western Australian Institute of Technology and a Graduate Diploma in Computer Science from La Trobe University. She is an Associate Member of the Institute of Chartered Accountants in Australia, the Institute of Certified Public Accountants of Singapore and the Australian Computer Society.

LAWRENCE MOK KWOK WAH
Non-Executive Director

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

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

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

CHANG MENG TENG

Non-Executive, Independent Director

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

Mr Chang was one of the founder members of Squire Mech Pte Ltd ("Squire Mech"). He led Squire Mech's team as Managing Director from 1979 to 1999 to provide full range of mechanical and electrical building services for residential, commercial including hotels, institutional and industrial developments. He was appointed Chairman in 2000 to guide the direction of Squire Mech's business in the knowledge economy of the new century. He is a Registered, Licensed Professional Engineer.

Mr Chang joined the Public Utilities Board, Singapore in 1967 as an Assistant Mains Engineer in the Electricity Department. He rose through the rank to become the Distribution and Construction Superintendent in 1977 and made significant contribution to the development and expansion of the distribution networks in Singapore. He was awarded the Public Administration Medal (Silver) in 1975. Mr Chang was promoted to Assistant Director in the General Manager's Office in 1978 and was responsible to the General Manager for the System Studies, Transport, Chief Chemist and Chief Architect Divisions of the Public Utilities Board.

Through Development Resources, Mr Chang provided consultancy services to several projects which included the 22 kVolts power distribution network for the Changi International Airport. This infrastructure had been successfully expanded to meet power requirements of the expansion of airport facilities including the second passenger terminal building and aero-bridges. Continuous and reliable power supply with flexibility was the core of his design philosophy.

He has directed many high profile successful projects including the 280 metres tall, 66-Storey user friendly, intelligent CDL Flagship building Republic Plaza, and the BCA Energy Efficient Building award-winning HDB Hub Complex in Toa Payoh. The Republic Plaza won several awards including the FIABCI Prix d'Excellence award for the Best of World Real Estate 1997, and the HDB Hub won several BCA awards from 2003 to 2007 including the BCA Green Mark Gold award.

He was involved in the study and design of all aspects of intelligent buildings in Singapore, Japan and the United States. He has extensive experience in project management. Mr Chang had published and presented papers on electricity distribution, electricity safety, management, conservation of energy, intelligent buildings and indoor air quality in both national and international conferences.

Mr Chang had served on several government committees and statutory boards. He is active in both the engineering fraternity and the civic organisations. He was the President, Institution of Engineers, Singapore from 1990 to 1992 and President of Society of Project Managers from 2004 to 2008. Mr Chang was also the Honorary M & E Advisor to the Real Estates and Developers Association from 1991 to 2006. He was conferred the Public Service Star in 1987 and the BBM (L) in 2012. Mr Chang was appointed a Justice of The Peace in 1989.

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 Member of the Society of Project Managers and a Fellow of the Singapore Academy of Engineering.

RICHARD KHOO BOO YEONG

Non-Executive, Independent Director

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

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

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

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

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

ALPHONSUS CHIA CHUNG MUN

Non-Executive, Independent Director

Mr Chia is an Independent Director of the Company since 2011 and also serves as an Audit Committee member.

Mr Chia is Deputy Chief Executive Officer of XMH Holdings Ltd, a company listed on the Mainboard of the SGX-ST and a leading player in the distribution of marine engines and propulsion systems to markets in the region.

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

In over 20 years of his working experience, Mr Chia held senior management positions in leading organisations - International Enterprise (IE) Singapore (2004-2007), Reed Exhibitions (2001-2004) and Singapore Airlines (SIA) (1987-2000). In International Enterprise (IE) Singapore, he was the Deputy Chief Executive Officer. In Reed Exhibitions, he was the Chief Operating Officer (Asia Pacific South) and President (China). In SIA, he was the Chief Executive of SilkAir and before that, Vice-President (Market Planning).

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

Mr Chia is currently a Board Member of ST Electronics (Info-Software Systems) Pte Ltd and Memstar Technology Ltd.

Operations Review

We are pleased to report a set of favourable operating results for the financial year ended December 31, 2012 ("FY2012").

Group revenue for FY2012 increased 45% to S$90.3 million, from S$62.1 million in FY2011. Hotel Investment and Management segment contributed 62% or S$55.9 million while Property Investment and Development segment made up 34% or S$30.8 million. Specialty Restaurants and Food Services segment constituted 4% or S$3.6 million to Group Revenue in FY2012.

In FY2012, fair value gain on investment properties of S$11.3 million was lower as compared to FY2011 due to lower gains from valuation of investment properties. Cost of properties sold/consumables used increased to S$20.6 million in FY2012 from S$6.5 million in FY2011 in line with the increase in sale of development properties.

Finance costs increased to S$4.2 million in FY2012 from S$3.3 million in FY2011 as we had higher borrowings for funding of new and ongoing projects.

Given the above, profit before tax dipped by a marginal 2% to S$33.9 million in FY2012 from S$34.6 million in FY2011. Income tax expenses increased to S$4.5 million due to higher provision for taxable income. Correspondingly, net profit after tax declined to S$29.4 million in FY2012 from S$33.6 million (restated) in FY2011.

However, excluding fair value gain on investment properties, our net profit surged 118% to S$18.1 million from S$8.3 million.

Amara Sanctuary Resort, Sentosa

Amara Sanctuary Resort, Sentosa

Hotel Investment and Management

Amara Bangkok - Rooftop Pool

The hospitality sector in Asia-Pacific remains positive and we are pleased that the Hotel Investment and Management segment contributed S$55.9 million to Group revenue in FY2012, higher than FY2011's contribution of S$53.8 million to Group Revenue. Profit for this segment steadily climbed 18% to S$17.6 million in FY2012 from S$14.9 million in FY2011.

Singapore Tourism Board targets to achieve tourism receipts of S$30 billion and visitor arrivals of 17 million by 2015. In anticipation of the continued growth of visitors to Singapore, Changi Airport is constructing a new Terminal 4 and expanding its Terminal 1. The hospitality sector in Singapore is also expected to benefit from new attractions such as Maritime Experiential Museum, River Safari and Marine Life Park.

According to International Air Transport Association, Asia-Pacific is likely to account for 33% of global passengers by 2016. All these bode well for Amara, as our hospitality assets are in Singapore, Bangkok and Shanghai.

In Singapore, Amara Singapore and Amara Sanctuary Resort are positioned to thrive on the back of an influx of business and leisure tourists. Amara Singapore, our flagship city centre hotel is located next to Tanjong Pagar MRT Station, in the bustling Central Business District. The award-winning 388-room hotel had completed refurbishment of its hotel rooms in 2011. Amara Singapore also features a Grand Ballroom with an auditorium of 500 seating capacity as well as four function rooms to cater to events of all scales.

Amara Sanctuary Resort in Sentosa, offers a unique combination of contemporary design and five-star hotel facilities. It is our first boutique resort with 140 beautifully designed guest rooms, Courtyard and Verandah suites, Larkhill Terrace suites as well as villas. We are pleased that Amara Sanctuary Resort was awarded The Best Hotels – Resorts Award 2012 by Singapore Tatler.

In Shanghai and Bangkok, plans are progressing well for two of our other developments in this segment.

Amara Signature Shanghai is located at the junction of Jiaozhou Road and Changshou Road in Puxi. It will be a mixed-use development which comprises a 336-room hotel, retail centre and office building. The retail centre will feature many of Singapore's great brands in food and beverages and entertainment as well as lifestyle retailers. Construction for Amara Signature Shanghai is scheduled to be completed by 2015.

Amara Bangkok, Thailand, a 251-room business and leisure hotel, is located on Surawong Road, which is parallel to the bustling Silom and Sathorn Roads. Amara Bangkok is scheduled to commence operations by 2014.

With strategies in place to improve the room yields and revenue from food and beverage, we expect contribution from our Hotel Investment and Management segment to remain stable.

Amara Sanctuary Resort, Sentosa

Amara Signature Shanghai - Lobby

CityLife@Tampines

Property Investment and Development

FY2012 saw revenue from the Property Investment and Development segment contributing S$30.8 million to Group Revenue in FY2012, surging significantly from its segment contribution of S$4.8 million in FY2011. This was largely due to revenue recognition of about S$26.4 million from the sale of development properties in FY2012. Profit from this segment decreased by 11% to S$19.4 million in FY2012 as compared to S$21.8 million in FY2011, mainly due to the higher fair value gain from valuation of investment properties in FY2011.

In May 2012, we had incorporated a joint venture company in partnership with Kay Lim Holdings Pte Ltd (30%) and SingXpress Land Ltd (now renamed as SingHaiyi Group Ltd) (30%) to undertake the proposed executive condominium development at Tampines. In November 2012, we are pleased to have successfully launched CityLife@Tampines, a 99-year leasehold with 9 blocks and 514 units comprising 2/3/4/5-Bedroom, 3/4-Bedroom Dual Key units, Skysuite and Penthouse units. CityLife@Tampines received an overwhelming response and is now 100% sold.

Besides CityLife@Tampines, we have in our portfolio Killiney 118, an exclusive 6-storey, 30-unit freehold residential block with a rooftop pool and landscape features. It was designed by the award-winning collaboration of ip:li architects firm and Atelier Ikebuchi design firm. The official TOP for the development was awarded in January 2013.

Separately, we have on hand a freehold 11-storey, single block residential development at 5 Jalan Mutiara. The site, which is wholly owned by a subsidiary of Amara Holdings Limited, has a gross floor area of 2,355 sqm. This project is currently in the planning and design stage.

We have also completed extensive renovation for the 100 AM shopping mall in the 4th quarter of 2012. 100 AM is the only full-fledged shopping mall in the west-end of Central Business District and is within walking distance to the Tanjong Pagar MRT. Together with the ongoing transformation of the office annex, 100 AM holds a pre-eminent position to cater to busy working executives, inner city residents, business travellers as well as tourists.

With tenant occupancy at close to 100%, the mall is now enjoying higher rental yields. 100 AM features 5 levels of retail space, with a total net lettable area of 121,000 sq ft. There is a good mix of businesses, including fashion and accessories, pharmacies and health services, supermarket, a food court and food and beverage outlets.

Killiney 118

Specialty Restaurants and Food Services

Our two award-winning restaurants, Thanying Restaurant and Silk Road Restaurant, continue to be recognised as premier brands, offering delectable cuisines rich in flavour and heritage.

Silk Road Restaurant is a full service restaurant located at Amara Singapore, it features signature provincial cuisines that stretch along the historical Silk Road in China. Since its inception in 1988, Thanying Restaurant has devotedly created culinary history by offering the most exquisite Royal Thai cuisine fit for the royalties at its flagship Thanying Restaurant at Amara Singapore, which has a seating capacity of 164. With our second outlet at Amara Sanctuary Resort, which has a seating capacity of 130, this exquisite Royal Thai cuisine can also be experienced in Sentosa.

In FY2012, the Specialty Restaurants and Food Services segment contributed S$3.6 million to Group Revenue, maintaining a stable, unchanged contribution as in FY2011. Profit from this segment was S$1.0 million in FY2012 as compared to S$1.3 million in FY2011.

Thanying Restaurant

Silk Road

Thanying Restaurant - Amara Sanctuary Resort, Sentosa

Silk Road Restaurant - Amara Singapore


We Love Making Food You Love
cedele

Positioned For Growth

As at December 31, 2012, we maintained a healthy balance sheet with cash and bank balances at S$15.2 million. Net asset value per share rose to 48.48 cents compared to 44.20 cents (restated) in FY2011. We also achieved earnings per share of 5.10 cents for FY2012, as compared to 5.84 cents (restated) in FY2011.

