THE PERFECT EQUILIBRIUM

AMARA HOLDINGS LIMITED
ANNUAL REPORT 2013

CONTENTS

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

AMARA HOLDINGS LIMITED

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.

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 SIGNATURE

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

AMARA HOTELS

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

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.

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. Amara Singapore is easily accessible by major transportation modes and is within walking distance to the fascinating Chinatown, the Tanjong Pagar Conservation District, graded office buildings, foreign and local banks, post offices, shops, as well as dining and entertainment establishments.

Amara Singapore, our 388-room hotel, showcases special touches which include 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 will cater to events of all scales, from weddings and social functions to meetings and exhibitions.

Element and Element on Tras Street

This 163-seater restaurant and 18-seater bar concept soft opened in December 2013. It has garnered raving reviews to date for its new chic interiors and integrated F&B cuisines comprising of Amara Group's signature restaurant offerings from Silk Road, Thanying and Cafe Oriental as well as Spanish Basque cuisines. A semi-private dining area creates a niche for private gatherings and events. With DJ music and a creative bar concept, Element on Tras Street allows urbanites to chill and unwind with a wide selection of wine, novel cocktails, boutique beer and artisanal coffee blend.

AMARA SANCTUARY RESORT, SENTOSA

Amara Sanctuary Resort, Sentosa, our very first boutique resort, provides the ultimate 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 an unadulterated charm that's all its own.

Amara Sanctuary Resort, Sentosa is nestled beautifully on a hilltop, surrounded by 3.8 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 for both business and leisure stay.

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 BANGKOK

Amara Bangkok marks our first entry into the "Land of Smiles". 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 250-room hotel in Bangkok is designed as an exciting business and leisure hotel. Guests will enjoy Amara's signature cuisines in a chic restaurant, a tranquil sunset bar by the rooftop pool, a lobby bar and comprehensive facilities for the MICE business; as well as a state-of-the-art wellness level comprising a gymnasium.

With Amara Bangkok's strategic location, there is easy access to and from Suvarnabhumi International Airport, bringing convenience to tourists and business travellers alike. Amara Bangkok is scheduled to commence operations in 2014.

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.

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 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.

100 AM

PROPERTY INVESTMENT AND DEVELOPMENT

100 AM

100 AM is the only full-fledged shopping centre in the west end of Central Business District and is positioned well 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 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 Public Izakaya by Hachi, 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.

A 12-storey office building, also known as 100 AM, is strategically accessible from within the shopping centre. With its convenient location at 100 Tras Street, it is a stroll away from the Tanjong Pagar MRT Station, and is easily accessible by bus or car. The office building is also located close to diverse amenities such as major local and foreign banks and post 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.

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.

Developed by Creslin Pte Ltd, a subsidiary of Amara Holdings Limited, Killiney 118 is 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.

Killiney 118 has won the 13th SIA Architecture Design Awards for Residential Projects in 2013 and Certificate of Appreciation Award for National Environment Agency's Skyrise Greenery Award 2013.

CITYLIFE@TAMPINES

Singapore's first luxury hotel-inspired Executive Condominium, which is developed by Tampines EC Pte Ltd – a consortium comprising Amara Holdings Limited, Kay Lim Holdings Pte Ltd and SingHaiyi Group Ltd – is a 514-unit Executive Condominium project that 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.

CityLife@Tampines has been awarded the BCA Green Mark Awards (Gold Plus) in 2013.

"AMIDST THIS MACRO ECONOMIC BACKDROP, WE ACHIEVED EARNINGS OF S$26.8 MILLION ON THE BACK OF REVENUE OF S$80.7 MILLION"

ALBERT TEO HOCK CHUAN
Chief Executive Officer

CEO'S MESSAGE

The year under review has been an eventful one, with a budget impasse in the US that led to a temporary shutdown of the Federal government and tapering of the Quantitative Easing by the Federal Reserve causing some volatility in the financial markets. In Singapore, hotel room rates fell 8 per cent year-on-year in 2013 as tourist arrivals grew by only 6.9 per cent last year, down from 10.1 per cent in 2012[1].

Amidst this macro economic backdrop, we achieved earnings of S$26.8 million on the back of revenue of S$80.7 million for the financial year ended December 31, 2013 ("FY2013").

THE RIGHT EQUILIBRIUM – ACHIEVING BALANCE FOR GROWTH

HOTEL INVESTMENT AND MANAGEMENT

In Singapore, as competitive conditions weighed in, lower revenue and profit from the Hotel Investment and Management segment was recorded, mainly from both Amara Singapore and Amara Sanctuary Resort Sentosa.

Undeterred by this, we remained firmly focused on upgrading our services and product offerings, staying attuned to changing lifestyle needs around the trendy Tanjong Pagar vicinity.

Notably, the Element restaurant at Amara Singapore was revamped and re-launched in December 2013. In recognition of its integrated F&B cuisines comprising of Amara Group's signature restaurant offerings, from Thanying, Silk Road and Café Oriental as well as Spanish Basque cuisines, the all-new Element has garnered raving reviews. We are confident that its chic interiors, coupled with the new creative bar concept Element on Tras Street – complete with DJ music and wide selection of F&B options, will appeal to urbanites and upwardly mobile professionals alike. Our continual emphasis on innovation to keep ahead of competition will provide us with the robustness to weather industry challenges.

Looking ahead, The Singapore Tourism Board aims to achieve tourism receipts of S$30 billion and 17 million visitor arrivals by 2015. Changi Airport too has seen a record of 53.7 million passengers in 2013 and continued to see good passenger traffic of 4.6 million in January 2014, up 6.3% year-on-year[2]. We are confident that Singapore, as a top tourism destination, will continue to be attractive to international investors, given the continual development of new world-class attractions, and intense efforts to attract strategic business and leisure events to Singapore.

On the hotel supply side, almost 3,000 new hotel rooms will be completed this year and this is expected to bring the total number of hotel rooms in Singapore to 60,000 by 2016, with hotel room rates expected to remain under pressure in 2014[3]. However, we have noted analysts' optimism that some new events in the pipeline may provide support and even help push room rates a little higher. These events include the crown jewel event of women's tennis – the WTA Championships – the F1 Singapore Grand Prix, and business conferences.

On our part, it has become even more important that we need to innovate to stay attractive to business and leisure travellers. We will focus on improving room yields as well as revenue from our food and beverage segment and at the same time, continue to improve our efficiency and productivity to accomplish greater output with fewer headcounts.

"OVERSEAS IN BANGKOK, WE ARE EXCITED TO BE OPENING OUR FULL SERVICE 250-ROOM HOTEL, AMARA BANGKOK, IN THE LATTER HALF OF 2014."

Overseas in Bangkok, we are excited to be opening our full service 250-room hotel, Amara Bangkok, in the latter half of 2014. Bangkok remains an attractive market for tourism, given its vibrancy, with various entertainment and shopping options. Amara Bangkok, which marks our first entry into Thailand, will add a new source of revenue contribution for the Group.

We are also pleased that construction of our mixed-use development in Shanghai, Amara Signature Shanghai, which is planned to comprise a 336-room hotel, retail centre and office building, is progressing well, and scheduled to be completed by end of 2015.

To grow both in Singapore and regionally, we need to focus on our core competency - to develop and manage hospitality assets and build the Amara brand equity - to enhance shareholders' value. We will continue to invest in recurring income-producing hospitality assets in the regional markets of ASEAN and Asia to grow our hospitality portfolio geographically.

[1] CNA, February 28, 2014
[2] The Business Times, February 25, 2014
[3] CNA, February 28, 2014

PROPERTY INVESTMENT AND DEVELOPMENT

Our newly re-opened 100 AM shopping mall has contributed to revenue, with higher rental in FY2013 as compared to the previous corresponding year, achieving almost full occupancy for this 126,000 sq ft retail podium. The only full-fledged shopping mall in the west-end of the Central Business District, 100 AM has close to 80 F&B and lifestyle brands. We are pleased that Fitness First, an anchor tenant, has started operations in March 2014. As for our 42,700 sq ft office tower, we have consistently seen full occupancy for this office annex, with anchor medical tenants being St. Andrew's Dental, MHC Medical Group and Seacare Medical Centre.

We expect contribution from our 100 AM shopping mall and office tower to increase going forward as we make continual gradual changes in tenant mix towards tenancies with higher yields.

Revenue and profit from property development was however lower, due to lower sales of residential development properties. CityLife@Tampines, our first Executive Condominium with hotel-inspired touches was fully sold at the beginning of 2013, but under Financial Reporting Standards, the revenue and profits can only be recognised upon TOP, which is expected to be in 2016. We also obtained TOP for Killiney 118 in January 2013, which is almost fully sold. We plan to launch the freehold development "M5" located at 5 Jalan Mutiara, which is close to the prime Orchard Road precinct in 2014, and expect progressive contribution from sales of this project to contribute to the Group's future performance.

Cooling measures implemented by the government, the anticipated increase in interest rates and the large supply of new residential units, have affected prices and demand in Singapore. Hence the property market is expected to soften even further. However, with Amara's diversified property portfolio – from commercial to retail to residential – we are more than able to stride forward with a strong footing.

"WITH AMARA'S DIVERSIFIED PROPERTY PORTFOLIO – FROM COMMERCIAL TO RETAIL TO RESIDENTIAL – WE ARE MORE THAN ABLE TO STRIDE FORWARD WITH A STRONG FOOTING."

We will continue to seek quality projects with the potential to offer good rental and development income, as well as enjoy potential appreciation in capital values. Whilst we are focused on property investment and development opportunities in Singapore, we do not rule out possibilities in the region as well. Indeed, as part of our geographical diversification, Amara Signature Shanghai will offer an office building and a retail centre when completed, adding to our property diversity.

We will also look for the right opportunity to replenish our landbank, and in Singapore, with a focus on first time home buyers and upgraders where we see sustained demand. Given our in-depth understanding of market trends and needs and a strong focus on the integration of aesthetics and functionality for all our property investments and developments, we are well-placed to ride the market well.

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services segment was likewise impacted by the slowdown of our Hotel operations. Whilst small, this segment continued to deliver a stream of income for the Group. This division is a highly complementary and strategic part of our Hotel operations, providing comprehensive service to our guests. We will be leveraging on the expansion of our hotel network in both Singapore and the region to grow our restaurants. Amara has developed a portfolio of award-winning concept restaurants including Thanying and Silk Road Restaurant which will offer all our guests with unique dining experiences in both Singapore and the region.

WORDS OF APPRECIATION AND PROPOSED DIVIDEND

2013 has been a challenging year. Nonetheless, the Amara team has shown their resilience and dedication in navigating through the volatilities. All that we have accomplished over this period would not have been possible without the hard work and dedication of all our staff and management. To them I want to say a big 'Thank You'.

To my fellow Directors, I am thankful for your invaluable guidance and wise counsel, co-steering the Group with a clear vision through good and bad times. We will also like to take this opportunity to welcome Mr Foo Ko Hing, who joined our Board as an Independent Director in June last year. I am confident that we will benefit from his broad experience.

"ALL THAT WE HAVE ACCOMPLISHED OVER THIS PERIOD WOULD NOT HAVE BEEN POSSIBLE WITHOUT THE HARD WORK AND DEDICATION OF ALL OUR STAFF AND MANAGEMENT."

