



## CEO'S MESSAGE

### DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to deliver to you our annual report for the financial year ended December 31, 2007.

2007 was an encouraging year for the Group as we rode on the strong property market and buoyant tourism industry in Singapore. We continued to establish our three pillars of growth in Hotel Investment and Management, Property Investment and Development and Specialty Restaurants and Food Services, to maintain a diverse portfolio of complementary businesses and build a stable base of sustainable returns. Our dedicated efforts have served well to position Amara as a leading premier integrated lifestyle group.

We are excited about the progress we have made so far and believe that we are on track to achieving a diversified portfolio of businesses to sustain long term growth.

### Financial Review

The strong property market and buoyant tourism industry in 2007 bolstered an impressive 39.9% growth in Group revenue to hit S\$111.6 million, up from S\$79.8 million in the previous financial year. The strong performance was backed by better contributions from the Group's key business segments, Hotel Investment and Management and Property Investment and Development.

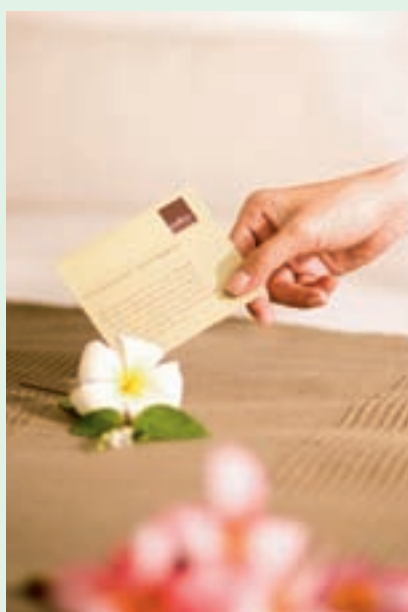
The Group's Hotel Investment and Management segment enjoyed improved revenue per available room ("RevPAR") for 2007 and registered a 37.8% increase in revenue to S\$45.8 million in FY2007 from S\$33.2 million in FY2006.

Benefiting from the buoyant property market, the Group's Property Investment and Development segment recorded a 46.1% increase in revenue from S\$42.8 million in FY2006 to S\$62.5 million in FY2007. This was attributed to higher sales of residential units in 2007 compared to 2006, as well as higher rental rate for its investment properties.

Revenue from the Specialty Restaurants and Food Services segment experienced a decrease in 2007 as part of our asset rationalisation strategy. Despite the drop in turnover, we remain positive of our developments in this segment as we expand our Thanying and Silk Road restaurants.

As a result, profit before tax rose 52.8% to S\$40.3 million in FY2007, from S\$26.3 million in FY2006.

## CEO'S MESSAGE



### Adding A Touch of Difference

The encouraging results for the year under review is testimony to our efforts in building that extra touch of difference for Amara's long-term sustainable growth. Our Hotel Investment and Management segment performed well, registering high RevPAR for Amara Singapore, and our first luxury resort hotel, Amara Sanctuary Resort, Sentosa, which soft opened in May 2007. This should contribute positively to the hotel segment going forward.

The buoyant property market in 2007 also benefited our Property Investment and Development segment as we achieved higher sales from our completed property development – The Linear, our world class private residential property in terms of architecture designs, a tranquil suburban living experience located at Upper Bukit Timah.

Outside of Singapore, we look forward to broadening our presence in the region with our flagship project in the PRC, Amara Signature, Shanghai, which will embrace a unique F&B entertainment concept. Comprising a 400-room hotel, a shopping centre and office building along Chang Shou Road, Puxi, Shanghai, it is targeted to be completed in 2009.

Our Specialty Restaurants and Food Services segment continued its expansion with the opening of our all-new Thanying Restaurant at Sentosa, the reopening of the remodelled Thanying at Amara Singapore and the opening of Silk Road of the Sea at Palawan Beach Sentosa. We are pleased to note that Silk Road Restaurant also made its foray in the region with the opening at Pavilion, Kuala Lumpur. With these developments, we believe that we are on track in our efforts to establish strong brand names for our restaurants both locally and overseas.



### Future Outlook and Prospects

Looking ahead, we are pleased with the prospects for the tourism industry in Singapore and the region. Visitor arrivals in Singapore for October to December 2007 registered at 2.7 million, an increase of 5.5% over the same period last year.

The anticipated bumper year in 2008 bodes well for our Hotel Investment and Management segment and Specialty Restaurants and Food Services segment. In January 2008, visitor arrivals hit an all-time high of 883,000 visitors while average room rate also hit a record high of S\$237. The two Integrated Resorts, the Singapore Flyer, the Formula One Grand Prix and the Youth Olympic are also expected to continue to drive visitor arrivals over the next few years. We are confident that these favourable conditions will present the Group with positive prospects for our hotel segment.

Our Amara Sanctuary Resort, Sentosa is expected to contribute significantly to Group revenue going forward and should benefit from the remaking of Sentosa Island into a premier leisure and recreational destination, with its master plan for an Integrated Resort.

We are excited about the progress we have made so far and believe that we are on track to achieving a diversified portfolio of businesses to sustain long term growth. We will strive to seek opportunities to grow the Amara brand name so as to meet our investment criteria locally and regionally.



Amara Sanctuary Resort, Sentosa  
Infinity pool  
Outdoor bath

### Appreciation

In conclusion, I would like to extend my heartfelt appreciation to our valued shareholders, who have given us your support. To reward our loyal shareholders, I am pleased to announce that the Board is recommending a first and final cash dividend of 0.8 SGD cents per ordinary share (one-tier tax exempt) for the financial year ended December 31, 2007. The proposed dividend will be subject to approval at our Annual General Meeting on April 28, 2008.

In addition, I would also like to thank our management team and staff, for their dedication, teamwork and contribution to our strong performance in 2007. Finally, thanks to all our valued customers, suppliers and business associates for their continuing support and confidence in Amara over this past year.

### Albert Teo Hock Chuan

Chief Executive Officer









## ADDING A TOUCH OF MAGIC

WHIPPING UP A GASTRONOMIC DELIGHT IS MORE THAN JUST WAVING  
A MAGIC WAND. IT TAKES CREATIVITY AND EXPERIENCE. AT AMARA,  
WE ADD A SPECIAL INGREDIENT TO MAKE IT MAGICAL – OUR PASSION.

WITH THE PASSION TO GIVE YOU OUR BEST, IT IS LITTLE WONDER  
WHY PEOPLE KEEP COMING BACK FOR MORE.