As we move into FY2013, we will continue to actively seek opportunities to enhance and build up our assets in each segment, as we deliver value, quality and style across our product offerings.

Amara Sanctuary Resort, Sentosa - Larkhill Terrace

New Element Restaurant Interior - Amara Singapore

Accolades

HOTEL INVESTMENT AND MANAGEMENT

Amara Sanctuary Resort, Sentosa

Singapore Service Class 2012
Awarded by SPRING Singapore

Recommended on TripAdvisor 2012
Awarded by TripAdvisor

Hotel Security Award 2011-2012
Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

The Best Hotels – Resorts Award 2010-2012
Awarded by Singapore Tatler

Excellent Service Awards 2011 (2 Star, 9 Gold & 17 Silver)
Awarded by Singapore Hotel Association and SPRING Singapore

Best Resort Award 2009
Awarded by AsiaOne People's Choice

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

Amara Singapore

Singapore National Kindness Award 2012 (2 Service Gold)
Awarded by Singapore Kindness Movement and Singapore Hotel Association

TripAdvisor 2012 Certificate of Excellence (4 Star Rating)
Awarded by TripAdvisor

Singapore Service Class 2006-2013
Awarded by SPRING Singapore

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

SHA Outstanding Star Award Nominee EXSA (Hospitality Sector) 2011 – Grish Menon Sankaran
Awarded by Singapore Hotel Association

Hotel Security Award 2012
Hotel Security Award 2011
Certificate of Excellence
Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

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

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

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

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

Hotel Security Award 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

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

SPECIALTY RESTAURANTS AND FOOD SERVICES

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 2004, 2007 & 2012
Awarded by Wine & Dine

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

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

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

Thanying Restaurant

Singapore's Best Restaurants 1992-2012
Awarded by Singapore Tatler

Singapore's Top Restaurants 1997-2012
Awarded by Wine & Dine

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

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

Best Eats 2010
Awarded by CNNGo.com

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

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

Singapore Service Star 2009-2010
Awarded by Singapore Tourism Board

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

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

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

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

Excellence in Service Asian Restaurant 1993
Awarded by Singapore Tourism Board

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

Silk Road Restaurant

Singapore's Best Restaurants 2003-2012
Awarded by Singapore Tatler

Singapore's Top Restaurants 2003-2012
Awarded by Wine & Dine

Singapore Service Class 2006-2012
Awarded by SPRING Singapore

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

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

Silk Road Restaurant

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

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

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

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

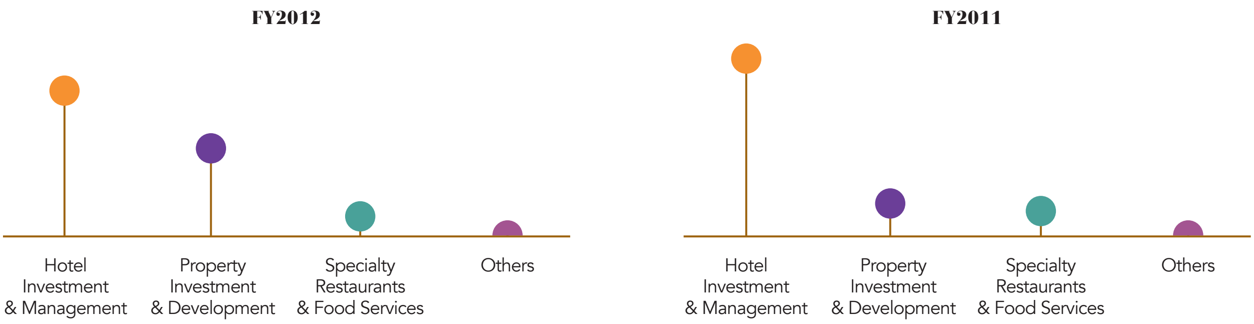
Editor's Choice
IS Magazine

Financial Highlights

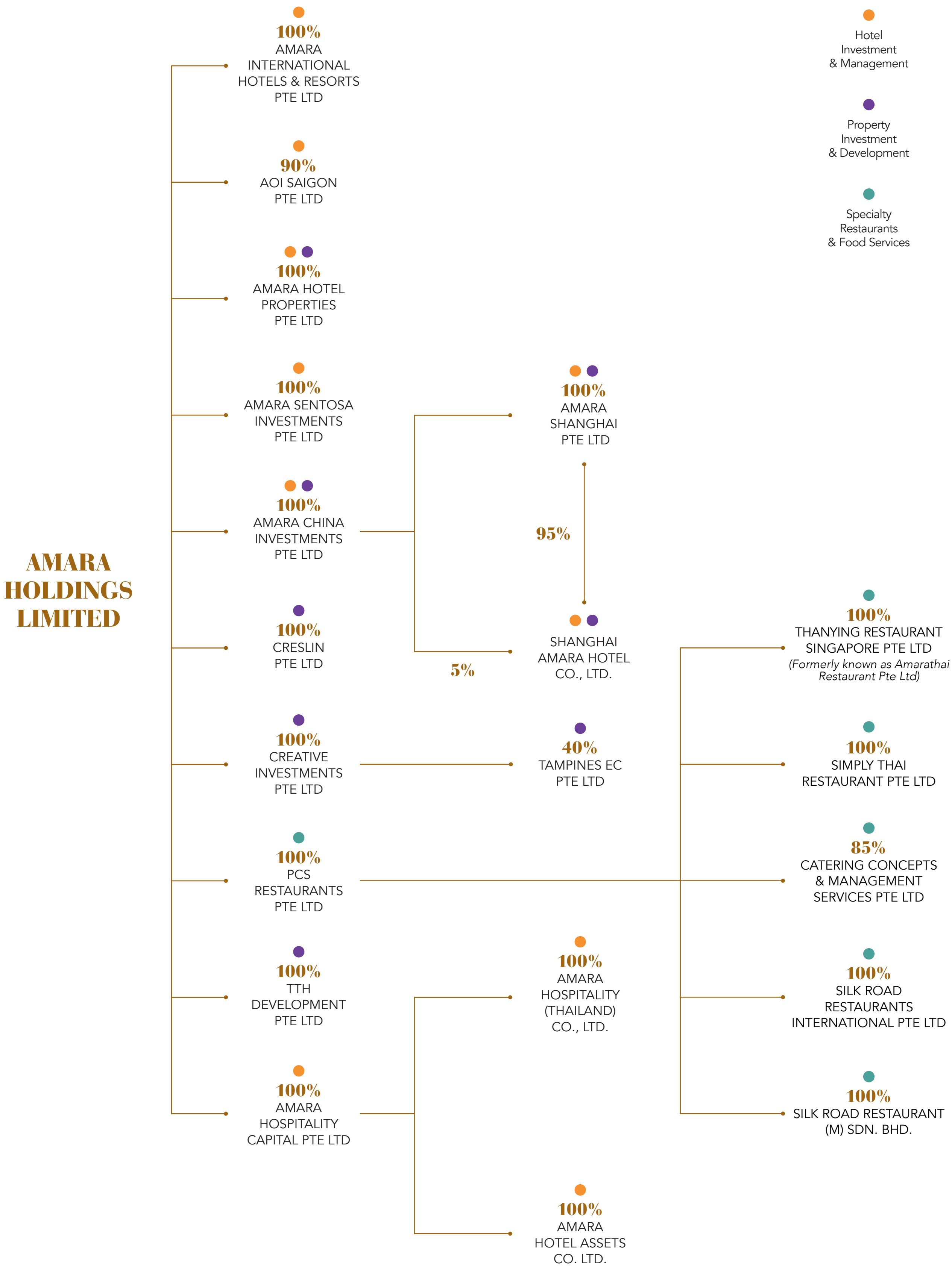
Financial year ended 31 December 2012

	FY 2012 S$000	FY 2011 (Restated) S$000
Income statement		
Revenue	90,258	62,096
Profit before tax	33,931	34,607
Income tax expense	(4,528)	(958)
Non-controlling interests	23	24
Profit attributable to shareholders	29,426	33,673
Financial ratios	**%**	%
Profit attributable to shareholders as percentage of revenue	32.60	54.23
Gearing ratio	42.52	33.69
Per share unit	**Cents**	Cents
Earnings per share	5.10	5.84
Net tangible assets per share	48.28	44.00
Net assets value per share	48.48	44.20
Revenue by country (%)	**%**	%
Singapore	100.00	100.00
Revenue by activity (%)	**%**	%
Hotel Investment & Management	61.93	86.58
Property Investment & Development	34.11	7.66
Specialty Restaurants & Food Services	3.95	5.75
Others	0.01	0.01
	100.00	100.00

Revenue by Activity



Corporate Structure



Corporate Governance Report

Corporate Governance Report

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

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2005 (the "Code"). There are other sections of this annual report that contain information required by the Code and these should be read together with this report. A revised Code of Corporate Governance was issued by the Monetary Authority of Singapore on 2 May 2012 and it will only take effect in respect of the Company's annual report for the financial year commencing 1 January 2013. The Company will be reviewing the revised Code and will implement changes, where appropriate.

Principle 1: The board's conduct of affairs

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

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

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

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

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings		No. of Meetings		No. of Meetings		No. of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Albert Teo Hock Chuan	4	4	5	5*	2	2	2	2*
Chang Meng Teng	4	4	5	5	2	2	2	2
Susan Teo Geok Tin	4	4	5	5*	2	2*	2	2*
Richard Khoo Boo Yeong	4	4	5	5	2	2	2	2
Lawrence Mok Kwok Wah	4	4	5	5	2	1*	2	2
Alphonsus Chia Chung Mun[1]	4	3	5	4	-	-	-	-

* By invitation

[1] Appointed as a member of the Audit Committee on 21 February 2012

Corporate Governance Report

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

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

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

Particulars of interests of directors who held office at the end of the financial year in shares, debentures and share options in the Company and in related corporations are set out in the Directors' Report on pages 42 to 46 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.

Corporate Governance Report

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 Company's Articles of Association provide that one third of the directors for the time being or if their number is not a multiple of three, then the number nearest to one-third shall retire from office at the annual general meeting. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Committee is charged with the responsibility of re-nomination having regard to the director's contribution and performance, including, if applicable, as an independent director. Where a director has multiple board representations, the NC will evaluate whether the director is able to carry out and has been adequately carrying out his or her duties as director of the Company. The NC is satisfied that each individual director has allocated sufficient time and resources to the affairs of the Company.

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

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

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

Principle 5: Board performance

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

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

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

Principle 6: Access to information

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

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

Corporate Governance Report

Principle 6: Access to information (continued)

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

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

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

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 and non-executive directors, except for Lawrence Mok Kwok Wah who is a non-independent and 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.

Corporate Governance Report

Principle 9: Disclosure on remuneration (continued)

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

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

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	**2012**	**2011**
S$750,000 and above	1	1
S$500,000 to below S$750,000	–	–
S$250,000 to below S$500,000	1	1
Below S$250,000	4	4
Total	6	6

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

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

Principle 10: Accountability and audit

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

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

Principle 11: Audit committee

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

Principle 12: Internal controls

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

Principle 13: Internal audit

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

Corporate Governance Report

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

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

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

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

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

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

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

The AC ensures that a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. The AC has free and independent access to the external auditors and the internal auditors, and other senior management staff for information that it may require. It has full discretion to invite any director and executive officer to attend its meetings. The AC is satisfied with the assistance given by the Group's officers to the audit functions. The AC also has expressed power to investigate any matter brought to its attention, within its terms of reference, with the power to seek professional advice at the Company's expense.