I also want to express my deepest appreciation to our business partners and associates, who have rendered assistance and support in every way, as well as to our shareholders for their unwavering confidence in us.

As a reward to our loyal shareholders, we are pleased to propose a first and final dividend of 1.0 SGD cent per share in FY2013, 67% higher than the dividend that was paid out to shareholders in FY2012, at 0.6 SGD cent per ordinary share.

We remain firmly focused to grow our business to enhance shareholder value. Amara's solid foundation and established brand name will provide the platform to spur us forward as we achieve the right balance of our asset portfolio and head towards our vision of being a leading player in Asia's hospitality industry.

ALBERT TEO HOCK CHUAN
Chief Executive Officer

Element Cocktail

BOARD OF DIRECTORS

ALBERT TEO HOCK CHUAN

Chief Executive Officer

Mr Teo joined the Group as Non-Executive Director in 1970 and in 1984 as Executive Director responsible for the development of Amara Hotel, marking the Group's entry into the hotel industry. Currently he serves as the Chief Executive Officer and Chairman of the Board, as well as a member of the Nominating Committee.

Mr Teo has been instrumental in spearheading the direction and development of the Group. He plays a pivotal role in the Group's diversification and expansion strategy, particularly in broadening Amara's earnings base through penetration within the Asian region. 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 have been further consolidated with the newly revamped and rebranded mall – 100 AM, located in the heart of the Tanjong Pagar district which was successfully opened in November 2012. Going forward the Group's future earnings will be enhanced from upcoming projects including Amara Bangkok - a new business hotel development in Bangkok CBD, opening in the latter half of 2014; and Amara Signature Shanghai, a mixed-use development which comprises a hotel, office building and retail centre, target to open end 2015. He is optimistic that his target of building the Group into a sustainable multi billion dollar company is still on track.

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

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 Institutes.

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 2013.

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 Singapore Chartered Accountants 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 35 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 Singapore Chartered Accountants and CPA Australia.

CHANG MENG TENG

Non-Executive, Lead Independent Director

Er. Chang Meng Teng had his early education in Singapore. He pursued his studies in Britain and was awarded the Bachelor of Science in Electrical Engineering with honours in 1967 by the University of Strathclyde, Glasgow. Er. Chang did his post graduate engineering training in Britain and France. He was elected a Fellow of the Singapore Academy of Engineering in 2012.

Er. Chang is the Executive Chairman of Squire Mech Pte Ltd, a mechanical and electrical consulting engineering practice with operations in Malaysia, Vietnam and major cities in China. He was a Director of the Energy Market Company. He is currently an Independent Director of the listed Amara Holdings Limited and a Director / Treasurer of the Ang Mo Kio-Thye Hua Kwan Hospital. Er. Chang was appointed a director of the Energy Market Authority in April 2013.

Er. Chang's professional and administrative experiences commenced with the Electricity Department, Public Utilities Board, Singapore in 1967. He has held several senior positions in the Public Utilities Board including Distribution and Construction Superintendent in the Electricity Department. He was awarded the Public Administration Medal (Silver) in 1975 by the President of the Republic of Singapore for his significant contribution to the development and expansion of the power distribution networks in Singapore. Er. Chang was promoted to the Office of the General Manager as Assistant Director, a direct report to the General Manager, with responsibility for the management of the System Studies, Transport, Properties, Chief Chemist and Chief Architect Divisions of the Public Utilities Board.

In Squire Mech, Er. Chang 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 Award Winning, Energy Efficient Building, and 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.

Er. Chang had served on many government committees and statutory boards, including the Deputy Chair of the Public Transport Council and the Chair of the Electrical Engineering Advisory Committee of the Singapore Polytechnic. He was also a member of the Mechanical and Production Engineering Advisory Committee of the National University of Singapore. Er. Chang is active in both the engineering fraternity and the civic organisations. He was President, Institution of Engineers, Singapore from 1990 to 1992 and was the Honorary IT and M&E Advisor to the Real Estate Developers' Association for many years. He was conferred the Public Service Star (BBM) by the President of Singapore in 1987. Er. Chang was appointed a Justice of Peace of the Republic of Singapore in 1989. He is a Past President of the Society of Project Managers, Singapore. In 2012 Er. Chang was conferred the Public Service Star (Bar) by the President of the Republic of Singapore.

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 Deputy Board Chairman of St Francis Methodist School Ltd, a company limited by guaranty. He was a Senior Fellow with The Idea Factory, 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 operating 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 Memstar Technology Ltd.

FOO KO HING

Non-Executive, Independent Director

Mr Foo joined Amara Holdings Limited's Board in the second quarter of 2013 and was appointed as a member of Remuneration Committee in October.

He has over 15 years of experience in investment origination, structuring, monitoring and strategic growth assistance, with emphasis on the venture debt/equity investment and capital markets. He has previously served on the boards of various companies in various sectors listed on the SGX.

After leaving PricewaterhouseCoopers in 1986, he joined HSBC Group Singapore in the Trust and Fiduciary Business. He was later seconded to HSBC Bank Jersey C.I. in 1989 and was subsequently promoted to Executive Director, covering fiduciary activities, private banking, compliance and investment functions. He returned to Singapore in 1991, and resumed responsibilities with the HSBC Investment Bank Group for Private Banking and Trust Services as an Executive Director and Head of Business Development.

Mr Foo is a Singapore-based Co-Founder and Director of Cerealtech Pte Ltd, a food technology company specialised in enzyme application and micro ingredient development for the industrial baking sector. He currently sits on the Board of Gallant Venture Ltd, a company listed on the SGX Mainboard, and is a member of its audit, remuneration and nominating committees.

He holds an Honours Degree in Economics and Accounting from University of Newcastle Upon Tyne, UK.

Element on Tras Street, Amara Singapore

OPERATIONS AND FINANCIAL REVIEW

Amid a challenging year, we are pleased to report a set of steady operating results for the financial year ended December 31, 2013 ("FY2013").

In FY2013, Group Revenue decreased 11% to S$80.7 million from S$90.3 million in FY2012. Our Hotel Investment and Management segment contributed S$52.6 million to Group Revenue, 6% lower than in the previous corresponding year. The Property Investment and Development segment had a lower sales of residential properties; but this was offset by higher rental revenue from 100 AM shopping mall in FY2013 over FY2012.The Property Investment and Development segment contributed S$25.4 million to Group revenue, 18% lower than in FY2012. In FY2013, the Specialty Restaurants and Food Services segment contributed S$2.7 million to Group Revenue and remained profitable.

In line with lower sales of development properties, cost of properties sold decreased to S$7.6 million in FY2013 from S$14.5 million in FY2012. With the completion of restoration works of a property, depreciation rates were lower, and depreciation dropped 26% from S$4.5 million in FY2012 to S$3.3 million in FY2013. Other expenses increased 14% to S$24.3 million in FY2013 from S$21.4 million in FY2012 mainly due to higher operating costs for 100 AM shopping mall.

Given the above, the Group achieved earnings of S$26.8 million in FY2013, a 9% decline as compared to S$29.4 million in FY2012.

HOTEL INVESTMENT AND MANAGEMENT

Bright spots exist in the hospitality sector in Asia-Pacific and we are pleased that the Hotel Investment and Management segment continued to provide stable contribution to the Group.

With almost S$1 billion set aside in a Tourism Development Fund by the Singapore Government, the industry can expect new tourism projects to be developed, new events for leisure and business to be conceived and an upgrading of the whole industry. The hospitality sector in Singapore is also expected to benefit from February 2014's official opening of River Safari, Asia's first and only river-themed wildlife park. River Safari has already attracted more than 1.1 million visitors from over the world.

"...WE ARE PLEASED THAT THE HOTEL INVESTMENT AND MANAGEMENT SEGMENT CONTINUED TO PROVIDE STABLE CONTRIBUTION TO THE GROUP."

SINGAPORE

The Group's hotel assets in Singapore, Amara Singapore and Amara Sanctuary Resort are positioned to be robust on the back of an anticipated 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 hotel has 388 refurbished rooms. Amara Singapore also features a Grand Ballroom with an auditorium of 500 seating capacity, four function rooms to cater to events of all scales, a newly renovated trendy restaurant and bar - Element and Element on Tras Street – as well as Singapore's first hotel Futsal pitch.

The newly-renovated, trendy restaurant and bar, Element and Element on Tras Street at Amara Singapore is a unique creation that fuses food, drink, social dining and lifestyle in a sensational encompassing package.

Element offers a multi-cultural, multi-occasion, and integrated F&B experience in an inspirational setting. The restaurant and bar offers an International Buffet with stunning Spanish highlights prepared by Chef Mikel Badiola of Spain: a wide selection of pintxos and set menus that reflect the vibrant heritage of Spain and a la carte dishes featuring signature offerings from Silk Road, Thanying and Cafe Oriental; artisanal coffee – Toby's Estate from Australia - and a wide selection of international beers and wine.

In line with Amara's lifestyle-themed hotel concept, the Futsal pitch at Amara Singapore is Singapore's first and arguably Southeast Asia's first hotel Futsal pitch, with a size of 30 metres by 15 metres. As the first European styled and boarding concept, 5 or 6 aside pitch, it comes with a cushioned platform and uses the same world-class quality turf at the training grounds for the leading clubs in Germany and at the grounds of Jalan Besar Stadium in Singapore.

Amara Sanctuary Resort in Sentosa offers a unique combination of contemporary design and five-star hotel facilities and is our first boutique resort, will continue to charm all guests with 140 beautifully designed guest rooms, Courtyard and Verandah suites, Larkhill Terrace suites as well as villas.

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

REGIONAL HOTELS

Elsewhere in Shanghai and Bangkok, plans are progressing well for two developments in this segment.

Amara Bangkok, a 250-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 begin operations in the latter half of 2014, adding a new source of revenue contribution for the Group in 2014.

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 end 2015.

Amara Bangkok

Amara Sanctuary Resort Sentosa

Amara Singapore

PROPERTY INVESTMENT AND DEVELOPMENT

Amara has in our landbank, a freehold development at 5 Jalan Mutiara, which Amara plans to launch in 2014. This development is planned to be a 12-storey residential development with gross floor area of 2,355 sqm.

Killiney 118, which is an exclusive 6-storey, 30-unit residential block with a rooftop pool and landscape features, was awarded TOP in January 2013. We are also delighted that Killiney 118 has won the 13th Singapore Institute of Architects Design Award for Residential Projects.

> "WITH THE GROUP'S DIVERSIFIED INTERESTS IN RETAIL, OFFICE AND RESIDENTIAL DEVELOPMENTS, THE PROPERTY INVESTMENT AND DEVELOPMENT SEGMENT IS EXPECTED TO REMAIN BUOYANT."

As for CityLife@Tampines, a development by Amara Holdings Limited, Kay Lim Holdings and Singhaiyi Group Ltd., we are anticipating TOP to be awarded in 2016. Citylife@Tampines will be the first executive condominium project in Singapore to feature a home concierge service and a 100-metre infinity pool.

In the Singapore residential property market, the cooling measures implemented by the government, the anticipated increase in interest rates and the influx in supply of new residential units, have affected prices and demand, which are expected to soften even further.

However, with the Group's diversified interests in retail, office and residential developments, the Property Investment and Development segment is expected to remain buoyant.

