

REVIEW OF OPERATIONS

We have made further inroads to position ourselves as a pan-Asian integrated lifestyle group with leading and quality brands in each segment that we operate in with further enhancement to our product as well as service offerings.

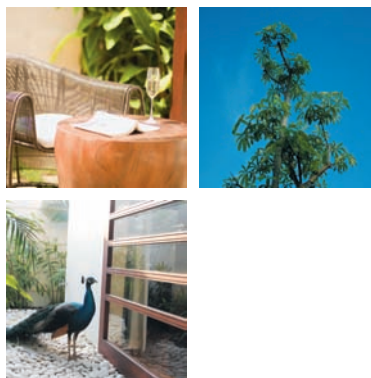
Revenue growth was broad-based, with improvement registered across key business segments.

FINANCIALS

For the financial year ended December 31, 2006 ("FY2006"), we achieved a higher revenue of S\$79.8 million, an impressive increase of 24.6% compared to S\$64.0 million recorded in the previous financial year. Profit before tax in FY2006 surged 231.3% to S\$26.3 million boosted by a S\$23.0 million gain from fair value adjustments of investment properties under Financial Reporting Standard 40 – Investment Property. Earnings Per Share for FY2006 increased from 0.85 SGD cents to 4.09 SGD cents whereas Net Asset Value per share for the Group was 28.87 SGD cents as at December 31, 2006 compared to 25.41 SGD cents recorded as at December 31, 2005.

CONTRIBUTIONS TO TURNOVER BY BUSINESS DIVISIONS

Revenue growth was broad-based, with improvement registered across key business segments. This is a result of the aggressive and diligent efforts of our business segments in leveraging their respective strategic market knowledge, resources and presence as well as established track records to grow the operations locally and regionally. The Hotel Investment and Management division contributed 41.7% while the Property Investment and Development division contributed 53.7% towards booking of total turnover for the Group. The Specialty Restaurants and Food Services division contributed 4.6%.



Amara Sanctuary Resort, Sentosa
Colonial suites
Private courtyard
Pulai tree
Villa

Amara Sanctuary Resort, Sentosa
Naturally ventilated linkway
Glass facade of meeting facilities

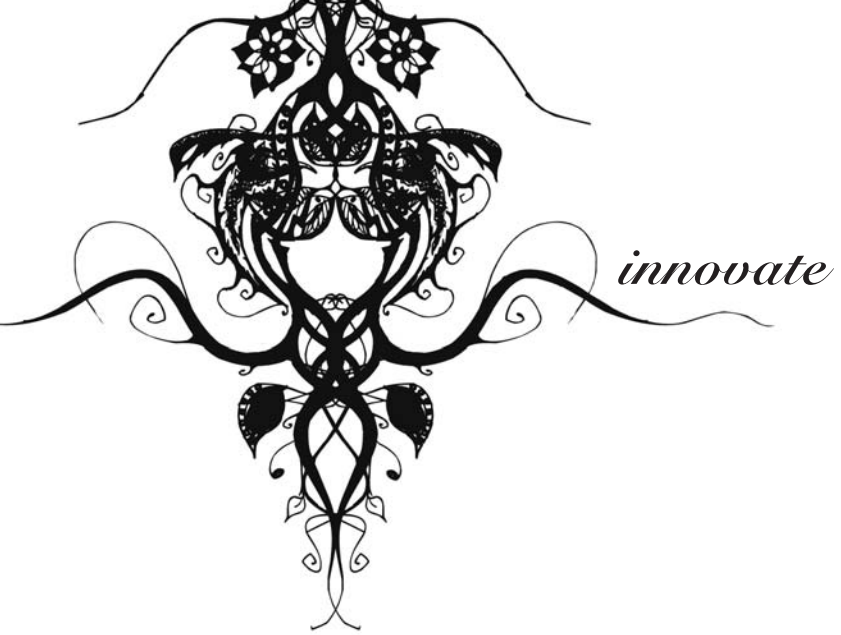


We create the unique Amara experience by bringing the best out of every aspect of our hotel services. By pushing the boundaries of excellence, our guests leave with a set of recollections to call their own.

in novate

*Welcome to
The Amara Experience*





Amara Sanctuary Resort, Sentosa
Private spaces in the villa



HOTEL INVESTMENT AND MANAGEMENT

Our Hotel Investment and Management segment performed well during the year under review, posting a rise of 14.7% to S\$33.2 million in revenue. Notably, our flagship hotel, Amara Singapore, contributed a majority of this impressive figure.