Corporate Governance Report

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

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

Principle 14: Communication with shareholders

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

Principle 15: Greater shareholder participation

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

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

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

DEALING IN SECURITIES

In line with Listing Rule 1207(19) on Dealings in Securities, the Company has adopted the SGX-ST best practices on dealings in securities in its Internal Code of Dealings in Securities ("Internal Code") to prescribe the internal regulations pertaining to the securities of the Company. 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 on short-term considerations and during the period commencing two weeks before the announcement of the Group's quarterly results and one month before the announcement of the Group's annual results and ending on the date of announcement of the results.

INTERESTED PERSON TRANSACTIONS

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

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

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

Financial Statements

Directors' Report

For the financial year ended 31 December 2012

The directors are pleased to present their report to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2012.

Directors

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

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

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 31.12.2012	At 1.1.2012	**At 31.12.2012**	At 1.1.2012
	Number of ordinary shares			
The Company				
Albert Teo Hock Chuan	1,000	1,000	308,156,010	308,156,010
Chang Meng Teng	10,000	10,000	–	–
Susan Teo Geok Tin	83,030	83,030	308,146,010	308,146,010
Lawrence Mok Kwok Wah	710,030	710,030	*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' Report

For the financial year ended 31 December 2012

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 31.12.2012	At 1.1.2012	**At 31.12.2012**	At 1.1.2012
	Number of ordinary shares			
Ultimate holding company				
First Security Pte Ltd				
Albert Teo Hock Chuan and Susan Teo Geok Tin	10,000,000	10,000,000	–	–
Immediate holding company				
Firstrust Equity Pte Ltd				
Albert Teo Hock Chuan	–	–	5,171,935	5,171,935
Susan Teo Geok Tin	674,600	674,600	5,171,935	5,171,935
Lawrence Mok Kwok Wah	–	–	1,349,200	1,349,200
Related company				
Amara Ventures Pte Ltd				
Albert Teo Hock Chuan	85	85	9,302	9,302
Susan Teo Geok Tin	–	–	9,302	9,302
Lawrence Mok Kwok Wah	–	–	9,302	9,302

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

Directors' Report

For the financial year ended 31 December 2012

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 31.12.2012	At 1.1.2012	**At 31.12.2012**	At 1.1.2012
	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 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 2013 were the same as at 31 December 2012.

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.

Directors' Report

For the financial year ended 31 December 2012

Audit committee

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

Chang Meng Teng (Chairman)
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah
Alphonsus Chia Chung Mun *(Appointed on 21 February 2012)*

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

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

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

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

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

Directors' Report

For the financial year ended 31 December 2012

Audit committee (continued)

- reviews quarterly reporting to Singapore Exchange Securities Trading Limited ("SGX-ST") and year end financial statements of the Group before submission to the Board, focusing on
  - going concern assumption;
  - compliance with financial reporting standards and regulatory requirements;
  - any changes in accounting policies and practices;
  - significant issues arising from the audit;
  - major judgmental areas; and

- any other functions which may be agreed by the Audit Committee and the Board.

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

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

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

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

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

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

Independent auditor

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

On behalf of the directors

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

22 March 2013

Statement by Directors

For the financial year ended 31 December 2012

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 49 to 114 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 2012 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 in accordance with the provisions of the Singapore Companies Act and Singapore Finanacial Reporting Standards; and

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

On behalf of the directors

ALBERT TEO HOCK CHUAN
Director

CHANG MENG TENG
Director

22 March 2013

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 49 to 114 which comprise the statements of financial position of the Group and the Company as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2012 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
22 March 2013

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2012

	Notes	The Group 2012 $'000	The Group 2011 (Restated) $'000
Revenue	3	90,258	62,096
Other income	4	11,861	25,774
Changes in inventories of finished goods		(97)	(21)
Cost of properties sold/consumables used		(20,604)	(6,478)
Staff costs	9	(17,507)	(17,341)
Depreciation	22	(4,463)	(5,490)
Finance costs	5	(4,151)	(3,261)
Other expenses	6	(21,366)	(20,672)
Profit before tax	7	33,931	34,607
Income tax expense	10	(4,528)	(958)
Profit for the year		29,403	33,649
Other comprehensive (loss)/income after tax:			
Currency translation differences on translation of financial statements of foreign subsidiaries		(2,447)	2,654
Fair value gains on cash flow hedge		1,041	991
Fair value gains/(losses) on available-for-sale financial assets, net		117	(346)
Other comprehensive (loss)/income for the year, net of tax		(1,289)	3,299
Total comprehensive income for the year		28,114	36,948
Profit attributable to:			
Equity holders of the Company		29,426	33,673
Non-controlling interests		(23)	(24)
Profit for the year		29,403	33,649
Total comprehensive income attributable to:			
Equity holders of the Company		28,137	36,972
Non-controlling interests		(23)	(24)
		28,114	36,948
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted (cents)	11	5.10	5.84

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

As at 31 December 2012

	Notes	The Group 2012 $'000	The Group 2011 (Restated) $'000	The Group 2010 (Restated) $'000	The Company 2012 $'000	The Company 2011 $'000
Current assets						
Cash and cash equivalents	12	15,226	11,443	10,346	65	33
Trade and other receivables	13	7,890	6,817	8,075	40,957	40,739
Inventories	14	345	442	463	–	–
Development properties	15	67,783	36,453	33,780	–	–
Other current assets	16	1,481	1,226	1,593	5	10
		92,725	56,381	54,257	41,027	40,782
Non-current assets						
Available-for-sale financial assets	17	1,276	1,159	1,515	165	164
Intangible assets	18	357	357	357	–	–
Investment in an associate	19	2,539	–	–	–	–
Investment in subsidiaries	20	–	–	–	40,937	40,937
Investment properties	21	261,000	214,500	190,000	–	–
Property, plant and equipment	22	147,406	150,760	140,638	–	–
Goodwill	23	789	844	844	–	–
Other assets	24	6,912	7,024	7,136	–	–
Trade and other receivables	13	29,892	–	–	–	–
Deferred income tax assets	25	505	539	489	–	–
		450,676	375,183	340,979	41,102	41,101
Total assets		543,401	431,564	395,236	82,129	81,883
Current liabilities						
Trade and other payables	26	26,552	23,090	24,854	214	189
Tax payables		3,256	2,850	4,572	–	–
Borrowings	27	42,748	16,991	33,699	–	–
		72,556	42,931	63,125	214	189
Non-current liabilities						
Trade and other payables	26	3,407	2,992	3,446	–	–
Borrowings	27	179,281	123,954	100,039	–	–
Deferred income tax liabilities	25	8,561	6,743	7,745	–	–
		191,249	133,689	111,230	–	–
Total liabilities		263,805	176,620	174,355	214	189
Net assets		279,596	254,944	220,881	81,915	81,694
Capital and reserves attributable to equity holders of the Company						
Share capital	28	125,646	125,646	125,646	125,646	125,646
Reserves		154,061	129,386	95,299	(43,731)	(43,952)
		279,707	255,032	220,945	81,915	81,694
Non-controlling interests		(111)	(88)	(64)	–	–
Total equity		279,596	254,944	220,881	81,915	81,694

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 2012

	Note	Share capital $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Retained earnings and other reserves* $'000	Total reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Equity attributable to equity holders of the Company									
The Group											
Opening balance at 1 January 2012 (As previously stated)		125,646	9,773	2,539	(434)	(1,273)	90,543	101,148	226,794	(88)	226,706
Cumulative effects of adopting Amendments of FRS 12		–	–	–	–	–	28,238	28,238	28,238	–	28,238
Opening balance at 1 January 2012 (As restated)		125,646	9,773	2,539	(434)	(1,273)	118,781	129,386	255,032	(88)	254,944
Profit/(loss) for the year		–	–	–	–	–	29,426	29,426	29,426	(23)	29,403
Other comprehensive (loss)/income											
Currency translation differences on translation of financial statements of foreign subsidiaries		–	–	(2,447)	–	–	–	(2,447)	(2,447)	–	(2,447)
Fair value gains on cash flow hedge		–	–	–	–	1,041	–	1,041	1,041	–	1,041
Fair value losses on available-for-sale financial assets, net		–	–	–	117	–	–	117	117	–	117
Other comprehensive (loss)/income for the year, net of tax		–	–	(2,447)	117	1,041	–	(1,289)	(1,289)	–	(1,289)
Total comprehensive (loss)/income for the year		–	–	(2,447)	117	1,041	29,426	28,137	28,137	(23)	28,114
Dividend relating to 2011	29	–	–	–	–	–	(3,462)	(3,462)	(3,462)	–	(3,462)
Balance at 31 December 2012		125,646	9,773	92	(317)	(232)	144,745	154,061	279,707	(111)	279,596

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 2012

	Note	Share capital $'000	Asset revaluation reserve $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Retained earnings and other reserves* $'000	Total reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		Equity attributable to equity holders of the Company									
The Group											
Opening balance at 1 January 2011 (As previously stated)		125,646	9,773	(115)	(88)	(2,264)	64,060	71,366	197,012	(64)	196,948
Cumulative effects of adopting Amendments of FRS 12		–	–	–	–	–	23,933	23,933	23,933	–	23,933
Opening balance at 1 January 2011 (As restated)		125,646	9,773	(115)	(88)	(2,264)	87,993	95,299	220,945	(64)	220,881
Profit/(loss) for the year		–	–	–	–	–	33,673	33,673	33,673	(24)	33,649
Other comprehensive income/(loss)											
Currency translation differences on translation of financial statements of foreign subsidiaries		–	–	2,654	–	–	–	2,654	2,654	–	2,654
Fair value gains on cash flow hedge		–	–	–	–	991	–	991	991	–	991
Fair value losses on available-for-sale financial assets, net		–	–	–	(346)	–	–	(346)	(346)	–	(346)
Other comprehensive income/(loss) for the year, net of tax		–	–	2,654	(346)	991	–	3,299	3,299	–	3,299
Total comprehensive income/(loss) for the year		–	–	2,654	(346)	991	33,673	36,972	36,972	(24)	36,948
Dividend relating to 2010	29	–	–	–	–	–	(2,885)	(2,885)	(2,885)	–	(2,885)
Balance at 31 December 2011		125,646	9,773	2,539	(434)	(1,273)	118,781	129,386	255,032	(88)	254,944

* Includes other reserves of $112,000 as at 31 December 2012 (2011: $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 2012

	Note	Share capital $'000	Accumulated losses $'000	Fair value reserve $'000	Other reserves $'000	Total reserves $'000	Total $'000
The Company							
Balance at 1 January 2012		125,646	(44,881)	3	926	(43,952)	81,694
Profit for the year		–	3,682	–	–	3,682	3,682
Fair value gains on available-for-sale financial assets, net		–	–	1	–	1	1
Total comprehensive income for the year		–	3,682	1	–	3,683	3,683
Dividend relating to 2011	29	–	(3,462)	–	–	(3,462)	(3,462)
Balance at 31 December 2012		125,646	(44,661)	4	926	(43,731)	81,915

	Note	Share capital $'000	Accumulated losses $'000	Fair value reserve $'000	Other reserves $'000	Total reserves $'000	Total $'000
The Company							
Balance at 1 January 2011		125,646	(45,458)	26	926	(44,506)	81,140
Profit for the year		–	3,462	–	–	3,462	3,462
Fair value losses on available-for-sale financial assets, net		–	–	(23)	–	(23)	(23)
Total comprehensive income/(loss) for the year		–	3,462	(23)	–	3,439	3,439
Dividend relating to 2010	29	–	(2,885)	–	–	(2,885)	(2,885)
Balance at 31 December 2011		125,646	(44,881)	3	926	(43,952)	81,694