Our 100 AM shopping mall has contributed to revenue, with higher rental in FY2013 as compared to the previous corresponding year, achieving almost full occupancy for this 126,000 sq ft retail podium. Our latest anchor tenant, Fitness First has started operations in March 2014. For our 42,700 sq ft office tower, we have full occupancy for this office annex, anchored by lifestyle medical services such as St. Andrew's Dental, MHC Medical Group and Seacare Medical Centre.

Amara Signature Shanghai will also offer an office building and a retail centre when completed, adding to our property diversity.

CityLife@Tampines

Pantumaca

SPECIALTY RESTAURANTS AND FOOD SERVICES

"OUR TWO AWARD-WINNING RESTAURANTS, THANYING RESTAURANT AND SILK ROAD RESTAURANT, ARE RECOGNISED AS PREMIER BRANDS, OFFERING DELECTABLE CUISINES RICH IN FLAVOUR AND HERITAGE."

Amara continued to maintain the high quality offerings of our restaurants. Our two award-winning restaurants, Thanying Restaurant and Silk Road Restaurant, are recognised as premier brands, offering delectable cuisines rich in flavour and heritage.

Since its inception in 1988, Thanying Restaurant has devotedly created culinary history by offering the most exquisite Royal Thai cuisine fit for 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 120, this exquisite Royal Thai cuisine can also be experienced in Sentosa.

Silk Road Restaurant, established in 2001, is a full service restaurant located at Amara Singapore, which features signature provincial 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.

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.

Thanying Restaurant, Amara Singapore


Element, Amara Singapore


Lobby, Amara Signature Shanghai


Facade, Amara Bangkok


Suite, Amara Bangkok

POSITIONED FOR GROWTH

The Singapore Tourism Board is targeting for visitor arrivals of 14.8 to 15.5 million in 2014, and to hit a long established target of 17 million visitors and S$30 billion in tourism receipts by 2015. Analysts expect visitor arrivals to be underpinned by a healthy outlook for travel in Southeast Asia and a strong pipeline of MICE events which include the 2014 Singapore Airshow, new attractions such as the River Safari, and events such as the Singapore Formula One Grand Prix[1].

The Tourism Council of Thailand (TCT) also projects 29.9 million foreign tourist arrivals in 2014, against an estimated 26.7 million for 2013. TCT also forecasts tourism revenue to grow 18 per cent to 1.35 trillion baht from this year's estimate of 1.16 trillion baht[2].

As at December 31, 2013, we maintained a healthy balance sheet with cash and bank balances at S$12.6 million. Net asset value per share rose from 48.48 cents in FY2012 to 53.16 cents in FY2013.

Given the positive industry prospects and Amara's healthy balance sheet, Amara is positioned to grow. As we move into FY2014, 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.

[1] 'More visitors – but spending didn't rise proportionately', Business Times, Dec 25, 2013
[2] 'Thailand Tourism Officials Optimistic About 2014 Arrivals, Despite Unrest', The Nation, Dec 22, 2013

ACCOLADES

HOTEL INVESTMENT AND MANAGEMENT

AMARA SANCTUARY RESORT, SENTOSA

The Best Hotels – Resorts Award 2010-2013
Awarded by Singapore Tatler

Excellent Service Award 2013
Awarded by Singapore Hotel Association and SPRING Singapore

Best Hotel Wedding Banquet
The Wedding Accolade 2013

Singapore Service Class 2012
Awarded by SPRING Singapore

Recommended by TripAdvisor 2012
Awarded by TripAdvisor

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

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

Arts Supporter Award 2013
Awarded by National Arts Council Patrons of the Arts Awards

Singapore Service Class 2006-2013
Awarded by SPRING Singapore

Recommended by TripAdvisor 2010-2013
Awarded by TripAdvisor

Hotel Security Award 2011-2013 Certificate of Excellence
Jointly awarded by Singapore Hotel Association, Singapore Police and National Crime Prevention Council

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

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

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

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, 2012-2013
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

SPECIALTY RESTAURANTS AND FOOD SERVICES

THANYING RESTAURANT

Singapore's Best Restaurants 1992-2013
Awarded by Singapore Tatler

Singapore's Top Restaurants 1997-2013
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 2003-2013
Awarded by Singapore Tatler

Singapore's Top Restaurants 2003-2013
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

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

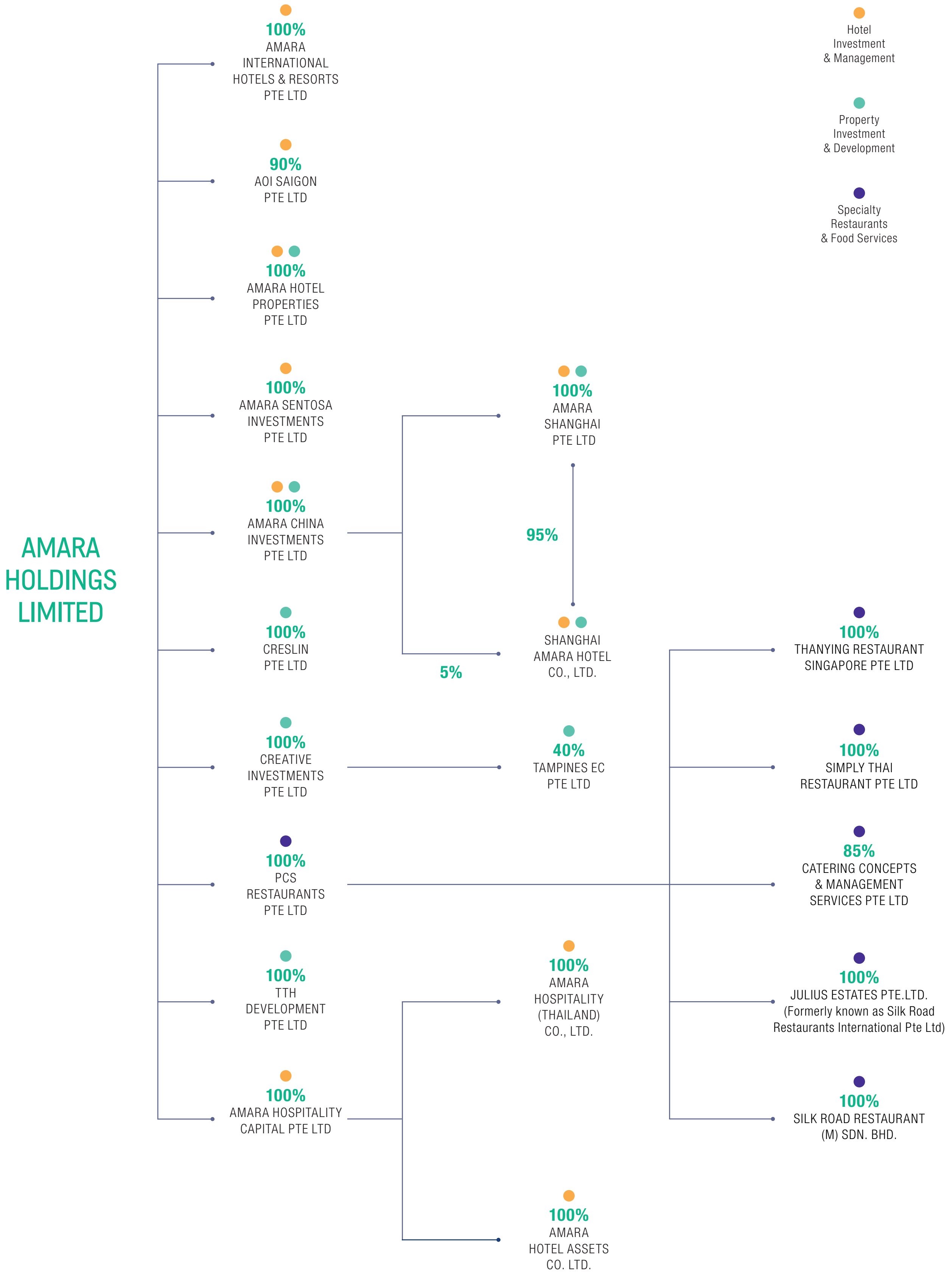
FINANCIAL HIGHLIGHTS

Financial year ended 31 December 2013

Income Statement	FY 2013 $'000	FY 2012 $'000
Revenue	80,678	90,258
Profit before tax	29,973	33,931
Income tax expense	(3,168)	(4,528)
Non-controlling interests	(7)	23
Profit attributable to shareholders	26,798	29,426
Financial Ratios	%	%
Profit attributable to shareholders as percentage of revenue	33.22	32.60
Gearing ratio	40.56	42.52
Per Share Unit	Cents	Cents
Earnings per share	4.64	5.10
Net tangible assets per share	52.96	48.28
Net assets value per share	53.16	48.48
Revenue by Country (%)	%	%
Singapore	100.00	100.00
Revenue by Activity (%)	%	%
Hotel Investment & Management	65.21	61.93
Property Investment & Development	31.42	34.11
Specialty Restaurants & Food Services	3.36	3.95
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 2012 (the "Code"). There are other sections of this annual report that contain information required by the Code and these should be read together with this report.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective 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 has identified areas for which the Board has direct responsibility for decision-making.

Matters which are specifically reserved to the Board for approval include:

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

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.

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

THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)

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	Remuneration Committee	Nominating Committee
Number of meetings held	4	4	3	1
Name of Directors	**Number of meetings attended**			
Albert Teo Hock Chuan	4	4*	3*	1
Susan Teo Geok Tin	4	4*	3*	1*
Lawrence Mok Kwok Wah	4	4	3	1*
Chang Meng Teng	3	3	3	1
Richard Khoo Boo Yeong	3	3	3	1
Alphonsus Chia Chung Mun	4	4	-	-
Foo Ko Hing[1]	2	2*	3#	-

* By invitation

\# Including one meeting by invitation

[1] Appointed as a Director on 17 June 2013 and as a Remuneration Committee member on 11 October 2013

Senior management staffs 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.

Orientation, Briefings, Updates and Trainings Provided for Directors

The Company has in place an orientation program for new directors. Each new incoming director is issued a formal letter of appointment setting out his duties and obligations.

Newly appointed directors are briefed by the Board to familiarise them with the Group's business and its strategic directions. The Company will arrange an incoming director to meet up with the senior management and the Company Secretary to familiarise himself with their roles, the organisation structure and business practices of the Group. This will enable him to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary. The newly appointed director for FY2013, Mr Foo Ko Hing, was briefed by the executive directors on the Group's businesses and met up with senior management and the Company Secretary. Mr Foo also attended the Budget Meeting of Amara Singapore in November 2013 which gave him valuable insights into the regulatory and commercial environment in which the Group operates in, and the various operations and processes of the Group.

The NC is charged with reviewing the training and professional development of Directors. All Directors are provided with regular updates on the latest governance and listing policies. The NC will recommend appropriate courses and seminars and arrange for updates by professionals as it deems relevant to improving the performance of the individual Directors and the whole Board.

Briefings and updates provided for Directors in FY2013 included the following:

- The external auditors briefed the AC members on developments in accounting and governance standards.
- The Board was briefed on the revisions to the 2005 Code of Corporate Governance and the guidelines of the revised Code by the Company Secretary.
- The CEO updates the Board at each Board meeting on the Group's business and strategic developments.
- The senior management highlights the salient operational and risk management issues to the Board.

