

OPERATIONS REVIEW



Clockwise from top
Amara Sanctuary
Resort, Sentosa
- Colonial Suites
- Villa
- Tier Bar



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

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

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

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

HOTEL INVESTMENT AND MANAGEMENT

From left
Amara Signature
Shanghai
Amara Bangkok



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

In line with this trend, our Group benefitted from the surge of visitors, with a positive impact seen in the visitorship to our hotels – Amara Singapore, our flagship city centre hotel and Amara Sanctuary Resort, Sentosa. Due

to increased awareness of our hotels as part of the Group's marketing efforts, our guests not only came from abroad but also included Singaporeans opting to spend their vacations at our hotels, in line with the rising trend of holidaying within one's country - "staycations".

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

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

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

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

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

Thailand has always been a choice destination, popular for its vibrant entertainment and shopping

scene, appetising food choices and rich culture and history. Our Group believes that with the addition of Amara Bangkok to our asset portfolio, we will benefit from the influx of tourists to Thailand and enjoy good visitorship to this new hotel.

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



Amara Singapore

PROPERTY INVESTMENT AND DEVELOPMENT

From top
100 AM
Killiney 118, Interior



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

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

The Group has started asset enhancement works on Amara Shopping Centre, to be rebranded as

100 AM. Located in the heart of the burgeoning Tanjong Pagar district, this new development will be the only full-fledged shopping centre in the area. 100 AM will offer city dwellers and office workers a variety of food and beverage options, as well as amenities such as a supermarket and convenience stores.

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

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

SPECIALTY RESTAURANTS AND FOOD SERVICES



Clockwise from left
 Braise Restaurant
 Thanying Restaurant
 Silk Road Restaurant

Our specialty restaurants and food services segment recorded revenue of S\$4.0 million for FY2010 and achieved a turnaround in profit to S\$0.8 million in FY2010, from a loss of S\$0.2 million in FY2009. This is in line with the increased visitorship to the Amara hotels where our restaurants are located. In addition, our concept restaurants, namely Thanying Restaurant at Amara Singapore, Thanying Restaurant at Amara Sanctuary Resort, Sentosa, Silk Road Restaurant at Amara Singapore as well as Silk Road of the

Sea Restaurant at Palawan Beach continue to be recognised as award-winning brands offering delectable cuisine rich in flavour and heritage.

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

POSITIONED FOR FURTHER SUCCESS

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



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

As at December 31, 2010, our Group continues to maintain healthy cash and bank balances of S\$10.3 million, and are well-positioned for future growth. In addition, through effective segmentation of our business into three main components – Hotel

Investment and Management, Property Investment and Development and Specialty Restaurants and Food Services, we are well-diversified for future growth. We will continue to review our portfolio and seek opportunities to enhance and build up our assets in each category.

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