The accompanying notes form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 December 2012

		The Group	
		2012	2011
	Note	**$'000**	$'000
Cash flows from operating activities			
Profit before tax		33,931	34,607
Adjustments for:			
Gains from fair value adjustment of investment properties		(11,321)	(25,361)
Amortisation of other assets		112	112
Impairment of goodwill		55	–
Exchange difference		(181)	155
Depreciation of property, plant and equipment		4,463	5,490
Income from financial assets		(36)	(53)
Interest income		(301)	(72)
Interest expense		4,151	3,261
Gain on disposal of property, plant and equipment		–	(19)
Gains from disposal of available-for-sale financial assets		–	(2)
Losses on liquidation of a subsidiary		–	342
Property, plant and equipment written off		70	9
Operating cash flow before working capital changes		30,943	18,469
Changes in operating assets and liabilities:			
Inventories		97	21
Receivables		(1,328)	1,625
Payables		1,412	(503)
Development properties		(31,330)	(2,673)
Cash (used in)/generated from operations		(206)	16,939
Income tax paid, net		(2,270)	(3,732)
Net cash (used in)/generated from operating activities		(2,476)	13,207
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		–	25
Purchase of available-for-sale financial assets		–	(13)
Payments for property, plant and equipment (Note A)		(8,652)	(13,565)
Proceeds from disposal of property, plant and equipment		–	24
Additional costs incurred on investments properties		(26,353)	–
Advances to an associate		(29,532)	–
Advances to a third party		(360)	–
Investment in an associate		(2,539)	–
Income received from quoted equity investments		36	53
Interest received		301	72
Net cash used in investing activities		(67,099)	(13,404)

The accompanying notes form an integral part of these financial statements.
Independent Auditor's Report – Page 48

Consolidated Statement of Cash Flows (continued)

For the financial year ended 31 December 2012

	Note	The Group 2012 $'000	The Group 2011 $'000
Cash flows from financing activities			
Interest paid		(4,151)	(3,261)
Dividends paid to shareholders of Amara Holdings Limited		(3,462)	(2,885)
Repayment of finance lease liabilities		(585)	(806)
Repayment of bank borrowings		(37,180)	(7,600)
Proceeds from bank borrowings		118,849	15,550
Net cash from financing activities		73,471	998
Net increase in cash and cash equivalents held		3,896	801
Cash and cash equivalents at beginning of financial year		11,443	10,346
Effects of exchange rate changes on cash and cash equivalents		(113)	296
Cash and cash equivalents at end of financial year	12	15,226	11,443

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $8,652,000 (2011: $13,628,000) of which $Nil (2011: $63,000) was financed by means of finance lease. Cash payment of $8,652,000 (2011: $13,565,000) was made to purchase property, plant and equipment.

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

Independent Auditor's Report – Page 48

Notes to the Financial Statements

For the financial year ended 31 December 2012

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

1. Corporate information

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

100 Tras Street #06-01
100 AM
Singapore 079027

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are set out in Note 20 to the financial statements.

2. Summary of significant accounting policies

(a) Basis of preparation

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

The financial statements are presented in Singapore Dollars (SGD or $), rounded to the nearest thousand dollars unless otherwise stated.

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

The adoption of these new and revised FRS and INT FRS does not have any material effect on the financial results or position of the Group except as disclosed below:

<u>Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets</u>

From 1 January 2012, the Group adopted the Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets. The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model.

For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group previously recognised deferred taxes on change in fair value of investment properties on the basis that the carrying amounts of the properties are recovered through use.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets (continued)

The change in accounting policy has been applied retrospectively. The effects of adoption of the Amendments to FRS 12 are as follows:

Consolidated Statement of Financial Position

	The Group		
	2011		
	As previously reported $'000	Amount restated $'000	As restated $'000
Non-Current Liabilities			
Deferred tax liabilities	34,981	(28,238)	6,743
Equity			
Reserves	101,148	28,238	129,386
	2010		
	$'000	$'000	$'000
Non-Current Liabilities			
Deferred tax liabilities	31,678	(23,933)	7,745
Equity			
Reserves	71,366	23,933	95,299

The Group has presented three statements of financial position. Comparative figures at 2011 and 2010 refer to balances at 31.12.2011 and 1.1.2011 respectively.

Consolidated Statement of Comprehensive Income

	2011		
	$'000	$'000	$'000
Tax expense	5,263	(4,305)	958
Profit for the year	29,344	4,305	33,649
Total comprehensive income for the year	32,643	4,305	36,948

	2011	
	As previously reported	As restated
Basic earnings per share (cents)	5.09	5.84
Diluted earnings per share (cents)	5.09	5.84

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

At the date of the balance sheet, the following FRS and INT FRS were issued, revised or amended but not effective:

FRS 19	Employee Benefits
FRS 27	Separate Financial Statements
FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 101	Government Loans
Amendments to FRS 107	Disclosures – Offsetting Financial Assets and Financial Liabilities
Improvements to FRS 2012	

The Group anticipates that the adoption of these FRSs and INT FRS (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 113 Fair Value Measurement as indicated below:

FRS 113 provides consistent guidance across IFRS on how fair value should be determined and which disclosures should be made in the financial statements. The Group has yet to assess the full impact of FRS 113 and intends to adopt the standard from 1 January 2013.

(b) Significant accounting estimates and judgments

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

(1) Key sources of estimation uncertainty

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

i) Income taxes

Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's current tax payables,

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(b) Significant accounting estimates and judgments (continued)

(1) Key sources of estimation uncertainty (continued)

i) Income taxes (continued)

deferred income tax assets and deferred income tax liabilities at 31 December 2012 were $3,256,000 (2011: $2,850,000), $505,000 (2011: $539,000) and $8,561,000 (2011: $6,743,000), 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 2012 were $147,406,000 (2011: $150,760,000). 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 the end of each reporting period. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The carrying amounts of Group's property, plant and equipment, investment in an associate and Company's investment in subsidiaries, net of impairment loss at the end of the reporting period are disclosed in Notes 22, 20 and 19 to the financial statements.

iv) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value as at 31 December 2012.

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

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

The carrying amounts of the Group's investment properties at the end of the reporting period are disclosed in Note 21 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of 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 the services are rendered.

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

(2) Rental income

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

(3) Development properties for sale

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

(4) Management fee

Management fee income is recognised when services are rendered.

(5) Dividend income

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

(6) Interest income

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(d) Group accounting

(1) Subsidiaries

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

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

(2) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends 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 by applying 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 sum 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 as 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.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(d) Group accounting (continued)

(2) Basis of consolidation (continued)

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

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

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

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

(3) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting.

Investment in associate is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated company's post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated company is adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(d) Group accounting (continued)

(3) Associate (continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investment in associate in which significant influence is retained are recognised in profit or loss.

In the Company's financial statements, investment in associate is carried at cost less accumulated impairment loss. On disposal of investment in associate, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

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

(1) Operating supplies

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

(2) Capital project in progress

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

(3) Depreciation

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

	%
Freehold property	2
Leasehold land and buildings	1.1 – 5
Plant and machinery, furniture, fixtures and equipment	5 – 33⅓
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 the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(4) Subsequent expenditure

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(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.

(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 measured at fair value, determined annually by independent professional valuers, which reflects market conditions at the end of the reporting period. 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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(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) Non-financial assets

Non-financial assets 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 inflows 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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of 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 the end of each reporting period.

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 end of the reporting period which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables", "cash and cash equivalents" and "other current assets" (excluding prepayments) 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 end of the reporting period.

(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 assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

(3) Initial measurement

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

(4) Subsequent measurement

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of 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 the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

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

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

(ii) Financial assets, available-for-sale

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of 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

For sold development properties

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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(k) Development properties (continued)

(2) Properties under development (continued)

For unsold development properties

Development properties that are unsold are measured at lower of cost and net realisable value. The costs are assigned by using specific identification. Net realisable value represents the estimated selling price less cost to complete and costs to be incurred in selling the property.

(l) Borrowings

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

(m) Borrowing costs

Borrowing costs incurred to finance the development of properties under development 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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(o) Leases (continued)

(1) *When a group company is the lessee: (continued)*

Operating leases

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

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

(2) *When a group company is the lessor:*

Operating leases

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

(p) Income taxes

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

Current tax is the expected tax payable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, 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 end of the reporting period 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 and an associate company 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 end of the reporting period.

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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

(r) Employee benefits

(1) Employee leave entitlement

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

(2) Defined contribution plans

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

(s) Foreign currency translation

(1) Functional and presentation currency

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

(2) Transactions and balances

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(s) Foreign currency translation (continued)

(3) Translation of Group entities' financial statements

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

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

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

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

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

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

(t) Segment reporting

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

(u) Cash and cash equivalents

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

(v) Government grants

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(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) 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 receivable fails to make payment when due.

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

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

(z) Derivative financial instruments and hedging activities

Cash flow hedges

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

2. Summary of significant accounting policies (continued)

(z) Derivative financial instruments and hedging activities (continued)

Cash flow hedges (continued)

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

3. Revenue

	The Group	
	2012	2011
	$'000	$'000
Room, food and beverage and other revenue	59,464	57,336
Rental income from investment properties	4,134	4,754
Revenue recognised on development properties	26,446	–
Associate management fees	210	–
Income from available-for-sale financial assets	4	6
	90,258	62,096

4. Other income

	The Group	
	2012	2011
	$'000	$'000
Other income		
- Fair value adjustment on advances to an associate	239	–
- Gain from fair value adjustment of investment properties	11,321	25,361
- Gain on disposal of property, plant and equipment	–	19
- Income from available-for-sale financial assets	32	50
- Others	207	272
	11,799	25,702
Interest income - fixed deposits	62	72
	11,861	25,774

Notes to the Financial Statements

For the financial year ended 31 December 2012

5. Finance costs

	The Group	
	2012	2011
	$'000	$'000
Interest expense		
- Finance leases	32	81
- Bank loans and overdraft	4,119	3,180
	4,151	3,261

6. Other expenses

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

7. Profit before tax

	The Group	
	2012	2011
	$'000	$'000
Profit before tax is arrived at after:		
Charging/(Crediting):		
Allowance for doubtful trade receivables	8	382
Allowance for doubtful non-trade receivables	–	22
Allowance for doubtful trade receivables written back	–	(38)
Allowance for doubtful non-trade receivables written back	(149)	–
Amortisation of other assets (Note 24)	112	112
Audit fees payable/paid to the auditor of the Company	119	112
Audit fees payable/paid to the other auditors*	9	9
Bad debts written off	23	–
Depreciation of property, plant and equipment (Note 22)		
- Freehold property	10	10
- Leasehold land and buildings	1,828	1,834
- Plant and machinery, furniture, fixtures and equipment	1,243	1,512
- Motor vehicles	160	209
- Renovations	1,222	1,925
Directors' fees	141	126
Impairment of goodwill (Note 23)	55	–
Loss on liquidation of a subsidiary	–	342
Net foreign exchange loss	381	170
Other fees payable/paid to the auditor of the Company	26	38
Property, plant and equipment written off	70	9
Rental expense - operating leases	2,145	1,937

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

8. Remuneration bands of directors of the Company

	The Group	
	2012	2011
Number of directors of the Company in remuneration bands:		
$750,000 and above	1	1
$500,000 to below $750,000	–	–
$250,000 to below $500,000	1	1
Below $250,000	4	4
Total	6	6

The depreciation charges relating to motor vehicles of the Group which were made available for the use of the directors were $67,780 (2011: $87,287). These amounts have been included in the remuneration of directors of the Company for the purposes of this Note.