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

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders (as defined in the Code). No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of seven directors, of whom four are independent and non-executive directors and one is a non-independent, non-executive director. Accordingly, more than half of the Board is made up of independent directors. The executive directors are Mr Albert Teo Hock Chuan and Ms Susan Teo Geok Tin. The non-independent and non-executive director is Mr Lawrence Mok Kwok Wah. The independent directors are Mr Chang Meng Teng, Mr Richard Khoo Boo Yeong, Mr Alphonsus Chia Chung Mun and Mr Foo Ko Hing. 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.

Each of the independent directors has declared his independence in accordance with the guidelines of the Code.

Mr Chang Meng Teng and Mr Richard Khoo have served more than nine years on the Board. The Board (without the participation of Mr Chang and Mr Khoo) noted that Mr Chang and Mr Khoo have none of the relationships which make them non-independent. The Board was of the view that they have engaged the Board in constructive discussion, their contributions are relevant and reasoned, and they have exercised independent character and judgement without dominating the discussion. The Board further recognised that they have over the years develop significant insights into the Group's business and operations, and can continue to provide invaluable contribution objectively to the Board as a whole. Therefore, Mr Chang and Mr Khoo are considered independent by the Board.

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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Chang Meng Teng, a member of the NC, was appointed as the Company's Lead Independent Director on 20 March 2014. Mr 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 staffs (who are not executive directors) are in attendance at Board and Committees meetings whenever necessary.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

The NC comprises:

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

The NC carried out their duties in accordance with the terms of reference which include the following:

a) Identifying and selecting members of the Board for the purpose of recommending such nomination to the Board for its approval on board appointments;
b) Assessing the effectiveness of the Board as a whole and contribution by each director;
c) Assessing the independence of each director annually;
d) Reviewing succession plans for directors; and
e) Reviewing training and professional development of directors.

For the selection and appointment of a new director, the NC will determine the desired competencies to complement the skills and competencies of the existing directors. Potential candidates are sourced from a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external consultants can be considered.

The NC will interview shortlisted candidates to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment to the Board for approval. Adopting the foregoing selection process, Mr Foo Ko Hing was appointed by the Board during 2013 to hold office until the forthcoming Annual General Meeting ("AGM") and is eligible for re-election.

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 AGM. 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.

The Board has determined the maximum number of board appointments in listed companies that a director can hold, which shall not be more than six, so as to ensure that the directors are able to commit their time to effectively discharge their responsibilities. All the directors currently do not hold more than six listed company board representations. The NC is satisfied that each individual director has allocated sufficient time and resources to the affairs of the Company. The NC has recommended the re-election of Mr Foo Ko Hing and Mr Lawrence Mok Kwok Wah, and the re-appointment of Mr Chang Meng Teng and Mr Richard Khoo Boo Yeong, at the forthcoming AGM. Mr Richard Khoo Boo Yeong and Mr Chang Meng Teng has each abstained from the NC's deliberation on his re-appointment.

As mentioned above, the NC is charged with determining annually whether a director is independent. The NC has reviewed and determined that the independent directors are independent. Mr Richard Khoo Boo Yeong and Mr Chang Meng Teng has each abstained from such NC's review.

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

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its committees and the contribution by each director to the effectiveness of the Board.

The NC is of the view that the Board's current size is satisfactory and that it is appropriate for effective decision making, taking into account the nature, size and scope of the Group's operations.

The NC has established a formal evaluation process to assess the effectiveness of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contributions of each director to the effectiveness of the Board. The NC, along with the participation of the executive directors, carried out an evaluation and discussed the results of the evaluation of Board performance. The NC also reviewed and discussed each director's performance and contribution to the effectiveness of the Board. The NC is satisfied that the Board has been effective in the conduct of its duties and the directors have each contributed to the effectiveness of the Board.

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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

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

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

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

REMUNERATION MATTERS

Principle 7: 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 RC comprises:

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

The RC carried out its duties in accordance with the terms of reference which include the following:

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.

REMUNERATION MATTERS (CONTINUED)

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

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, ex-gratia payments, options and benefits-in-kind will be reviewed by the RC. No member of the RC or any director is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

DISCLOSURE ON REMUNERATION

Principle 9: Every 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 management personnel, and performance.

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

For the current year, the Board has recommended a fee for non-executive directors which is subject to approval at the 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. The service agreements cover the terms of employment, salaries and other benefits.

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	**2013**	**2012**
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	5	4
Total	7	6

LEVEL AND MIX OF REMUNERATION (CONTINUED)
DISCLOSURE ON REMUNERATION (CONTINUED)

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 Mr Albert Teo Hock Chuan, Ms Susan Teo Geok Tin and Mr Lawrence Mok Kwok Wah.

Employee Share Scheme

The Company currently has no employee share scheme in place.

ACCOUNTABILITY AND AUDIT

Principle 10: 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.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

INTERNAL AUDIT

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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

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

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;

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)
AUDIT COMMITTEE (CONTINUED)
INTERNAL AUDIT (CONTINUED)

- reviews any significant findings of internal investigations and management's response;
- makes recommendations to the Board on the appointment of external auditors, the audit fee and any questions of their resignation or dismissal;
- reviews and approves the appointment, replacement, reassignment or the dismissal of the internal auditors;
- monitors interested person transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of action that raises questions of management integrity; and
- 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 AC has met with the external and internal auditors without the presence of the Company's management annually and reviewed the non-audit services provided by the external auditors and is satisfied that the nature and extent of the services would not affect their independence and objectivity. The AC has recommended to the Board that the external auditors be re-appointed.

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

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

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.

For the financial year ended 31 December 2013, the Board has received letters of assurance from the CEO and the Group Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and on the effectiveness of the Group's risk management and internal controls system. 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.

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

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

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, 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 Company's AGM is the principal forum for dialogues with shareholders. The whole Board together with the management and the external auditors are normally present at the AGM to address shareholders' queries, if any. 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.

Shareholders are encouraged to attend the AGM and EGM (if any) to ensure high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the meetings will be advertised in newspapers and announced on SGXNET.

INTERESTED PERSON TRANSACTIONS

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

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

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

DEALINGS IN SECURITIES

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

MATERIAL CONTRACTS

There were no material contracts of the Company involving the interests of the Chief Executive Officer, each director or controlling shareholder entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

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 2013.

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
Foo Ko Hing (appointed on 17 June 2013)

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 31.12.2013	At 1.1.2013	**At 31.12.2013**	At 1.1.2013
	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' 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 31.12.2013	At 1.1.2013	**At 31.12.2013**	At 1.1.2013
	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.

	Holdings registered in name of director/nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2013	At 1.1.2013	**At 31.12.2013**	At 1.1.2013
	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

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 31.12.2013	At 1.1.2013	**At 31.12.2013**	At 1.1.2013
	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 2014 were the same as at 31 December 2013.

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

MATERIAL CONTRACTS

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

AUDIT COMMITTEE

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

Chang Meng Teng (Chairman)
Richard Khoo Boo Yeong
Lawrence Mok Kwok Wah
Alphonsus Chia Chung Mun

This subcommittee of the Board had four 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.

AUDIT COMMITTEE (CONTINUED)

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;

- 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.

AUDIT COMMITTEE (CONTINUED)

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

INDEPENDENT AUDITOR

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

On behalf of the directors

ALBERT TEO HOCK CHUAN
Director

CHANG MENG TENG
Director

25 March 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2013

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 112 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 2013 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 Financial 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

25 March 2014

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 112 which comprise the statements of financial position of the Group and the Company as at 31 December 2013, 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 2013 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
Chartered Accountants
Singapore

25 March 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2013

		The Group	
		2013	2012
	Notes	**$'000**	$'000
Revenue	3	80,678	90,258
Other income	4	12,598	11,861
Changes in inventories of finished goods		6	(97)
Cost of properties sold /consumables used		(13,167)	(20,604)
Staff costs	9	(18,339)	(17,507)
Depreciation	22	(3,301)	(4,463)
Finance costs	5	(3,782)	(4,151)
Other expenses	6	(24,279)	(21,366)
Share of results of associate, net of tax	19	(441)	–
Profit before tax	7	29,973	33,931
Income tax expense	10	(3,168)	(4,528)
Profit for the year		26,805	29,403
Other comprehensive income /(loss) after tax:			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of financial statements of foreign subsidiaries		3,356	(2,447)
Fair value gains on cash flow hedge		232	1,041
Fair value gains on available-for-sale financial assets, net		72	117
Other comprehensive income /(loss) for the year, net of tax		3,660	(1,289)
Total comprehensive income for the year		30,465	28,114
Profit attributable to:			
Equity holders of the Company		26,798	29,426
Non-controlling interests		7	(23)
Profit for the year		26,805	29,403
Total comprehensive income attributable to:			
Equity holders of the Company		30,458	28,137
Non-controlling interests		7	(23)
		30,465	28,114
Earnings per ordinary share attributable to the equity holders of the Company			
Basic and diluted (cents)	11	4.64	5.10

The accompanying notes form an integral part of these financial statements.
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STATEMENTS OF FINANCIAL POSITION

As at 31 December 2013

		The Group		The Company	
		2013	2012	**2013**	2012
	Notes	**$'000**	$'000	**$'000**	$'000
Current assets					
Cash and cash equivalents	12	12,565	15,226	44	65
Trade and other receivables	13	12,981	7,890	43,694	40,957
Inventories	14	339	345	–	–
Development properties	15	45,044	67,783	–	–
Other current assets	16	2,642	1,481	3	5
		73,571	92,725	43,741	41,027
Non-current assets					
Available-for-sale financial assets	17	1,315	1,276	188	165
Intangible assets	18	357	357	–	–
Investment in an associate	19	2,098	2,539	–	–
Investment in subsidiaries	20	–	–	40,937	40,937
Investment properties	21	279,000	261,000	–	–
Property, plant and equipment	22	176,086	147,406	–	–
Goodwill	23	789	789	–	–
Other assets	24	6,800	6,912	–	–
Trade and other receivables	13	30,483	29,892	–	–
Deferred income tax assets	25	494	505	–	–
		497,422	450,676	41,125	41,102
Total assets		570,993	543,401	84,866	82,129
Current liabilities					
Trade and other payables	26	24,385	26,552	565	214
Tax payables		5,594	3,256	–	–
Borrowings	27	12,861	42,748	–	–
		42,840	72,556	565	214
Non-current liabilities					
Trade and other payables	26	5,865	3,407	–	–
Borrowings	27	208,946	179,281	–	–
Deferred income tax liabilities	25	6,743	8,561	–	–
		221,554	191,249	–	–
Total liabilities		264,394	263,805	565	214
Net assets		306,599	279,596	84,301	81,915
Capital and reserves attributable to equity holders of the Company					
Share capital	28	125,646	125,646	125,646	125,646
Reserves		181,057	154,061	(41,345)	(43,731)
		306,703	279,707	84,301	81,915
Non-controlling interests		(104)	(111)	–	–
Total equity		306,599	279,596	84,301	81,915