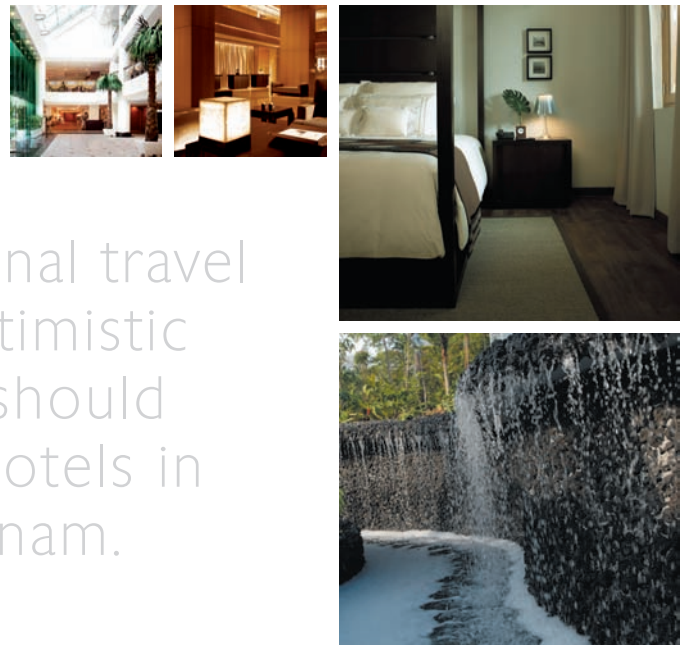
With the vibrant and diverse tourism potential that will be offered by the two Integrated Resorts here in Singapore, we are optimistic that there will be a significant jump in tourist arrivals to Singapore from 2009 onwards. Against such a positive backdrop, we are well poised to benefit from an expected rise in hotel room rates, driven by a robust demand and the limited supply of hotel rooms in Singapore. In addition, we intend to tap on the myriad of

opportunities that Vietnam can offer with its entry into the World Trade Organisation.

Looking north, we are positive that our operations in China will perform well once Amara Signature Shanghai is up and running. Being China's gateway city and its financial capital, Shanghai is a burgeoning market with strong market fundamentals that presents tremendous growth prospects for Amara. Amara Signature Shanghai will, therefore, position the Group on a firmer footing to capitalise on the healthy economic growth, improving living standards and gradual deregulations in China.

Going forward, the regional travel industry points to an optimistic outlook in 2007, which should augur well for Amara's hotels in both Singapore and Vietnam. By leveraging on our expertise, well-recognised brand name and established track record that spans over three decades, we will continue to diversify our product offerings as well as seek new markets for future expansion and growth.

Amara Saigon
Amara Singapore
Amara Sanctuary Resort, Sentosa
Suite room
Resort landscape



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Amara Sanctuary Resort, Sentosa
Outdoor bath
Villa
Lobby skylight



inspire



Our residences are defined by contemporary architecture reflecting prestige and sophistication. We seek to provide living experiences where each day brings a new inspiration.

in
spire



The Linear
Amara Corporate Tower



PROPERTY INVESTMENT AND DEVELOPMENT

Private property values have soared in Singapore over the last year. In addition, the commercial and retail property sector has witnessed increasing demand and limited supply of quality office space underpinning rental growth. Our Property Investment and Development segment has benefited from these uptrends by generating a turnover of S\$42.8 million, up 42.3% from FY2005. This improvement is attributable to collections receivable upon obtaining TOP by one of the Group's property development projects, The Linear as well as the Group's sales of more property units in FY2006.