9. Staff costs

	The Group	
	2012	2011
	$'000	$'000
Wages and salaries	14,583	14,720
Employer's contribution to the Central Provident Fund	1,694	1,556
Other benefits	1,230	1,065
	17,507	17,341

10. Income tax expense

	The Group	
	2012	2011 (Restated)
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax	2,700	2,458
Deferred income tax (Note 25)	1,942	(250)
	4,642	2,208
Over provision in preceding financial years:		
- Current income tax	(24)	(448)
- Deferred income tax (Note 25)	(90)	(802)
	4,528	958

Notes to the Financial Statements

For the financial year ended 31 December 2012

10. Income tax expense (continued)

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

	The Group	
	2012	2011
		(Restated)
	$'000	$'000
Profit before tax	33,931	34,607
Tax calculated at a tax rate of 17%	5,768	5,883
Expenses not deductible for tax purposes	1,071	1,537
Income not taxable	(2,000)	(5,212)
Utilisation of deferred tax asset previously not recognised	(39)	(8)
Others	(158)	8
	4,642	2,208

11. Earnings per ordinary share

	The Group	
	2012	2011
		(Restated)
Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	29,426	33,673
Number of ordinary shares in issue ('000)	576,936	576,936
Basic and diluted earnings per ordinary share (cents)	5.10	5.84

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

12. Cash and cash equivalents

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	14,009	5,630	65	33
Fixed deposits with financial institutions	1,217	5,813	–	–
	15,226	11,443	65	33

Included in the above is an amount of $5,764,000 (2011: $365,000) held under the Housing Developers (Project Account) Rules (1997 Ed), withdrawals from which are restricted to payments for project expenditure incurred.

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

12. Cash and cash equivalents (continued)

The Group's fixed deposits with financial institutions mature on varying dates within 1 to 3 months (2011: 1 to 3 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 December 2012 was 1.28% (2011: 1.76%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore Dollar	11,658	3,856	65	33
United States Dollar	2,168	5,110	–	–
Renminbi	1,090	1,123	–	–
Thai Baht	295	1,335	–	–
Others	15	19	–	–
	15,226	11,443	65	33

13. Trade and other receivables

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
(a) Current				
Trade receivables				
- Third parties	6,090	4,538	21	20
Less: Allowance for doubtful trade receivables	(1,268)	(1,506)	(17)	(17)
Trade receivables - net	4,822	3,032	4	3
Non-trade receivables				
- Third parties	5,540	6,409	–	–
- Subsidiaries	–	–	40,953	40,736
	5,540	6,409	40,953	40,736
Less: Allowance for doubtful non-trade receivables	(2,472)	(2,624)	–	–
Non-trade receivables - net	3,068	3,785	40,953	40,736
	7,890	6,817	40,957	40,739

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.

Notes to the Financial Statements

For the financial year ended 31 December 2012

13. Trade and other receivables (continued)

(a) Current (continued)

Included in the Group's non-trade receivable balance is an amount due from a third party with a carrying amount of $2,414,000 (2011: $2,563,000) which is past due at the end of the reporting period 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.

	The Group	
	2012	2011
	$'000	$'000
(b) Non-current		
Advances to an associate	29,532	–
Advances to a third party	360	–
	29,892	–

The advances are unsecured, interest-free and repayments are not expected within the next 12 months from the end of the reporting period.

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

	The Group	
	2012	2011
	$'000	$'000
Advances to an associate	29,292	–
Advances to a third party	327	–
	29,619	–

The fair value of the above advances are computed based on the cash flows discounted at market borrowing rate of 1.8% (2011:Nil) per annum. Repayments are not expected within the next 12 months from the end of the reporting period.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore Dollar	35,243	4,534	40,957	40,739
United States Dollar	2,381	2,407	–	–
Renminbi	(150)	(158)	–	–
Others	308	34	–	–
	37,782	6,817	40,957	40,739

Notes to the Financial Statements

For the financial year ended 31 December 2012

14. Inventories

	The Group	
	2012	2011
	$'000	$'000
Food and beverage, at cost	212	325
Other hotel and catering supplies, at cost	133	117
	345	442

15. Development properties

	The Group	
	2012	2011
	$'000	$'000
Properties under development	65,413	34,083
Completed properties held for sale	2,370	2,370
	67,783	36,453

(a) Properties under development

	The Group	
	2012	2011
	$'000	$'000
Land, development and other related costs	66,135	34,083
Add: Attributable profits	11,914	–
	78,049	34,083
Less: Progress billings	(12,636)	–
	65,413	34,083
Borrowing costs capitalised during the financial year	173	145

The weighted average effective interest rate of borrowing costs capitalised for the year ended 31 December 2012 is 1.74% (2011: 1.67%) per annum.

As at 31 December 2012 and 2011, certain properties are mortgaged to banks to secure credit facilities as disclosed in Note 27.

Notes to the Financial Statements

For the financial year ended 31 December 2012

15. Development properties (continued)

(b) Completed properties held for sale

	The Group	
	2012	2011
	$'000	$'000
Land and other related costs	1,449	1,449
Development costs	921	921
	2,370	2,370

The Group's development properties as at 31 December 2012 are set out below:

	Address	Title	Stage of development/ Estimated date of completion	Actual/ Proposed gross floor area (sq m)	Description	Interest %
(i)	9 Devonshire Road, Singapore	Freehold	Completed	234	Residential apartment	100
(ii)	Nos. 118 to 128 (even nos.) at Killiney Road, Singapore	Freehold	Completed	2,604	Block of 6-storey apartments consisting 1st storey shophouse with 1 level basement carparks and swimming pool	100
(iii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2014	2,355	Proposed residential development of 1 block of about 11 storey apartments	100
(iv)	29 Newton Road, Singapore	Freehold	Under development/ 2016	1,994	Proposed residential development	100

16. Other current assets

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deposits	974	636	–	–
Prepayments	500	576	3	3
Staff advances	6	14	–	–
Other receivables	1	–	2	7
	1,481	1,226	5	10

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

16. Other current assets (continued)

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

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore Dollar	440	564	2	7
United States Dollar	445	–	–	–
Renminbi	88	77	–	–
Thai Baht	8	9	–	–
	981	650	2	7

17. Available-for-sale financial assets

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore quoted investments				
- Equity shares in corporations	1,246	1,129	165	164
- Quoted unit trust	30	30	–	–
At fair value	1,276	1,159	165	164

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

18. Intangible assets

	The Group	
	2012	2011
	$'000	$'000
Club memberships	532	532
Less: Impairment loss	(175)	(175)
	357	357

19. Investment in an associate

	The Group	
	2012	2011
	$'000	$'000
Unquoted equity shares, at cost	400	–
Fair value adjustment (Note 13)	2,139	–
	2,539	–

The investment in unquoted equity shares represents 40% equity interest in an associate that is engaged in real estate development. There is no active market for the unquoted equity investment.

Notes to the Financial Statements

For the financial year ended 31 December 2012

19. Investment in an associate (continued)

The fair value adjustment arose from advances granted to an associate during the year. The fair value is computed based on cash flows discounted at market borrowing rate of 1.8% (2011: Nil) per annum. Repayments are not expected within the next 12 months from the end of the reporting period.

The summarised financial information of the Group's associated company, which is not adjusted for the percentage of ownership interest held by the Group, are as follows:

	The Group	
	2012	2011
	$'000	$'000
Assets	264,552	–
Liabilities	263,558	–
Revenue	–	–
Net losses	(6)	–

Details of the associate company are as follows:

Name of associate company	Principal activities	Country of incorporation and business	Group's proportion of ownership interest	
			2012	2011
			%	%
Held by Creative Investments Pte Ltd				
Tampines EC Pte Ltd*	Real estate development	Singapore	40	–

* Unaudited management accounts for the financial period from 21 May 2012 to 31 December 2012 were used in the preparation of the Group's financial statements as the company was newly incorporated and not due for audit.

20. Investment in subsidiaries

	The Company	
	2012	2011
	$'000	$'000
Cost of unquoted equity shares at beginning of year	50,766	48,206
Addition during the year	–	2,560
Cost of unquoted equity shares at end of year	50,766	50,766
Less: Impairment loss	(9,829)	(9,829)
	40,937	40,937

Allowance for impairment loss balance is as follows:

	The Company	
	2012	2011
	$'000	$'000
At 1 January and 31 December	9,829	9,829

Notes to the Financial Statements

For the financial year ended 31 December 2012

20. Investment in subsidiaries (continued)

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

Name of subsidiary	Principal activities	Country of incorporation and business	Proportion of ownership interest		Cost of investment	
			2012	2011	**2012**	2011
			%	%	**$'000**	$'000
Held by the Company						
Amara Hotel Properties Pte Ltd	Hotelier, restaurateur, investment holding and provision of general management and administrative services	Singapore	100	100	20,000	20,000
TTH Development Pte Ltd	Share trading and investment, property development and provision of construction services	Singapore	100	100	1,000	1,000
Creative Investments Pte Ltd	Investment holding, property development and provision of construction services	Singapore	100	100	6,704	6,704
Creslin Pte Ltd	Property development and provision of construction services	Singapore	100	100	1,000	1,000
PCS Restaurants Pte Ltd	Investment holding	Singapore	100	100	1,673	1,673
Amara China Investments Pte Ltd	Investment holding	Singapore	100	100	–**	–**
Amara International Hotels & Resorts Pte Ltd	Management and technical advisory services for the management and development of hotels and resorts	Singapore	100	100	–**	–**
AOI Saigon Pte Ltd *	Hotelier, restaurateur and investment holding	Singapore	90	90	4,773	4,773
Amara Hospitality Capital Pte Ltd	Investment holding	Singapore	100	100	7,616	7,616
Amara Sentosa Investments Pte Ltd	Hotelier, restaurateur and investment holding	Singapore	100	100	8,000	8,000
					50,766	50,766

Notes to the Financial Statements

For the financial year ended 31 December 2012

20. Investment in subsidiaries (continued)

Name of subsidiary	Principal activities	Country of incorporation and business	Proportion of ownership interest	
			2012 **%**	2011 %
Held by PCS Restaurants Pte Ltd				
Catering Concepts & Management Services Pte Ltd	Food & beverage caterer and proprietor of a food court	Singapore	85	85
Silk Road Restaurants International Pte Ltd	Restaurateur and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte Ltd (formerly known as Amarathai Restaurant Pte Ltd)	Restaurateur	Singapore	100	100
Simply Thai Restaurant Pte Ltd	Restaurateur	Singapore	100	100
Silk Road Restaurant (M) Sdn Bhd	Restaurateur	Malaysia	100	100
Held by Amara Hospitality Capital Pte Ltd				
Amara Hospitality (Thailand) Co., Ltd #	Hotel development and ownership	Thailand	100	100
Amara Hotel Assets Co., Ltd ***	Dormant	Jersey	100	–
Held by Amara China Investments Pte Ltd				
Amara Shanghai Pte Ltd*	Investment holding	Singapore	100	100
Shanghai Amara Hotel Co., Ltd. ##	Hotel development and ownership	The People's Republic of China	5	5
Held by Amara Shanghai Pte Ltd				
Shanghai Amara Hotel Co., Ltd. ##	Hotel development and ownership	The People's Republic of China	95	95

*   1 ordinary share in each of AOI Saigon Pte Ltd and Amara Shanghai Pte Ltd is held by another fellow subsidiary in the Group.
** Cost of investment less than $1,000.
*** Not required to be audited under the laws of the country of incorporation.
\#   Audited by independent overseas member firm of Baker Tilly International in Thailand.
\#\# Audited by Shanghai Certified Public Accountants, The People's Republic of China.