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 2013

	Note	Equity attributable to equity holders of the Company									
		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
The Group											
Opening balance at 1 January 2013		125,646	9,773	92	(317)	(232)	144,745	154,061	279,707	(111)	279,596
Profit for the year		–	–	–	–	–	26,798	26,798	26,798	7	26,805
Other comprehensive income											
Currency translation differences on translation of financial statements of foreign subsidiaries		–	–	3,356	–	–	–	3,356	3,356	–	3,356
Fair value gains on cash flow hedge		–	–	–	–	232	–	232	232	–	232
Fair value gains on available-for-sale financial assets, net		–	–	–	72	–	–	72	72	–	72
Other comprehensive income for the year, net of tax		–	–	3,356	72	232	–	3,660	3,660	–	3,660
Total comprehensive income for the year		–	–	3,356	72	232	26,798	30,458	30,458	7	30,465
Dividend relating to 2012	29	–	–	–	–	–	(3,462)	(3,462)	(3,462)	–	(3,462)
Balance at 31 December 2013		125,646	9,773	3,448	(245)	–	168,081	181,057	306,703	(104)	306,599

* Includes other reserves of $112,000 as at 31 December 2013 (2012: $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 2013

	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		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 2013

	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 2013		125,646	(44,661)	4	926	(43,731)	81,915
Profit for the year		–	5,823	–	–	5,823	5,823
Other comprehensive income							
Fair value gains on available -for-sale financial assets, net		–	–	25	–	25	25
Total comprehensive income for the year		–	5,823	25	–	5,848	5,848
Dividend relating to 2012	29	–	(3,462)	–	–	(3,462)	(3,462)
Balance at 31 December 2013		125,646	(42,300)	29	926	(41,345)	84,301
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
Other comprehensive income							
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

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 2013

		The Group	
		2013	2012
	Note	$'000	$'000
Cash flows from operating activities			
Profit before tax		29,973	33,931
Adjustments for:			
Fair value gains (net) of investment properties		(11,524)	(11,321)
Amortisation of other assets		112	112
Impairment of goodwill		–	55
Exchange difference		898	(181)
Depreciation of property, plant and equipment		3,301	4,463
Income from financial assets		(45)	(36)
Interest income		(554)	(301)
Interest expense		3,782	4,151
Loss from disposal of available-for-sale financial assets		2	–
Gain on disposal of property, plant and equipment		(54)	–
Property, plant and equipment written off		405	70
Share of associate results, net of tax		441	–
Operating cash flow before working capital changes		26,737	30,943
Changes in operating assets and liabilities:			
Inventories		6	97
Receivables		(6,639)	(1,328)
Payables		1,008	1,412
Development properties		18,058	(31,330)
Cash generated from /(used in) operations		39,170	(206)
Income tax paid, net		(2,637)	(2,270)
Net cash generated from /(used in) operating activities		36,533	(2,476)
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		33	–
Purchase of available-for-sale financial assets		(2)	–
Payments for property, plant and equipment (Note A)		(30,453)	(8,652)
Proceeds from disposal of property, plant and equipment		64	–
Additional costs incurred on investments properties		(1,796)	(26,353)
Advances to an associate		–	(29,532)
Advances to a third party		(360)	(360)
Repayment from a third party		156	–
Investment in an associate		–	(2,539)
Income received from quoted equity investments		45	36
Interest received		554	301
Net cash used in investing activities		(31,759)	(67,099)

The accompanying notes form an integral part of these financial statements.
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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the financial year ended 31 December 2013

		The Group	
		2013	2012
	Note	**$'000**	$'000
Cash flows from financing activities			
Interest paid		(3,782)	(4,151)
Dividends paid to shareholders of Amara Holdings Limited		(3,462)	(3,462)
Repayment of finance lease liabilities		(104)	(585)
Repayment of bank borrowings		(79,758)	(37,180)
Proceeds from bank borrowings		79,468	118,849
Net cash (used in) /generated from financing activities		(7,638)	73,471
Net (decrease) /increase in cash and cash equivalents held		(2,864)	3,896
Cash and cash equivalents at beginning of financial year		15,226	11,443
Effects of exchange rate changes on cash and cash equivalents		203	(113)
Cash and cash equivalents at end of financial year	12	12,565	15,226

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $30,663,000 (2012: $8,652,000) of which $210,000 (2012: Nil) was financed by means of finance lease. Cash payment of $30,453,000 (2012: $8,652,000) was made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements.
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

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 did not have any material effect on the financial results or financial position of the Group and Company for the financial year except as disclosed below:

FRS 113 Fair Value Measurement

FRS 113 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it provides a consistent definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

At the end of the reporting period, the following FRS and INT FRS were issued, revised or amended but not effective:

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
INT FRS 121	Levies
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities

The Group anticipates that the adoption of these FRS 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.

(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, deferred income tax assets and deferred income tax liabilities at 31 December 2013 were $5,594,000 (2012: $3,256,000), $494,000 (2012: $505,000) and $6,743,000 (2012: $8,561,000), 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 as disclosed in Note 2(e). The carrying amounts of the Group's property, plant and equipment at 31 December 2013 were $176,086,000 (2012: $147,406,000). 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Significant accounting estimates and judgments (continued)

(1) Key sources of estimation uncertainty (continued)

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 is 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 investment in an associate, property, plant and equipment and goodwill and Company's investment in subsidiaries, net of impairment loss at the end of the reporting period are disclosed in Notes 19, 22, 23 and 20 to the financial statements.

iv) 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 the investment properties' fair value as at 31 December 2013.

The valuation techniques and inputs used to determine the fair value of the investment properties are further explained in Note 36.

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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (continued)

(3) Revenue from development properties

Revenue from development properties are recognised in accordance with the Group's accounting policy on development properties (Note 2(k)).

(4) Management fee

Management fee income is recognised when services are rendered.

(5) Dividend income

Dividend income is recognised 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Group accounting (continued)

(2) Basis of consolidation (continued)

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.

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 re-measured 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Group accounting (continued)

(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 long-term interests that form part of the Group's interest in the associate, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

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

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

(1) Operating supplies

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

(2) Capital project in progress

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

(3) Depreciation

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

	%
Freehold property	2
Leasehold land and buildings	1.1 – 5
Plant and machinery, furniture, fixtures and equipment	5 – 331/3
Motor vehicles	20
Renovations	10

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at 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.

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 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 and subsquently carried at fair value determined annually by independent professional valuers on the highest-and-best-use basis. 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. The cost of major renovations and improvements to investment properties is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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.

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.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

(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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Development properties

Revenue and costs are recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs on a continuous transfer basis as construction progresses. Under the percentage of completion method, profits are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on physical surveys of work completed at the end of each reporting period. Profits are recognised only in respect of properties with finalised sales agreements. Where it is probable that development costs will exceed total revenue, full provision for expected losses is made in the financial statements after adequate consideration has been made for estimated costs to completion. Developments are considered complete upon the issue of Temporary Occupation Permits.

Revenue and costs are recognised based on the completed contract method when the transfer of significant risks and rewards of ownership coincides with the time when the property is completed or when the development units are delivered to the purchasers.

(1) Completed properties held for sale

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

(2) Properties under development

Sold development properties

For sold development properties where the Group recognises revenue by the percentage of completion method, the properties under development are stated at cost plus an estimated portion of the attributable profit 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 as part of the cost of the development property 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the 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 (except for financial guarantees) are 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.

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

Leaser where the Group retains substantially all the risk and rewards incidental to ownership of the asset are classified as operating leases. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income taxes (continued)

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 income tax is measured based on the tax consequence that will follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. The carrying amount of the investment properties measured at fair value is presumed to be recovered through sale.

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

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Foreign currency translation (continued)

(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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Government grants

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

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

(w) Share capital

Ordinary shares are classified as equity.

(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 - interest rate swaps

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash flow hedges - interest rate swaps (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	
	2013	2012
	$'000	$'000
Room, food and beverage and other revenue	55,711	59,464
Rental income from investment properties	13,840	4,134
Revenue recognised on development properties	10,594	26,446
Others	533	214
	80,678	90,258

4. OTHER INCOME

	The Group	
	2013	2012
	$'000	$'000
Other income		
- Amortisation of fair value adjustment on advances to an associate	532	239
- Fair value gains (net) of investment properties	11,524	11,321
- Gain on disposal of property, plant and equipment	54	–
- Income from available-for-sale financial assets	40	32
- Others	426	207
	12,576	11,799
Interest income - fixed deposits	22	62
	12,598	11,861

5. FINANCE COSTS

	The Group	
	2013	2012
	$'000	$'000
Interest expense		
- Finance leases	16	32
- Bank loans and overdraft	3,766	4,119
	3,782	4,151

6. OTHER EXPENSES

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

7. PROFIT BEFORE TAX

	The Group	
	2013	2012
	$'000	$'000
Profit before tax is arrived at after:		
Charging/(Crediting):		
Allowance for doubtful trade receivables	25	8
Allowance for doubtful non-trade receivables	86	–
Allowance for doubtful trade receivables written back	(5)	–
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	120	119
Audit fees payable/paid to the other auditors*	10	9
Bad debts written off (trade)	2	23
Bad debts written off (non-trade)	15	–
Directors' fees	157	141
Impairment of goodwill (Note 23)	–	55
Net foreign exchange loss	82	381
Other fees payable/paid to the auditor of the Company	19	26
Property, plant and equipment written off	405	70
Rental expense - operating leases	2,191	2,145

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

8. REMUNERATION BANDS OF DIRECTORS OF THE COMPANY

	The Group	
	2013	2012
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	5	4
Total	7	6

The depreciation charges relating to motor vehicles of the Group which were made available for the use of the directors were $88,862 (2012: $67,780). These amounts have been included in the remuneration of directors of the Company for the purposes of this Note.

9. STAFF COSTS

	The Group	
	2013	2012
	$'000	$'000
Wages and salaries	15,354	14,583
Employer's contribution to the Central Provident Fund	1,836	1,694
Other benefits	1,149	1,230
	18,339	17,507

10. INCOME TAX EXPENSE

	The Group	
	2013	2012
	$'000	$'000
Tax expense attributable to the results is made up of:		
Current income tax	5,322	2,700
Deferred income tax (Note 25)	(1,818)	1,942
	3,504	4,642
(Over) /under provision in preceding financial years:		
- Current income tax	(347)	(24)
- Deferred income tax (Note 25)	11	(90)
	3,168	4,528

10. INCOME TAX EXPENSE (CONTINUED)

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

	The Group	
	2013	2012
	$'000	$'000
Profit before tax	29,973	33,931
Share of loss of associate, net of tax	441	–
Profit before tax and share of loss of associate	30,414	33,931
Tax calculated at a tax rate of 17%	5,170	5,768
Singapore statutory stepped income exemption	(130)	(99)
Effect of different tax rates in other countries	(83)	(62)
Expenses not deductible for tax purposes	1,145	1,071
Income not taxable	(2,050)	(2,000)
Utilisation of deferred tax asset previously not recognised	(91)	(39)
Corporate income tax rebate and tax incentives	(233)	(94)
Others	(224)	97
	3,504	4,642

11. EARNINGS PER ORDINARY SHARE

	The Group	
	2013	2012
Profit after tax attributable to the equity holders of Amara Holdings Limited ($'000)	26,798	29,426
Number of ordinary shares in issue ('000)	576,936	576,936
Basic and diluted earnings per ordinary share (cents)	4.64	5.10

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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	10,830	14,009	44	65
Fixed deposits	1,735	1,217	–	–
	12,565	15,226	44	65

Included in the above is an amount of $1,089,000 (2012: $5,764,000) held under the Housing Developers (Project Account) Rules (1997 Ed) where withdrawals from which are restricted to payments for project expenditure incurred.