By leveraging on our track record in building and developing quality assets, we aim to constantly improve and grow our business.

The enthusiastic and very positive response to our residential property development, The Linear, reflects the appeal of a new suburban living experience as well as an attraction to The Linear's world-class design and furnishings.

Looking ahead, we are positive on the outlook of the Singapore residential market, particularly the high-end segment and will continue to remain focused in Singapore, as well as explore suitable opportunities in the region. By leveraging on our track record in building and developing quality assets, we aim to constantly improve and grow our business.



The Linear
Showflat

The Linear
Facade



in. vigorate

We believe that dining should be a refined experience that satisfies all the senses. Tantalising cuisine served in style and our show-case kitchen concept are ways we engage our diners.





invigorate

SPECIALTY RESTAURANTS AND FOOD SERVICES

Our Specialty Restaurants and Food Services segment has remained strong. This is attributable to the improved market sentiment, warm customer service and innovative cum critically acclaimed awards that have led to high patronage at our restaurants. Amara's hugely popular Thanying and Silk Road restaurants are highly-recognised for their unique and top-notch specialty cuisines. Our key success factor in building significant and highly valued brand equity lies in our commitment to attain excellence in food quality and constant innovation in developing new gastronomic delights for ever-changing taste buds. Apart from strengthening

Amara's presence locally, we will continue to examine the feasibility of establishing our restaurants with strong brands overseas. By end 2007, new outlets will be opened at Palawan Beach, Sentosa and Kuala Lumpur, Malaysia.

Silk Road Restaurant
Thanying Restaurant



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REINFORCING OUR BUSINESS MODEL

The Group expects the regional economic activity to remain robust. Regional tourism and travel sectors have continued to show improvements. These positive industry segments should augur well for our hotel as well as food and beverage operations. Our holistic approach ensures that we provide our guests with the finest facilities, accommodation and service standards. We want our guests to have a memorable stay with us at our hotels. It is therefore, imperative that our service culture is one where we remain steadfastly committed to continuously delight our guests and enhance customer relations and build customer loyalty. In recognition of the Group's service initiatives and programmes implemented as a customer focused organisation, both Amara Singapore and Silk Road Restaurant were awarded Singapore Service Class last year by SPRING Singapore. This attests to our ongoing commitment to service excellence. Our aim is to have all our hospitality brands exude the warm personalised service that epitomise the total "Amara" experience.

In addition, within a current fragmented global hotel sector, there is a relatively low proportion of hotel rooms which are branded. There is an increasing trend towards strong brand names and we are actively

capitalising on this trend by looking at the feasibility of bringing the "Amara" brand to both emerging markets and key gateway locations. We see opportunities whereby hotel owners in the emerging regional markets using hotel managers like Amara to operate or brand their hotels.

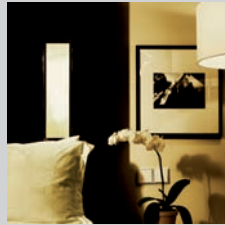
Our commitment was never in doubt. We will step up on our asset-light strategy seeking to further reinforce our overall business model. Our strategic aim is to focus on the management rather than ownership of hotels in our next growth platform. We are confident that this will enhance our recurring revenue stream and hence higher margins for the Group. In this connection, we have undertaken a major brand revitalisation exercise in the past year for our various hospitality brands. Going forward, this will allow us to further improve and enhance our marketing communications strategies in a systematic manner that distinguish Amara from others.

We have been in the residential business for more than two decades. Over these years, we have consistently been lauded for our established track record in our ability to envision, deliver and operate quality and successful projects under a myriad of economic conditions

and diverse business environment. In addition, we will examine the feasibility of broadening the franchising concept to our other Specialty Restaurants and Food Services segment as well.

We will continue to adopt and expand our asset-light strategy in favour of franchise or management contracts. While we remain focused on our existing strategic development projects – Amara Sanctuary Resort, Sentosa and Amara Signature Shanghai, we will also strive to grow our existing portfolio of businesses by proactively seeking opportunities that meet our investment yield criteria, both locally and regionally. We remain vigilant and are determined to strengthen our core competencies in developing and managing hospitality assets as well as build the Amara brand equity in order to position us for long-term sustainable growth and ultimately, enhance shareholders' value. Indeed, this will also allow us to heighten our corporate profile with Amara identified as having a strong pan-Asian presence in both key gateway locations and emerging markets in the Asian region.