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

21. Investment properties

	The Group	
	2012	2011
	$'000	$'000
At beginning of year	214,500	190,000
Additions	13,666	–
Adjustment	–	(861)
Fair value gain adjustment	11,321	25,361
Transfers from property, plant and equipment (Note 22)	21,513	–
At end of year	261,000	214,500

(a) Investment properties are carried at fair value at the balance sheet date. Valuation was performed by Chesterton Suntec International Pte Ltd, a firm of property consultants in December 2012, on the Group's investment properties referred to as 100 AM 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 end of the reporting period, 100 AM with aggregate carrying amount of $261,000,000 (2011: $214,500,000) were mortgaged to banks to secure bank loans and bank facilities for the Group (Note 27).

(c) The Group's investment properties as at 31 December 2012 are set out below:

Address	Held by	Title	Gross floor area (sq m)	Description
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	14,949	100 AM, shopping centre with 3 levels of basement carpark
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	4,254	100 AM, 12-storey office building

(d) In the consolidated statement of comprehensive income, rental income of $4,134,000 (2011: $4,754,000) was generated from investment properties, and direct operating expenses include $3,393,000 (2011: $2,792,000) relating to investment properties that generated rental income during the year.

Notes to the Financial Statements

For the financial year ended 31 December 2012

22. Property, plant and equipment

The Group

	Freehold property $'000	Leasehold land and buildings $'000	Plant and machinery, furniture, fixtures and equipment $'000	Motor vehicles $'000	Renovations $'000	Operating supplies $'000	Capital project in progress $'000	Total $'000
Cost or valuation								
At 1 January 2012								
- Cost	491	97,177	22,611	1,308	22,713	3,063	23,755	171,118
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	149,377	22,611	1,308	22,713	3,063	23,755	223,318
Exchange rate adjustment	–	(1,616)	(7)	–	(1)	–	(627)	(2,251)
Additions, at cost	–	141	444	–	634	–	22,963	24,182
Transfers, at cost	–	840	(453)	–	5,009	–	(5,396)	–
Transfers to investment properties (Note 21)	–	–	–	–	–	–	(21,513)	(21,513)
Adjustments	–	–	(156)	–	708	(52)	–	500
Disposals/write off	–	(509)	(3,630)	–	(1,468)	(5)	–	(5,612)
At 31 December 2012	491	148,233	18,809	1,308	27,595	3,006	19,182	218,624
Representing:								
- Cost	491	96,033	18,809	1,308	27,595	3,006	19,182	166,424
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	148,233	18,809	1,308	27,595	3,006	19,182	218,624
Accumulated depreciation and impairment								
At 1 January 2012	148	35,344	16,411	898	19,746	11	–	72,558
Exchange rate adjustment	–	(92)	(5)	–	(1)	–	–	(98)
Depreciation	10	1,828	1,243	160	1,222	–	–	4,463
Transfers, at cost	–	–	(64)	–	64	–	–	–
Adjustments	–	–	(148)	–	(4)	(11)	–	(163)
Disposals/write off	–	(456)	(3,625)	–	(1,461)	–	–	(5,542)
At 31 December 2012	158	36,624	13,812	1,058	19,566	–	–	71,218
Net carrying amount								
At 31 December 2012	333	111,609	4,997	250	8,029	3,006	19,182	147,406

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For the financial year ended 31 December 2012

22. Property, plant and equipment (continued)

The Group

	Freehold property $'000	Leasehold land and buildings $'000	Plant and machinery, furniture, fixtures and equipment $'000	Motor vehicles $'000	Renovations $'000	Operating supplies $'000	Capital project in progress $'000	Total $'000
Cost or valuation								
At 1 January 2011								
- Cost	491	95,231	21,767	1,238	21,731	3,037	12,836	156,331
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	147,431	21,767	1,238	21,731	3,037	12,836	208,531
Exchange rate adjustment	–	1,939	7	–	–	–	373	2,319
Additions, at cost	–	7	354	70	45	33	13,119	13,628
Transfers, at cost	–	–	1,008	–	1,565	–	(2,573)	–
Adjustments	–	–	(50)	–	(155)	–	–	(205)
Disposals/write off	–	–	(475)	–	(473)	(7)	–	(955)
At 31 December 2011	491	149,377	22,611	1,308	22,713	3,063	23,755	223,318
Representing:								
- Cost	491	97,177	22,611	1,308	22,713	3,063	23,755	171,118
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	149,377	22,611	1,308	22,713	3,063	23,755	223,318
Accumulated depreciation and impairment								
At 1 January 2011	138	33,400	15,361	689	18,294	11	–	67,893
Exchange rate adjustment	–	110	6	–	–	–	–	116
Depreciation	10	1,834	1,512	209	1,925	–	–	5,490
Disposals/write off	–	–	(468)	–	(473)	–	–	(941)
At 31 December 2011	148	35,344	16,411	898	19,746	11	–	72,558
Net carrying amount								
At 31 December 2011	343	114,033	6,200	410	2,967	3,052	23,755	150,760

Notes to the Financial Statements

For the financial year ended 31 December 2012

22. Property, plant and equipment (continued)

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

	2012	2011
	$'000	$'000
Plant and machinery, furniture, fixtures and equipment	674	959
Operating supplies	707	707
Motor vehicles	228	380
	1,609	2,046

(b) At the end of the reporting period, the net carrying amount of certain freehold property, leasehold land and buildings and renovations of the Group mortgaged to banks to secure bank borrowings amounted to $85,266,000 (2011: $86,065,000) (Note 27).

(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 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 $21,045,000 (2011: $21,370,000).

An independent professional valuation on Amara Hotel was carried out by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2012 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to $234,469,000 (2011: $229,230,000) 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 2012 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land amounting to $86,695,000 (2011: $86,497,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

An independent professional valuation on Amara Sanctuary Resort, Sentosa was carried out by Chesterton Suntec International Pte Ltd, a firm of property consultants, in December 2012 on the basis of open market value for existing use. The surplus on revaluation of the leasehold land and building amounting to $75,167,000 (2011: $71,603,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2012

22. Property, plant and equipment (continued)

(e) The Group's properties as at 31 December 2012 are set out below:

	Address	Held by	Title	Description
(i)	165 Tanjong Pagar Road, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	Amara Singapore, a 388-guestroom hotel
(ii)	12 Hoot Kiam Road, Singapore	Amara Hotel Properties Pte Ltd	Freehold	A 2-storey pre-war intermediate terrace house
(iii)	582 and 600 Changshou Road, Shanghai, The People's Republic of China	Shanghai Amara Hotel Co., Ltd.	Leasehold 45 years and 40 years commencing May 1997 and July 2004 respectively	Proposed mixed development comprising a 336-guestroom hotel, commercial and office components
(iv)	1 Larkhill Road, Sentosa, Singapore	Amara Sentosa Investments Pte Ltd	Leasehold 70 years commencing January 2005	Resort hotel development comprising 140-guestrooms, suites and villas
(v)	Land number 23, Surawong Road, Bangkok, Thailand	Amara Hospitality (Thailand) Co., Ltd	Leasehold 63 years commencing July 2010	Proposed hotel development comprising a 251-guestroom hotel

23. Goodwill

	The Group	
	2012	2011
	$'000	$'000
Goodwill arising on consolidation		
Cost	889	889
Less: Accumulated impairment loss	(100)	(45)
	789	844
Accumulated impairment loss:		
At beginning of year	45	45
Impairment loss	55	–
At end of year	100	45

Notes to the Financial Statements

For the financial year ended 31 December 2012

23. Goodwill (continued)

Impairment test for Goodwill

Goodwill acquired in a business combination is allocated to the cash generating unit ("CGU") that is expected to benefit from that business combination.

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering five years. The discount rate applied is the loan interest rate from the relevant business segment. The key assumptions are those relating to expected changes in average room rates and occupancy and direct costs.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

During the finanacial year, impairment losses were recognised to write-down the carrying amount of goodwill relating to certain subsidiaries.

24. Other assets

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

	The Group	
	2012	2011
	$'000	$'000
Prepayment		
At beginning of year	7,024	7,136
Amortisation	(112)	(112)
At end of year	6,912	7,024

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

25. Deferred income taxes

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

	The Group		
	2012	2011 (Restated)	2010 (Restated)
	$'000	$'000	$'000
At beginning of year	6,204	7,256	7,636
Tax debited/(credited) to profit or loss			
- current year	1,942	(250)	(380)
- prior year	(90)	(802)	–
At end of year	8,056	6,204	7,256

Notes to the Financial Statements

For the financial year ended 31 December 2012

25. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $428,000 (2011: $440,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These tax losses have no expiry date.

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

Deferred income tax liabilities

	The Group				
	Accelerated tax depreciation $'000	Unremitted foreign sourced income $'000	Asset revaluation reserve $'000	Difference in revenue recognition basis $'000	Total $'000
2012					
At beginning of year	4,714	27	2,002	–	6,743
(Credited)/debited to profit or loss	(182)	13	–	1,987	1,818
At end of year	4,532	40	2,002	1,987	8,561
2011 (Restated)					
At beginning of year	4,872	1,010	2,002	–	7,884
Credited to profit or loss	(158)	(983)	–	–	(1,141)
At end of year	4,714	27	2,002	–	6,743

Deferred income tax assets

	The Group	
	2012 $'000	2011 $'000
Tax losses:		
At beginning of year	(539)	(628)
Debited to profit or loss	34	89
At end of year	(505)	(539)

Notes to the Financial Statements

For the financial year ended 31 December 2012

25. Deferred income taxes (continued)

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

	The Group		
	2012	2011 (Restated)	2010 (Restated)
	$'000	$'000	$'000
Deferred income tax assets	(505)	(539)	(489)
Deferred income tax liabilities	8,561	6,743	7,745
	8,056	6,204	7,256

26. Trade and other payables

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
(a) Current				
Trade payables	5,805	5,346	2	1
Due to related parties	77	94	–	–
Accrued operating expenses	11,083	14,650	210	187
Accrued construction costs	5,882	171	–	–
Sundry payables	1,985	1,644	2	1
Derivative financial instrument	231	–	–	–
Deposits received	1,489	1,185	–	–
	26,552	23,090	214	189

Derivative financial instrument represents a cash flow hedge interest rate swap with a notional amount of $19,200,000 (2011: $23,000,000). The interest rate swap receives floating interest and pays a fixed rate of interest and matures in March 2013.

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

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

	The Group	
	2012	2011
	$'000	$'000
(b) Non-current		
Derivative financial instrument	–	1,273
Deposits received	3,407	1,719
	3,407	2,992

Notes to the Financial Statements

For the financial year ended 31 December 2012

26. Trade and other payables (continued)

(b) Non-current (continued)

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

	The Group	
	2012	2011
	$'000	$'000
Derivative financial instrument	–	1,273
Deposits received	3,299	1,656
	3,299	2,929

The fair value of deposit is computed based on the present value of the cash flows using a discount rate of 2.18% (2011: 2.49%) per annum, which is the lending rate that the directors expect would be incurred by the Group at the end of the reporting period.