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

12. CASH AND CASH EQUIVALENTS (CONTINUED)

The Group's fixed deposits with banks mature on varying dates within 1 to 3 months (2012: 1 to 3 months) from the financial year end. The weighted average effective interest rate of these deposits as at 31 December 2013 was 1.26% (2012: 1.28%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore Dollar	10,946	11,658	44	65
United States Dollar	94	2,168	–	–
Renminbi	1,069	1,090	–	–
Thai Baht	453	295	–	–
Others	3	15	–	–
	12,565	15,226	44	65

13. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
(a) Current				
Trade receivables				
- Third parties	10,715	6,090	2	21
Less: Allowance for doubtful trade receivables	(420)	(1,268)	–	(17)
Trade receivables - net	10,295	4,822	2	4
Non-trade receivables				
- Third parties	5,220	5,540	2	–
- Subsidiaries	–	–	43,690	40,953
	5,220	5,540	43,692	40,953
Less: Allowance for doubtful non-trade receivables	(2,534)	(2,472)	–	–
Non-trade receivables - net	2,686	3,068	43,692	40,953
	12,981	7,890	43,694	40,957

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.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Current (continued)

Included in the Group's non-trade receivable balance net of impairment is an amount due from a third party with a carrying amount of $2,500,000 (2012: $2,414,000) which is past due at the end of the reporting period.

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

	The Group	
	2013	2012
	$'000	$'000
(b) Non-current		
Advances to an associate	30,063	29,532
Advances to a third party	420	360
	30,483	29,892

The advances to an associate and a third party 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 other receivables at the end of the reporting period are as follows:

	The Group	
	2013	2012
	$'000	$'000
Advances to an associate	29,854	29,292
Advances to a third party	399	327
	30,253	29,619

The fair value of the above advances are computed based on cash flows discounted at market borrowing rate of 1.73% (2012: 1.80%) per annum at the end of the reporting period.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore Dollar	39,916	35,243	43,694	40,957
United States Dollar	2,500	2,381	–	–
Others	1,048	158	–	–
	43,464	37,782	43,694	40,957

14. INVENTORIES

	The Group	
	2013	2012
	$'000	$'000
Food and beverage, at cost	180	212
Other hotel and catering supplies, at cost	159	133
	339	345

15. DEVELOPMENT PROPERTIES

	The Group	
	2013	2012
	$'000	$'000
Properties under development	38,806	65,413
Completed properties held for sale	6,238	2,370
	45,044	67,783

(a) Properties under development

	The Group	
	2013	2012
	$'000	$'000
Land, development and other related costs	38,806	66,135
Add: Attributable profits	–	11,914
	38,806	78,049
Less: Progress billings	–	(12,636)
	38,806	65,413
Representing:		
Unsold development properties	38,806	51,603
Due from customers on development property	–	13,810
	38,806	65,413
Borrowing costs capitalised during the financial year	30	173

The weighted average effective interest rate of borrowing costs capitalised for the year ended 31 December 2013 is Nil (2012: 1.74%) per annum.

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

15. DEVELOPMENT PROPERTIES (CONTINUED)

The Group's development properties as at 31 December 2013 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 with 1 level basement carparks and swimming pool	100
(iii)	5 Jalan Mutiara, Singapore	Freehold	Under development/ 2015	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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Deposits	1,161	974	–	–
Prepayments	1,472	500	3	3
Staff advances	9	6	–	–
Other receivables	–	1	–	2
	2,642	1,481	3	5

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

16. OTHER CURRENT ASSETS (CONTINUED)

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

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore Dollar	399	440	–	2
United States Dollar	630	445	–	–
Renminbi	114	88	–	–
Thai Baht	27	8	–	–
	1,170	981	–	2

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore quoted investments				
- Equity shares in corporations	1,315	1,246	188	165
- Quoted unit trust	–	30	–	–
At fair value	1,315	1,276	188	165

The fair values of quoted investments are determined by reference to Singapore Exchange quoted bid prices at the end of the reporting period.

18. INTANGIBLE ASSETS

	The Group	
	2013	2012
	$'000	$'000
Club memberships	532	532
Less: Impairment loss	(175)	(175)
	357	357

19. INVESTMENT IN AN ASSOCIATE

	The Group	
	2013	2012
	$'000	$'000
Unquoted equity shares, at cost	400	400
Fair value adjustment	2,139	2,139
Share of loss, net of tax	(441)	–
	2,098	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.

19. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The fair value adjustment arose from advances granted to an associate during the previous financial year. The fair value is computed based on cash flows discounted at market borrowing rate of 1.80% (2012: 1.80%) 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	
	2013	2012
	$'000	$'000
Assets	374,925	264,552
Liabilities	375,034	263,558
Revenue	–	–
Net losses	(1,103)	(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	
			2013	2012
			%	%
Held by Creative Investments Pte Ltd				
Tampines EC Pte Ltd*	Real estate development	Singapore	40	40

* Unaudited management accounts for the financial year ended 31 December 2013 were used in the preparation of the Group's financial statements.

20. INVESTMENT IN SUBSIDIARIES

	The Company	
	2013	2012
	$'000	$'000
Unquoted equity investment, at cost	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	
	2013	2012
	$'000	$'000
At 1 January and 31 December	9,829	9,829

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	
			2013	2012	**2013**	2012
			%	%	**$'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

20. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Country of incorporation and business	Proportion of ownership interest	
			2013	2012
			%	%
Held by PCS Restaurants Pte Ltd				
Catering Concepts & Management Services Pte Ltd	Dormant	Singapore	85	85
Julius Estates Pte Ltd (formerly known as Silk Road Restaurants International Pte Ltd)	Property investment and franchisor	Singapore	100	100
Thanying Restaurant Singapore Pte Ltd	Restaurateur	Singapore	100	100
Simply Thai Restaurant Pte Ltd	Restaurateur	Singapore	100	100
Silk Road Restaurant (M) Sdn Bhd	Dormant	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	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.

21. INVESTMENT PROPERTIES

	The Group	
	2013	2012
	$'000	$'000
At beginning of year	261,000	214,500
Additions	1,796	13,666
Transfer from development property	4,680	–
Fair value gain adjustment	11,524	11,321
Transfers from property, plant and equipment (Note 22)	–	21,513
At end of year	279,000	261,000

(a) The valuation techniques and inputs used in the valuation to determine the fair values of the investment properties are disclosed in Note 36.

(b) At the end of the reporting period, 100 AM with aggregate carrying amount of $264,000,000 (2012: $261,000,000) 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 2013 are set out below:

Address	Held by	Title	Net lettable area (sq ft)	Description
100 Tras Street, Singapore	Amara Hotel Properties Pte Ltd	Leasehold 99 years commencing 17 August 1979	126,431	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	42,755	100 AM, 12-storey office building
118 Killiney Road, #01-01 Singapore	Julius Estates Pte Ltd	Freehold	3,980	1st floor commercial space within a 6-storey apartment

(d) In the consolidated statement of comprehensive income, rental income of $13,840,000 (2012: $4,134,000) was generated from investment properties, and direct operating expenses include $5,617,000 (2012: $3,393,000) relating to investment properties that generated rental income during the year.

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 2013								
- 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
Exchange rate adjustment	–	1,970	8	–	–	–	359	2,337
Additions, at cost	–	257	332	253	128	45	29,648	30,663
Transfers, at cost	–	4,929	710	–	(3,656)	(5)	(1,978)	–
Reclassification	–	–	(14)	–	–	–	–	(14)
Adjustments	–	(358)	(16)	–	(111)	–	–	(485)
Disposals/write off	–	(36)	(584)	(167)	(17,256)	(139)	–	(18,182)
At 31 December 2013	491	154,995	19,245	1,394	6,700	2,907	47,211	232,943
Representing:								
- Cost	491	102,795	19,245	1,394	6,700	2,907	47,211	180,743
- Valuation	–	52,200	–	–	–	–	–	52,200
	491	154,995	19,245	1,394	6,700	2,907	47,211	232,943
Accumulated depreciation and impairment								
At 1 January 2013	158	36,624	13,812	1,058	19,566	–	–	71,218
Exchange rate adjustment	–	112	9	–	1	–	–	122
Depreciation	10	1,090	1,321	167	713	–	–	3,301
Transfers	–	836	35	–	(871)	–	–	–
Reclassification	–	–	(14)	–	–	–	–	(14)
Disposals/write off	–	(5)	(411)	(167)	(17,187)	–	–	(17,770)
At 31 December 2013	168	38,657	14,752	1,058	2,222	–	–	56,857
Net carrying amount								
At 31 December 2013	323	116,338	4,493	336	4,478	2,907	47,211	176,086

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 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	–	–	(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

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	2013 **$'000**	2012 $'000
Plant and machinery, furniture, fixtures and equipment	462	674
Motor vehicles	330	228
	792	902

(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 $89,439,000 (2012: $85,266,000) (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 $20,720,000 (2012: $21,045,000).

A desktop valuation on Amara Hotel was carried out by Knight Frank Pte Ltd, a firm of property consultants, on 31 December 2013 on the highest-and-best-use basis (2012: valuation carried out by Chesterton Suntec International Pte Ltd in December 2012). The surplus on revaluation of the leasehold land and building based on this valuation amounting to $307,220,000 (2012: $234,469,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

A desktop valuation on the Group's land use rights for 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 2013 on the open market value basis (2012: valuation carried out by DTZ Debenham Tie Leung Ltd in December 2012). The surplus on revaluation of the land use rights based on this valuation amounting to $92,931,000 (2012: $86,695,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

A desktop valuation on Amara Sanctuary Resort, Sentosa was carried out by Suntec Real Estate Consultants Pte Ltd, a firm of property consultants, on 31 December 2013 on the highest-and-best-use basis (2012: valuation carried out by the Chesterton Suntec International Pte Ltd in December 2012). The surplus on revaluation of the leasehold land and building based on this valuation amounting to $71,265,000 (2012: $75,167,000) has not been incorporated in the financial statements of the subsidiary nor in the consolidated financial statements.

These valuation measurements are categorised within Level 3 of the fair value hierachy.

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) The Group's properties as at 31 December 2013 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.	Land use right of 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 250-guestroom hotel

23. GOODWILL

	The Group	
	2013	2012
	$'000	$'000
Goodwill arising on consolidation		
Cost	889	889
Less: Accumulated impairment loss	(100)	(100)
	789	789
Accumulated impairment loss		
At beginning of year	100	45
Impairment loss	–	55
At end of year	100	100

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 carrying amount of the goodwill (net of impairment) relates to the hotel investment and management segment in the People's Republic of China.

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 7%. 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.