AMARA ACCOLADES



AMARA SINGAPORE

Singapore Service Class

Awarded by SPRING Singapore in 2006

Finalist for Award for Excellence 2006-2007

- Deluxe Hotel
- Best Housekeeping Department

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

Superior Service Award 1995 & 2003

Awarded by Interval International

Five Star Recognition Award 1987

Awarded by Interval International

Element

Singapore's Top Restaurant 2004

Awarded by Wine & Dine

Alphabet

Finalist for Award for Excellence in Hospitality 2004-2005

Awarded by Hospitality Asia Platinum Awards

AMARA SAIGON

Best High Quality Hotel in Ho Chi Minh City 2002

Awarded by Vietnam Economic Times

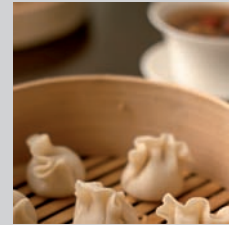


THE LINEAR

Awards for website design www.thelinear.com

Creative Circle Awards (CCA) Singapore 2003

- Craft - Illustration: GOLD
- Craft - Art Direction: BRONZE
- Craft - Flash: BRONZE
- Craft - Sound: BRONZE
- Corporate Image (Business to Consumer) - Individual: BRONZE



THANYING RESTAURANT

Singapore's Best Restaurants 1992 -2007

Awarded by Singapore Tatler

Singapore's Top Restaurants 1997 -2007

Awarded by Wine & Dine "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

The Strait Times - Lifeleats

Excellence in Service Asian Restaurant 1993

Singapore Tourism Board

Excellence in Service Asian Restaurant (Merit) 1991

Singapore Tourism Board

Singapore Tourism Board

SILK ROAD RESTAURANT

Singapore Service Class

Awarded by SPRING Singapore in 2006

Top Sichuan Restaurant in Singapore

The Straits Times - Lifestyle August 2006 (Top 50 Restaurants)

Singapore's Best Restaurants 2003 -2007

Awarded by Singapore Tatler

Singapore's Top Restaurants 2003 -2007

Awarded by Wine & Dine

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

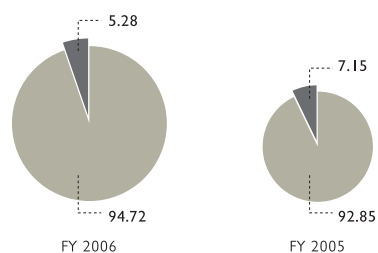
Awarded by SPRING Singapore

Editor's Choice IS Magazine

FINANCIAL
HIGHLIGHTS

	FY 2006	FY 2005
	S\$000	S\$000
INCOME STATEMENT		
Turnover	79,759	63,989
Profit before Tax	26,348	7,953
Income Tax Expense	(2,816)	(1,731)
Minority Interests	37	(1,326)
Profit attributable to Shareholders	23,569	4,896
FINANCIAL RATIOS		
	%	%
Profit attributable to Shareholders as percentage of turnover	29.55	7.65
Debt Equity Ratio	153.96	170.28
PER SHARE UNIT		
	cents	cents
Earnings per Share	4.09	0.85
Net Tangible Assets per Share	28.78	25.40
Net Assets Value per Share	28.87	25.41
TURNOVER BY COUNTRY		
	%	%
● Singapore	94.72	92.85
● Vietnam	5.28	7.15
	100.00	100.00
TURNOVER BY ACTIVITY		
	%	%
● Hotel Investment & Management	41.65	45.27
● Property Investment & Development	53.65	46.98
● Specialty Restaurants & Food Services	4.65	7.74
● Others	0.05	0.01
	100.00	100.00

TURNOVER
BY COUNTRY



TURNOVER
BY ACTIVITY