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore Dollar	29,317	26,020	214	189
United States Dollar	34	36	–	–
Renminbi	15	21	–	–
Thai Baht	593	5	–	–
	29,959	26,082	214	189

27. Borrowings

	The Group	
	2012	2011
	$'000	$'000
Current		
Bank loans, secured	42,656	16,360
Finance lease liabilities (Note 31)	92	631
	42,748	16,991
Non-current		
Bank loans, secured		
- Between 1 and 5 years	179,053	123,680
Finance lease liabilities (Note 31)	228	274
	179,281	123,954
Total borrowings	222,029	140,945

Notes to the Financial Statements

For the financial year ended 31 December 2012

27. Borrowings (continued)

(a) The Group's bank borrowings at 31 December 2012 comprise the following:

(i) a term loan of $38,200,000 (2011: $17,500,000), revolving credit advances of $50,000,000 (2011: $50,000,000) and a short-term advance of $3,000,000 (2011: $3,160,000) secured by way of a legal mortgage on the Amara Singapore, 100 AM (shopping centre and office tower) as stated in Notes 21 and 22 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 Singapore and corporate guarantee from the Company.

These banking facilities mature in May 2015.

Each revolving credit advance is repayable in full upon maturity. However, as this facility is revolving, any amount repaid by the subsidiary to the said lending bank before May 2015 will remain available for reborrowing;

(ii) a term loan of $50,266,000 (2011: $37,260,000), revolving credit advances of $23,000,000 (2011: $Nil) and a short-term advance of $25,860,000 (2011: $Nil) are secured by way of the first legal mortgage on the Amara Singapore, 100 AM as stated in Notes 21 and 22 to the financial statements and the assignment of all rental proceeds from the above properties and corporate guarantee from the Company and debenture over Amara Singapore.

These banking facilities mature in February 2016;

(iii) a term loan amounting to $8,400,000 (2011: $8,400,000) and revolving credit advances of $2,500,000 (2011: $720,000) 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.

These banking facilities mature in March 2013;

(iv) a term loan of $19,200,000 (2011: $23,000,000) is secured by a mortgage-in-escrow on Amara Sanctuary Resort, Sentosa as disclosed in Note 22 to the financial statements. The loan is further secured by an assignment of all rights, benefits and entitlement under and in the construction contracts, construction guarantees, hotel subleases, insurances, a corporate guarantee from the Company and debenture over the hotel.

This loan matures in March 2013; and

(v) a term loan of $1,283,000 (2011:$Nil) is secured by assignment of lease and bank accounts of the project in Bangkok. This loan matures on the earlier of July 2026 or 123 months after the project completion date.

(b) Currency risk

All borrowings are denominated in Singapore Dollar except for the term loan of $1,283,000 which is denominated in Thai Baht.

Notes to the Financial Statements

For the financial year ended 31 December 2012

27. Borrowings (continued)

(c) Interest rate risks

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

	The Group	
	2012	2011
	Per annum	Per annum
Bank loans, secured	2.18%	2.49%
Finance lease liabilities	5.13%	6.36%

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 2012					
Total borrowings	221,755	46	227	1	222,029
At 31 December 2011					
Total borrowings	140,456	215	274	–	140,945

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

(d) Carrying amounts and fair values

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

28. Share capital

Issued and fully paid ordinary share capital of Amara Holdings Limited

	2012 Number of shares issued '000	2011 Number of shares issued '000	**2012 $'000**	2011 $'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.

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29. Dividend

	The Group and The Company	
	2012	2011
	$'000	$'000
Ordinary dividend paid		
First and final tax exempt dividend of 0.6 cent per share		
(2011: 0.5 cent per share tax exempt)		
in respect of the previous financial year	3,462	2,885

At the Annual General Meeting ("AGM") to be held on 25 April 2013, a first and final tax exempt dividend for 2012 of 0.6 cent per share, amounting to $3,461,616 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2013 subject to shareholders' approval at the forthcoming AGM.

30. Immediate holding and ultimate holding companies

The Company's immediate holding company is Firstrust Equity Pte Ltd. The ultimate holding company is First Security Pte Ltd. All holding companies are incorporated in Singapore.

31. Finance lease liabilities

	The Group	
	2012	2011
	$'000	$'000
Minimum lease payments due:		
Not later than one financial year	104	617
Later than one financial year but not later than five financial years	246	340
Later than five financial years	1	11
	351	968
Less: Future finance charges	(31)	(63)
Present value of finance lease liabilities	320	905
Representing finance lease liabilities:		
Current (Note 27)	92	631
Non-current (Note 27)	228	274
	320	905

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For the financial year ended 31 December 2012

32. 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 $217,927,000 (2011: $139,320,000). 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 2012 and 31 December 2011.

33. Commitments

Commitments not provided for in the financial statements:

	The Group	
	2012	2011
	$'000	$'000
(a) Capital commitments		
Estimated expenditure contracted for:		
- Property, plant and equipment	117,429	123,692

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

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

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

	The Group	
	2012	2011
	$'000	$'000
Not later than one financial year	12,371	2,575
Later than one financial year but not later than five financial years	21,434	3,356
	33,805	5,931

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

The Group leases land, apartment and office premises 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.

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For the financial year ended 31 December 2012

33. Commitments (continued)

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

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

	The Group	
	2012 $'000	2011 $'000
Not later than one financial year	1,483	1,452
Later than one financial year but not later than five financial years	5,168	5,460
Later than five financial years	90,710	92,533
	97,361	99,445

34. 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 $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Derivative used for hedging $'000	Non-financial assets/ liabilities $'000	Total $'000
2012						
The Group						
Assets						
Available-for-sale financial assets	–	1,276	–	–	–	1,276
Intangible assets	–	–	–	–	357	357
Investment properties	–	–	–	–	261,000	261,000
Investment in an associate	–	–	–	–	2,539	2,539
Property, plant & equipment	–	–	–	–	147,406	147,406
Goodwill	–	–	–	–	789	789
Other assets	–	–	–	–	6,912	6,912
Deferred income tax assets	–	–	–	–	505	505
Cash and cash equivalents	15,226	–	–	–	–	15,226
Trade and other receivables	37,782	–	–	–	–	37,782
Inventories	–	–	–	–	345	345
Development properties	–	–	–	–	67,783	67,783
Other current assets	981	–	–	–	500	1,481
	53,989	1,276	–	–	488,136	543,401

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For the financial year ended 31 December 2012

34. Fair value of financial instruments (continued)

	Loans & receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Derivative used for hedging $'000	Non-financial assets/ liabilities $'000	Total $'000
2012 (continued)						
The Group (continued)						
Liabilities						
Trade and other payables	–	–	29,374	231	354	29,959
Tax payables	–	–	–	–	3,256	3,256
Borrowings	–	–	222,029	–	–	222,029
Deferred income tax liabilities	–	–	–	–	8,561	8,561
	–	–	251,403	231	12,171	263,805
2011						
The Group						
Assets						
Available-for-sale financial assets	–	1,159	–	–	–	1,159
Intangible assets	–	–	–	–	357	357
Investment properties	–	–	–	–	214,500	214,500
Property, plant & equipment	–	–	–	–	150,760	150,760
Goodwill	–	–	–	–	844	844
Other assets	–	–	–	–	7,024	7,024
Deferred income tax assets	–	–	–	–	539	539
Cash and cash equivalents	11,443	–	–	–	–	11,443
Trade and other receivables	6,817	–	–	–	–	6,817
Inventories	–	–	–	–	442	442
Development properties	–	–	–	–	36,453	36,453
Other current assets	650	–	–	–	576	1,226
	18,910	1,159	–	–	411,495	431,564
Liabilities						
Trade and other payables	–	–	24,438	1,273	371	26,082
Tax payables	–	–	–	–	2,850	2,850
Borrowings	–	–	140,945	–	–	140,945
Deferred income tax liabilities	–	–	–	–	6,743	6,743
	–	–	165,383	1,273	9,964	176,620

Notes to the Financial Statements

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34. Fair value of financial instruments (continued)

	Loans & receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Non-financial assets/ liabilities $'000	Total $'000
2012					
The Company					
Assets					
Available-for-sale financial assets	–	165	–	–	165
Investment in subsidiaries	–	–	–	40,937	40,937
Cash and cash equivalents	65	–	–	–	65
Trade and other receivables	40,957	–	–	–	40,957
Other current assets	2	–	–	3	5
	41,024	165	–	40,940	82,129
Liabilities					
Trade and other payables	–	–	214	–	214
2011					
The Company					
Assets					
Available-for-sale financial assets	–	164	–	–	164
Investment in subsidiaries	–	–	–	40,937	40,937
Cash and cash equivalents	33	–	–	–	33
Trade and other receivables	40,739	–	–	–	40,739
Other current assets	7	–	–	3	10
	40,779	164	–	40,940	81,883
Liabilities					
Trade and other payables	–	–	189	–	189

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34. Fair value of financial instruments (continued)

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

The following table presents the levels of fair value hierarchy for each class of financial instruments measured at fair value in the statement of financial position at 31 December 2012.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,246	–	–	1,246
- Quoted unit trust	30	–	–	30
	1,276	–	–	1,276
Liabilities				
Derivative				
- Interest rate swaps	–	231	–	231
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	165	–	–	165
2011				
The Group				
Assets				
Available-for-sale financial assets				
- Equity investments	1,129	–	–	1,129
- Quoted unit trust	30	–	–	30
	1,159	–	–	1,159
Liabilities				
Derivative				
- Interest rate swaps	–	1,273	–	1,273
The Company				
Assets				
Available-for-sale financial assets				
- Equity investments	164	–	–	164

Notes to the Financial Statements

For the financial year ended 31 December 2012

34. Fair value of financial instruments (continued)

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

The fair value hierarchy levels are defined as follows:

a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (ie derived from prices); and
c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(c) Determination of fair values

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

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

35. Financial risk management objectives and policies

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

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

(a) Credit risk

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trades only with recognised and creditworthy third parties. It is the Group's and the Company'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 and the Company's exposure to bad debts is minimised.

Notes to the Financial Statements

For the financial year ended 31 December 2012

35. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Exposure to credit risk

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

(i) the carrying amount of each class of financial assets recognised in the statement of financial position;

(ii) an amount of $2,414,000 (2011: $2,563,000) receivable from a third party past due but not impaired as disclosed in Note 13 to the financial statements; and

(iii) corporate guarantees issued by the Company to banks in respect of banking facilities utilised by certain subsidiaries amounted to $217,927,000 (2011: $139,320,000).

At 31 December 2012, there were no other material trade and other receivables of the Group that were due from third parties while approximately all of the Company's receivables were balances with related parties.

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

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Past due 0 to 1 month	1,182	726	–	–
Past due 1 to 3 months	651	346	–	–
Past due over 3 months	3,337	4,050	6	7
	5,170	5,122	6	7

Financial assets that are neither past due nor impaired

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

35. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Financial assets that are either past due or impaired

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

	The Group		The Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Gross amount	6,154	6,693	17	17
Less: Allowance for impairment	(3,740)	(4,130)	(17)	(17)
	2,414	2,563	–	–
At 1 January	4,130	3,764	17	17
Allowance made	8	404	–	–
Allowance written back	(149)	(38)	–	–
Allowance written off	(249)	–	–	–
At 31 December	3,740	4,130	17	17

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

(b) Liquidity risk

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

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

At the end of the reporting period, approximately 19.3% (2011: 12.1%) of the Group's loans and borrowings (Note 27) will mature in less than one year based on the carrying amounts reflected in the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2012

35. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

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

	2012				2011			
	1 year or less $'000	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
The Group								
Trade and other payables	25,967	3,407	–	29,374	22,719	1,719	–	24,438
Derivative interest rate swaps	231	–	–	231	–	1,273	–	1,273
Borrowings	42,837	179,624	1	222,462	17,011	124,277	12	141,300
	69,035	183,031	1	252,067	39,730	127,269	12	167,011

	One year or less	
	2012 $'000	2011 $'000
The Company		
Trade and other payables	214	189

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 end of the reporting period.