24. OTHER ASSETS

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

	The Group	
	2013	2012
	$'000	$'000
Prepayment		
At beginning of year	6,912	7,024
Amortisation	(112)	(112)
At end of year	6,800	6,912

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

25. DEFERRED INCOME TAXES

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 assets

	The Group	
	2013	2012
	$'000	$'000
Tax losses:		
At beginning of year	(505)	(539)
Debited to profit or loss	11	34
At end of year	(494)	(505)

25. DEFERRED INCOME TAXES (CONTINUED)

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
2013					
At beginning of year	4,532	40	2,002	1,987	8,561
(Credited)/debited to profit or loss	160	9	–	(1,987)	(1,818)
At end of year	4,692	49	2,002	–	6,743
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

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	
	2013 **$'000**	2012 $'000
Deferred income tax assets	(494)	(505)
Deferred income tax liabilities	6,743	8,561
	6,249	8,056

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

	The Group	
	2013 **$'000**	2012 $'000
At beginning of year	8,056	6,204
Tax debited/(credited) to profit or loss		
- current year	(1,818)	1,942
- prior year	11	(90)
At end of year	6,249	8,056

The Group has unrecognised tax losses of $416,000 (2012: $428,000) which can be carried foward 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. Deferred income tax assets of $71,000 (2012: $73,000) is not recognised on these tax losses because it is not probable that further taxable profits will be sufficient to allow the related tax benefits to be realised.

26. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
(a) Current				
Trade payables	5,044	5,805	–	2
Due to a subsidiary	–	–	300	–
Due to related party	76	77	–	–
Accrued operating expenses	11,432	11,083	264	210
Accrued construction costs	2,712	5,882	–	–
Sundry payables	4,209	1,985	1	2
Derivative financial instrument	–	231	–	–
Deposits received	912	1,489	–	–
	24,385	26,552	565	214

The Group

In 2012, derivative financial instrument represented a cash flow hedge interest rate swap with a notional amount of $19,200,000. The interest rate swap received floating interest and paid a fixed rate of interest and matured in March 2013.

The amounts due to related party are unsecured, interest-free and repayable on demand. Related party refers to a company which is controlled by the immediate holding corporation.

The Company

The amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

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

	The Group	
	2013	2012
	$'000	$'000
(b) Non-current		
Retention sum payable to contractor	1,157	–
Deposits received	4,708	3,407
	5,865	3,407
The fair values of non-current trade and other payables at the end of the reporting period are as follows:		
Retention sum payable to contractor	1,128	–
Deposits received	4,588	3,299
	5,716	3,299

26. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Non-current (continued)

The fair values were computed based on the present value of the cash flows using a discount rate of 1.73% (2012: 2.18%) 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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore Dollar	26,538	29,317	565	214
United States Dollar	33	34	–	–
Renminbi	15	15	–	–
Thai Baht	3,664	593	–	–
	30,250	29,959	565	214

27. BORROWINGS

	The Group	
	2013	2012
	$'000	$'000
Current		
Bank loans, secured	12,732	42,656
Finance lease liabilities (Note 31)	129	92
	12,861	42,748
Non-current		
Bank loans, secured		
- Between 1 and 5 years	208,649	179,053
Finance lease liabilities (Note 31)	297	228
	208,946	179,281
Total borrowings	221,807	222,029

27. BORROWINGS (CONTINUED)

(a) The Group's bank borrowings at 31 December 2013 comprise the following:

(i) a term loan of $37,200,000 (2012: $38,200,000), revolving credit advances of $50,000,000 (2012: $50,000,000) and a short-term advance of $Nil (2012: $3,000,000) are secured by way of a legal mortgage on the 100 AM and Amara Singapore 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) term loans of $77,326,000 (2012: $76,126,000) and revolving credit advances of $19,000,000 (2012: $23,000,000) are secured by way of the first legal mortgage on the 100 AM and Amara Singapore as stated in Notes 21 and 22 to the financial statements and the assignment of all rental proceeds from the above properties and debenture over Amara Singapore and corporate guarantee from the Company.

These banking facilities mature in February 2016;

(iii) term loans amounting to $Nil (2012: $8,400,000) and revolving credit advances of $Nil (2012: $2,500,000) were 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 were 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.

The term loan was fully repaid during the financial year and all securities were discharged;

(iv) a term loan of $Nil (2012: $19,200,000) was secured by a mortgage-in-escrow on Amara Sanctuary Resort, Sentosa as disclosed in Note 22 to the financial statements. The loan was 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 matured in March 2013 and all securities were discharged;

(v) a term loan of $9,180,000 (2012: $1,283,000) is secured by an 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; and

(vi) a term loan of $17,875,000 (2012: $Nil) and revolving credit advances of $10,800,000 (2012:$Nil) are secured by way a legal mortgage on Amara Sanctuary Resort, Sentosa as disclosed in Note 22 to the financial statements. These loans are further secured by an assignment of building contracts, insurance policies, a corporate guarantee from the Company and debenture over the hotel.

Theses banking facilities matures in March 2018.

(b) Currency risk

All borrowings are denominated in Singapore Dollar except for the term loan of $9,180,000 (2012:$1,283,000) which is denominated in Thai Baht.

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	
	2013	2012
	Per annum	Per annum
Bank loans, secured	1.73%	2.18%
Finance lease liabilities	4.38%	5.13%

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 2013					
Total borrowings	221,445	64	297	1	221,807
At 31 December 2012					
Total borrowings	221,755	46	227	1	222,029

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

(d) Carrying amounts and fair values

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

28. SHARE CAPITAL

Issued and fully paid ordinary share capital of Amara Holdings Limited

	2013 Number of shares issued '000	2012 Number of shares issued '000	**2013 $'000**	2012 $'000
At 1 January and 31 December	576,936	576,936	125,646	125,646

All issued ordinary 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.

29. DIVIDEND

	The Group and The Company	
	2013	2012
	$'000	$'000
Ordinary dividend paid		
First and final tax exempt dividend of 0.6 cent per share (2012: 0.6 cent per share tax exempt) in respect of the previous financial year	3,462	3,462

At the Annual General Meeting ("AGM") to be held on 29 April 2014, a first and final tax exempt dividend for 2013 of 1 cent per share, amounting to $5,769,360 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 2014 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	
	2013	2012
	$'000	$'000
Minimum lease payments due:		
Not later than one financial year	146	104
Later than one financial year but not later than five financial years	324	246
Later than five financial years	1	1
	471	351
Less: Future finance charges	(45)	(31)
Present value of finance lease liabilities	426	320
Representing finance lease liabilities:		
- Current (Note 27)	129	92
- Non-current (Note 27)	297	228
	426	320

32. INTRA-GROUP FINANCIAL GUARANTEES

The Company

Corporate guarantees issued by the Company to banks in respect of banking facilities utilised by certain subsidiaries at the end of the reporting period amounted to $212,201,000 (2012: $217,927,000). The directors have assessed the fair value of these financial guarantees to have no material financial impact on the financial position and results of the Company for the years ended 31 December 2013 and 31 December 2012.

33. COMMITMENTS

Commitments not provided for in the financial statements:

	The Group	
	2013	2012
	$'000	$'000
(a) Capital commitments		
Estimated expenditure contracted for:		
- Property, plant and equipment	112,792	117,429

(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	
	2013	2012
	$'000	$'000
Not later than one financial year	13,910	12,371
Later than one financial year but not later than five financial years	19,111	21,434
	33,021	33,805

(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.

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	
	2013	2012
	$'000	$'000
Not later than one financial year	1,555	1,483
Later than one financial year but not later than five financial years	5,557	5,168
Later than five financial years	88,872	90,710
	95,984	97,361

34. CATEGORIES OF FINANCIAL INSTRUMENTS

(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	Non-financial assets/ liabilities $'000	Total $'000
2013					
The Group					
Assets					
Available-for-sale financial assets	–	1,315	–	–	1,315
Intangible assets	–	–	–	357	357
Investment properties	–	–	–	279,000	279,000
Investment in an associate	–	–	–	2,098	2,098
Property, plant & equipment	–	–	–	176,086	176,086
Goodwill	–	–	–	789	789
Other assets	–	–	–	6,800	6,800
Deferred income tax assets	–	–	–	494	494
Cash and cash equivalents	12,565	–	–	–	12,565
Trade and other receivables	43,464	–	–	–	43,464
Inventories	–	–	–	339	339
Development properties	–	–	–	45,044	45,044
Other current assets	1,170	–	–	1,472	2,642
	57,199	1,315	–	512,479	570,993
Liabilities					
Trade and other payables	–	–	29,841	409	30,250
Tax payables	–	–	–	5,594	5,594
Borrowings	–	–	221,807	–	221,807
Deferred income tax liabilities	–	–	–	6,743	6,743
	–	–	251,648	12,746	264,394

34. CATEGORIES 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						
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
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

34. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Loans & receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Non-financial assets/ liabilities $'000	Total $'000
2013					
The Company					
Assets					
Available-for-sale financial assets	–	188	–	–	188
Investment in subsidiaries	–	–	–	40,937	40,937
Cash and cash equivalents	44	–	–	–	44
Trade and other receivables	43,694	–	–	–	43,694
Other current assets	–	–	–	3	3
	43,738	188	–	40,940	84,866
Liabilities					
Trade and other payables	–	–	565	–	565
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

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.

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 positions; and

(ii) corporate guarantees issued by the Company to banks in respect of banking facilities utilised by certain subsidiaries amounted to $212,201,000 (2012: $217,927,000).

At 31 December 2013, there was no significant concentration of credit risk for the Group other than the advances to an associate (Note 13) while approximately all of the Company's receivables were balances with its subsidaries (Note 13).

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

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Past due 0 to 1 month	1,565	1,182	2	–
Past due 1 to 3 months	871	651	–	–
Past due over 3 months	1,200	923	2	6
	3,636	2,756	4	6

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Financial assets that are neither past due nor impaired

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

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	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Gross amount	5,425	6,154	–	17
Less: Allowance for impairment	(2,954)	(3,740)	–	(17)
	2,471	2,414	–	–
At beginning of year	3,740	4,130	17	17
Allowance made	111	8	–	–
Allowance written back	(5)	(149)	–	–
Allowance written off	(892)	(249)	(17)	–
At end of year	2,954	3,740	–	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 5.8% (2012: 19.3%) 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.

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.

	2013				2012			
	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	23,976	5,865	–	29,841	25,967	3,407	–	29,374
Derivative interest rate swaps	–	–	–	–	231	–	–	231
Borrowings	12,896	209,276	1	222,173	42,837	179,624	1	222,462
	36,872	215,141	1	252,014	69,035	183,031	1	252,067

	One year or less	
	2013 $'000	2012 $'000
The Company		
Trade and other payables	565	214

The table below shows the maturity profile of the Company's financial guarantee contracts at the end of the reporting period based on contractual undiscounted repayment obligations. 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	
	2013 $'000	2012 $'000
Financial guarantee contracts	212,201	217,927

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.

At the end of the reporting period, if SGD interest rates had been 25 (2012: 25) basis points lower/higher with all other variables held constant, the Group's profit would have been $452,000 (2012: $335,000) 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.

Sensitivity analysis for market price risk is not disclosed as the effect on the fair value reserve in equity is considered not significant if equity prices had been 5% (2012: 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, receivables and advances to and payables denominated in foreign currencies. These foreign currency denominated cash and cash equivalents, receivables and payables are mainly denominated in United States Dollar (USD). Approximately $4,319,000 (2012: $3,079,000) of receivables, $1,619,000 (2012:$3,568,000) of cash and cash equivalents and $3,712,000 (2012: $642,000) of payables are denominated in foreign currencies.

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% (2012: 3%) with all other variables including tax rate being held constant.

36. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

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)

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the levels of fair value hierarchy for each class of assets and liabilities measured at fair value in the statement of financial position at 31 December 2013.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements				
2013				
The Group				
Assets				
Available-for-sale financial assets				
- Quoted equity investments	1,315	–	–	1,315
Non-financial assets				
Investment properties				
- Leasehold properties	–	–	264,000	264,000
- Freehold property	–	–	15,000	15,000
	–	–	279,000	279,000
The Company				
Assets				
Available-for-sale financial assets				
- Quoted equity investments	188	–	–	188
2012				
The Group				
Assets				
Available-for-sale financial assets				
- Quoted equity investments	1,246	–	–	1,246
- Quoted equity unit trust	30	–	–	30
	1,276	–	–	1,276
Liabilities				
Derivative				
- Interest rate swaps	–	231	–	231
The Company				
Assets				
Available-for-sale financial assets				
- Quoted equity investments	165	–	–	165

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Assets and liabilities not carried at fair value but which fair values are disclosed

	Carrying Amount	Fair value measurements at the end of reporting period Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
2013				
The Group				
Assets				
Trade and other receivables				
- Advances to an associate (non-current)	30,063	–	–	29,854
- Advances to a third party (non-current)	420	–	–	399
Liabilities				
Finance lease liabilities	426	–	–	417
Trade and other payables				
- Deposits received (non-current)	4,708	–	–	4,588
- Retention sum payable to contractor	1,157	–	–	1,128

As mentioned in Note 27, the Group's borrowings are floating rate instruments that are repriced to market interest rate on or near the end of the reporting period. Accordingly, the fair values of the borrowings, determined from discounted cash flow analysis using a discount rate of 1.73% (2012: 2.18%) which is the lending rate that the directors expect would be avaiblable to the Group at the end of the reporting period, would approximate their carrying amounts at the end of the reporting period. This fair value determination is classified in Level 3 of the fair value hierachy.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(d) Determination of fair values

Available-for-sale

The fair value of financial instruments traded in active markets (such as 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.

Interest rate swap

The fair value of interest rate swaps, obtained from a reputable financial institution, was 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 was included in Level 2.

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) Determination of fair values (continued)

Investment properties

The fair values of the Group's leasehold properties were determined based on the properties' highest and best use valuations performed by external and independent valuer, Suntec Real Estate Consultants Pte Ltd using a combination of the income capitalisation approach and discounted cash flow approach at 31 December 2013. The valuation measurement was also cross checked against the direct sale comparison approach.

The fair value of the Group's freehold property was determined based on the property's highest and best use valuation performed by external and independent valuer, DTZ Debenham Tie Leung (SEA) Pte Ltd using direct comparison with recent transactions of comparable properties within the vicinity and elsewhere at 31 December 2013. The valuation was also cross checked with the income method of valuation.

Based on the income capitalisation approach, the net rental likely to be achieved from the subject property is estimated based on market comparable data. This is then capitalised at an appropriate rate of return to arrive at the capital value of the subject property. For the leasehold properties, capitalisation rates in the range of 4% to 5% per annum were used in the valuation measurement.

The discounted cash flow approach is based on an analysis of the cash flows of rental revenue with provision for appropriate growth rates and inflation rates over the period of the lease term. The discount rate used is 7.5% per annum.

Based on comparison approach, direct comparison was made to recent transactions of comparable properties and under the prevailing market conditions with adjustments being made, where necessary, for differences.

For the above-mentioned valuation techniques, any significant changes in the inputs, adjustments and assumptions used will result in a change in the fair value measurements of the properties.

(e) Movements in level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Investment properties $'000
2013	
At beginning of year	261,000
Total gains or losses for the year:	
- included in profit or loss	11,524
Purchases, issues, sales and settlements:	
- additions and transfers	6,476
At end of year	279,000

Total gains and losses for the year included in:

Profit or loss	
Other income – net fair value gain of investment properties	11,524

36. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(f) Valuation process applied by the Group

For all significant financial reporting valuations using valuation models and significant unobservable input, it is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuation performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted, including the appropriateness and reliability of the inputs used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

37. 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 2013 and 31 December 2012.

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	
	2013	2012
	$'000	$'000
Borrowings	221,807	222,029
Less: Cash and cash equivalents	(12,565)	(15,226)
Net borrowings	209,242	206,803
Total equity	306,599	279,596
	515,841	486,399

	The Group	
	2013	2012
	%	%
Gearing ratio	40.56	42.52

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2013 and 31 December 2012.

38. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the 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 $2,605,000 (2012: $2,453,000) for the financial year ended 31 December 2013.

Included in the above is remuneration to directors of the Company amounting to $1,436,000 (2012: $1,355,000), excluding directors' fees which is disclosed in Note 7 to the financial statements.

39. 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.

39. 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
2013						
Segment revenue						
Sales to external customers	52,610	25,356	2,708	4	–	80,678
Intersegment sales/income	391	4,805	173	6,200	(11,569)	–
Total revenue	53,001	30,161	2,881	6,204	(11,569)	80,678
Segment profit	14,794	18,035	704	40	–	33,573
Depreciation and amortisation	3,275	39	99	–	–	3,413
Other significant non-cash expenses	92	21	15	–	–	128
Segment assets	473,125	94,562	839	239	–	568,765
Unallocated assets						2,228
Total assets						570,993
Segment assets include:						
Additions to						
- Property, plant and equipment	30,649	–	20	–	–	30,669
Segment liabilities	(20,055)	(9,096)	(840)	(259)	–	(30,250)
Unallocated liabilities						(234,144)
Total liabilities						(264,394)
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)

39. 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	
	2013	2012
	$'000	$'000
Segment profit	33,573	38,092
Interest income	554	301
Interest expense on borrowings	(3,782)	(4,151)
Unallocated corporate expenses	(372)	(311)
Profit before tax	29,973	33,931

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, interest bearing receivables and fixed deposit 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

39. SEGMENT INFORMATION (CONTINUED)

Geographical segments (continued)

	Revenue		Non-current assets	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Singapore	80,678	90,258	389,973	402,597
PRC	–	–	58,727	41,832
Thailand	–	–	17,430	4,466
	80,678	90,258	466,130	448,895

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.

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 25 March 2014.

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
Foo Ko Hing (Appointed on 17 June 2013)

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
Foo Ko Hing (Appointed on 11 October 2013)

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Ltd.
Australia & New Zealand Banking Group Limited, Singapore Branch

SHARE REGISTRAR

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AUDITORS

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Foong Chooi Chin
Partner-in-charge of the audit
(Appointed in financial year ended
31 December 2013)

STATISTICS OF SHAREHOLDINGS

As at 18 March 2014

Class of Shares	:	Ordinary shares each fully paid up
Voting Rights	:	1 vote per share
No. of Holders	:	5,970

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	4,432	74.24	21,639,000	3.75
10,001 - 1,000,000	1,506	25.23	68,507,090	11.88
1,000,001 and above	29	0.48	486,787,910	84.37
Total	5,970	100.00	576,936,000	100.00

Based on information available to the Company on 18 March 2014, 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	Ong Kian Kok	10,220,000	1.77
9	SBS Nominees Pte Ltd	9,000,000	1.56
10	Sing Investments & Finance Nominees Pte Ltd	9,000,000	1.56
11	United Overseas Bank Nominees Pte Ltd	8,734,000	1.51
12	DBS Nominees Pte Ltd	7,327,000	1.27
13	Citibank Nominees Singapore Pte Ltd	7,207,000	1.25
14	DBS Vickers Securities (S) Pte Ltd	5,502,000	0.95
15	Morph Investments Ltd	5,268,000	0.91
16	HSBC (Singapore) Nominees Pte Ltd	5,008,000	0.87
17	Teo Deng Jie (Zhang Deng Jie)	5,000,000	0.87
18	OCBC Nominees Singapore Pte Ltd	4,797,000	0.83
19	Teo Guan Hoon	3,238,000	0.56
20	Poh Lay Eng	3,153,493	0.55
	Total	470,867,000	81.61

STATISTICS OF SHAREHOLDINGS

As at 18 March 2014

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 Tuesday, 29 April 2014 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 2013 together with the Reports of Directors and Independent Auditors thereon **(Resolution 1)**.

2. To declare a first and final dividend of 1 cent per ordinary share for the year ended 31 December 2013 **(Resolution 2)**.

3. To re-elect Mr Foo Ko Hing as a Director retiring under Article 94 of the Articles of Association of the Company **(Resolution 3)**.

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

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

5. To re-appoint Mr Chang Meng Teng as a Director retiring under Section 153(6) of the Companies Act, Cap. 50 to hold office until the next annual general meeting of the Company **(Resolution 5)**.

   Mr Chang Meng Teng will, upon re-appointment as Director of the Company, remain as Lead Independent Director and 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 a member of both the Remuneration Committee and the Nominating Committee.

6. To re-appoint Mr Richard Khoo Boo Yeong as a Director retiring under Section 153(6) of the Companies Act, Cap. 50 to hold office until the next annual general meeting of the Company **(Resolution 6)**.

   Mr Richard Khoo Boo Yeong will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of both the Remuneration Committee and the Nominating Committee.

7. To approve payment of Directors' Fees of $157,495 for the year ended 31 December 2013 (2012: $140,700) **(Resolution 7)**.

8. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration **(Resolution 8).**

9. 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):

10. Authority to Directors to issue Shares

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

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

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

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

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

provided always that

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

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

(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 9)**.

See Explanatory Note 1.

11. Renewal of Share Purchase Mandate

That:

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

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

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

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

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

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

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

(c) In this Ordinary Resolution:

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

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

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

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

where:

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

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

(d) The Directors and/or each and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution (**Resolution 10**).

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 1 cent per ordinary share, in respect of the year ended 31 December 2013 will be paid on 26 June 2014 to shareholders whose names appear in the Register of Members on 12 June 2014.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 12 June 2014 after 5.00 p.m. to 13 June 2014, 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 12 June 2014 will be registered before entitlements to the dividend are determined.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo
Company Secretaries

Singapore
14 April 2014

Explanatory Note 1:

The Ordinary Resolution in item 10 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 11, 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 2013, based on certain assumptions, are set out in the Appendix to the Notice of Annual General Meeting dated 14 April 2014 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 ("AGM") of the Company to be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Tuesday, 29 April 2014 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	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 2013 together with the Reports of Directors and Independent Auditors thereon.				
2.	To declare a first and final dividend of 1 cent per ordinary share for the year ended 31 December 2013.				
3.	To re-elect Mr Foo Ko Hing as a Director retiring under Article 94 of the Articles of Association of the Company.				
4.	To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Article 87 of the Articles of Association of the Company.				
5.	To re-appoint Mr Chang Meng Teng as a Director retiring under Section 153(6) of the Companies Act, Cap. 50.				
6.	To re-appoint Mr Richard Khoo Boo Yeong as a Director retiring under Section 153(6) of the Companies Act, Cap. 50.				
7.	To approve payment of Directors' Fees of $157,495 for the year ended 31 December 2013 (2012: $140,700).				
8.	To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.				
9.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.				
10.	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 __________ 2014

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 of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no provision is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and the second named proxy as an alternate to the first named, or at the Company's option to treat this proxy form as invalid.

3. A 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 AGM.

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

7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be 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 AGM, and in default the instrument of proxy shall be treated as invalid.

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

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