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

	One year or less	
	2012 $'000	2011 $'000
Financial guarantee contracts	217,927	139,320

Notes to the Financial Statements

For the financial year ended 31 December 2012

35. Financial risk management objectives and policies (continued)

(c) Interest rate risk

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

To manage interest rate risk, the Group, where appropriate, uses interest rate swaps. Approximately 9% (2011: 17%) of the Group's borrowings are at fixed rates of interest.

At the end of the reporting period, if SGD interest rates had been 25 (2011: 25) basis points lower/higher with all other variables held constant, the Group's profit would have been $335,000 (2011: $245,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank loans.

The Company

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

(d) Market price risk

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

The sensitivity analysis for market price risk is not disclosed as the effect on the profit or loss is considered not significant if equity prices had been 5% (2011: 5%) higher or lower with all other variables including tax rate being held constant.

(e) Foreign currency risk

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

The Group has foreign currency exposure arising from cash and cash equivalents, trade receivables and advances to and from third parties. These foreign currency denominated cash and cash equivalents, trade receivables and advances are mainly denominated in United States Dollar (USD). Approximately $3,079,000 (2011: $2,368,000) of receivables, $3,568,000 (2011: $7,587,000) of cash and cash equivalents and $642,000 (2011: $61,000) of payables are denominated in foreign currencies.

The sensitivity analysis for foreign currency risk is not disclosed as the effect on the profit or loss is considered not significant if USD changes against the SGD by 3% (2011: 3%) with all other variables including tax rate being held constant.

Notes to the Financial Statements

For the financial year ended 31 December 2012

36. 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 2012 and 31 December 2011.

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

The Group monitors capital using gearing ratio, which is computed as net borrowings divided by the sum of total equity and net borrowings. Net borrowings are computed as borrowings less cash and cash equivalents.

	The Group	
	2012	2011 (Restated)
	$'000	$'000
Borrowings	222,029	140,945
Less: Cash and cash equivalents	(15,226)	(11,443)
Net borrowings	206,803	129,502
Total equity	279,596	254,944
	486,399	384,446

	The Group	
	2012	2011
	%	%
Gearing ratio	42.52	33.69

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2012 and 31 December 2011.

Notes to the Financial Statements

For the financial year ended 31 December 2012

37. Related party transactions

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

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

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 $2,453,000 (2011: $2,458,000) for the financial year ended 31 December 2012.

Included in the above is remuneration to directors of the Company amounting to $1,355,000 (2011: $1,372,000), excluding directors' fees which is disclosed in Note 7 to the financial statements.

38. Segment information

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

38. Segment information (continued)

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

	Hotel investment and management $'000	Property investment and development $'000	Specialty restaurants and food services $'000	Others $'000	Eliminations $'000	The Group $'000
2012						
Segment revenue						
Sales to external customers	55,894	30,791	3,569	4	–	90,258
Intersegment sales	383	125	151	–	(659)	–
Total revenue	56,277	30,916	3,720	4	(659)	90,258
Segment profit	17,624	19,397	1,040	31	–	38,092
Depreciation and amortisation	4,261	37	277	–	–	4,575
Other significant non-cash expenses	18	12	–	–	–	30
Segment assets	425,830	114,031	1,546	239	–	541,646
Unallocated assets						1,755
Total assets						543,401
Segment assets include:						
Additions to						
- Property, plant and equipment	24,180	–	2	–	–	24,182
Segment liabilities	(17,287)	(11,565)	(899)	(208)	–	(29,959)
Unallocated liabilities						(233,846)
Total liabilities						(263,805)

Notes to the Financial Statements

For the financial year ended 31 December 2012

38. Segment information (continued)

	Hotel investment and management $'000	Property investment and development $'000	Specialty restaurants and food services $'000	Others $'000	Eliminations $'000	The Group $'000
2011						
Segment revenue						
Sales to external customers	53,764	4,754	3,572	6	–	62,096
Intersegment sales	407	382	153	–	(942)	–
Total revenue	54,171	5,136	3,725	6	(942)	62,096
Segment profit	14,910	21,826	1,277	50	–	38,063
Depreciation and amortisation	4,934	178	490	–	–	5,602
Other significant non-cash expenses	404	–	–	–	–	404
Segment assets	412,649	10,404	1,877	250	–	425,180
Unallocated assets						6,384
Total assets						431,564
Segment assets include:						
Additions to						
- Property, plant and equipment	13,557	–	71	–	–	13,628
Segment liabilities	(18,485)	(5,710)	(1,705)	(183)	–	(26,083)
Unallocated liabilities						(150,537)
Total liabilities						(176,620)

Notes to the Financial Statements

For the financial year ended 31 December 2012

38. Segment information (continued)

Segment results

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

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

	The Group	
	2012	2011
	$'000	$'000
Segment profit	38,092	38,063
Interest income	301	72
Interest expense on borrowings	(4,151)	(3,261)
Unallocated corporate expenses	(311)	(267)
Profit before tax	33,931	34,607

Segment assets

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

Segment liabilities

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

Geographical segments

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2012

38. Segment information (continued)

Geographical segments (continued)

	Revenue		Non-current assets	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Singapore	90,258	62,096	402,597	331,314
PRC	–	–	41,832	41,603
Thailand	–	–	4,466	568
	90,258	62,096	448,895	373,485

Revenue and non-current assets are shown by the geographical area in which the assets are located.

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

Information about major customer

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

39. Restatements and comparative figures

As disclosed in Note 2(a), Amendments to FRS 12 have been adopted for annual periods beginning 1 January 2012 and have been applied retrospectively. Certain figures have been adjusted to conform to the current year's presentation.

The adoption of Amendments to FRS 12 has no impact on the Company's financial statements; therefore, no restatement of the Company's financial statements is required.

40. 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 22 March 2013.

Corporate Data

Board of Directors

Albert Teo Hock Chuan
Chief Executive Officer

Chang Meng Teng
Susan Teo Geok Tin
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah
Alphonsus Chia Chung Mun

Company Secretaries

Susan Teo Geok Tin
Foo Soon Soo

Audit Committee

Chang Meng Teng
Chairman

Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah
Alphonsus Chia Chung Mun

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
Australia & New Zealand Banking
Group Limited, Singapore Branch

Registrar

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

Registered Office

100 Tras Street #06-01, 100 AM
Singapore 079027

Corporate Office

Tel: (65) 6879 2515
Fax: (65) 6224 2660
Email: corporate@amaraholdings.com
Website: www.amaraholdings.com

Investor Relations Contacts

Internal: ir@amaraholdings.com

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

Statistics of Shareholdings

As at 22 March 2013

Class of Shares : Ordinary shares each fully paid up
Voting Rights : 1 vote per share
No. of Holders : 6,343

Distribution of Shareholdings

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	3	0.05	2,000	0.00
1,000 - 10,000	4,685	73.86	23,218,000	4.02
10,001 - 1,000,000	1,628	25.67	74,986,090	13.00
1,000,001 and above	27	0.42	478,729,910	82.98
Total	6,343	100.00	576,936,000	100.00

Based on information available to the Company on 22 March 2013, 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	194,146,010	33.65
2	UOB Nominees (2006) Pte Ltd	50,000,000	8.67
3	Teo Chew Chuan	42,578,500	7.38
4	Teo Hin Chuan	32,580,997	5.65
5	RHB Bank Nominees Pte Ltd	27,000,000	4.68
6	Teo Peng Chuan	22,007,000	3.81
7	Singapore Nominees Pte Ltd	19,100,000	3.31
8	Phillip Securities Pte Ltd	11,825,000	2.05
9	Ong Kian Kok	10,220,000	1.77
10	United Overseas Bank Nominees Pte Ltd	9,771,000	1.69
11	SBS Nominees Pte Ltd	9,000,000	1.56
12	Sing Investments & Finance Nominees Pte Ltd	9,000,000	1.56
13	DBS Nominees Pte Ltd	7,829,000	1.36
14	Teo Deng Jie (Zhang Deng Jie)	5,000,000	0.87
15	OCBC Nominees Singapore Pte Ltd	4,721,000	0.82
16	DBS Vickers Securities (S) Pte Ltd	3,487,000	0.60
17	Teo Guan Hoon	3,238,000	0.56
18	Poh Lay Eng	3,153,493	0.55
19	DB Nominees (S) Pte Ltd	2,100,000	0.36
20	Chng Gim Huat	1,760,000	0.31
	Total	468,517,000	81.21

Statistics of Shareholdings

As at 22 March 2013

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, Deceased	-	308,146,010	308,146,010	53.41
Teo Chew Chuan	42,578,500	3,153,493	45,731,993	7.93
Teo Hin Chuan	32,580,997	-	32,580,997	5.65

Albert Teo Hock Chuan, Susan Teo Geok Tin, Teo Kwee Chuan, Corinne Teo Siew Bee, First Security Pte Ltd and Goh Ah Moy, Deceased 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 Thursday, 25 April 2013, 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 2012 together with the Reports of the Directors and the Auditors thereon (Resolution 1).

2. To declare a first and final dividend of 0.6 cent per ordinary share for the year ended 31 December 2012 (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 Ms Susan Teo Geok Tin as a Director retiring under Article 87 of the Articles of Association of the Company (Resolution 4).

5. To approve payment of Directors' Fees of $140,700 for the year ended 31 December 2012 (2011: $126,500) (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

Notice of Annual General Meeting

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

provided always that

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

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

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

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

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

Notice of Annual General Meeting

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

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

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

(c) In this Ordinary Resolution:

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

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

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

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

where:

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

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

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

See Explanatory Note 2.

Notice of Annual General Meeting

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Annual General Meeting, a first and final dividend of 0.6 cent per share, in respect of the year ended 31 December 2012 will be paid on 26 June 2013 to shareholders whose names appear in the Register of Members on 13 June 2013.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 13 June 2013 after 5.00 p.m. to 14 June 2013, 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 13 June 2013 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
10 April 2013

Notice of Annual General Meeting

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 2012, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 10 April 2013 in relation to the proposed renewal of the Share Purchase Mandate.

Note:

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

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

Proxy Form

Annual General Meeting

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

I/We ____ (Name)

of ____ (Address)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 25 April 2013 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/ proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	**Ordinary Resolutions**	**To be used on a show of hands**		**To be used in the event of a poll**	
		For*	**Against***	**For****	**Against****
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December 2012 together with the Reports of the Directors and the Auditors thereon.				
2.	To declare a first and final dividend of 0.6 cent per ordinary share for the year ended 31 December 2012.				
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 Ms Susan Teo Geok Tin as a Director retiring under Article 87 of the Articles of Association of the Company.				
5.	To approve payment of Directors' Fees of $140,700 for the year ended 31 December 2012 (2011: $126,500).				
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 tick (√) 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 ______________ 2013

Total number of Shares held

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

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM

Please cut along dotted line

Notes for Proxy Form

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

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

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

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

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

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

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

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

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AMARA HOLDINGS LIMITED
(Registration Number 197000732N)

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