



AMARA HOLDINGS LIMITED

Co. Regn. No. 197000732N

MEMORANDUM OF UNDERSTANDING FOR HOTEL AND REAL ESTATE DEVELOPMENT PROJECTS IN MYANMAR

The Board of Directors of Amara Holdings Limited (the "Company") wishes to announce that the Group has entered into a Memorandum of Understanding ("MOU") to develop hotels and engage in other real estate projects in Myanmar, through the Company's wholly-owned subsidiary, Amara Hospitality Capital Pte. Ltd. ("AHCPL").

MOU

The counterparties of the MOU are Youth Force Hotel Co. Ltd. and Youth Force Construction Co. Ltd (collectively, "YF"), companies unrelated to the Group and incorporated in the Republic of the Union of Myanmar.

The first project that AHCPL and YF will collaborate under the MOU involves establishing a Joint Venture ("JV") to develop and operate a hotel located in Dagon Township, Yangon, Myanmar. The proposed total investment is estimated to be about US\$50 million.

The MOU is not a commitment to invest by the Group and the terms of the JV agreement to be entered into are subject to further discussions and negotiations between both parties.

Besides the JV, the Group will explore opportunities in the fast growing real estate sector in Myanmar with YF.

Rationale for the MOU

As its first project, the Group intends to build and operate a business hotel in Dagon Township, Yangon, Myanmar. This is part of the Group's expansion of the Amara chain of hotels across Asia, of which the Group currently has hospitality assets in Singapore, China and Thailand. It is also in line with the Group's strategy of acquiring and investing in income-producing hospitality assets in the regional markets of ASEAN and Asia.

The Group believes in the opportunities presented by the opening of Myanmar, a country with over 60 million people and blessed with abundance of natural resources including natural gas and timber. As Myanmar reconnects with the world economy following five decades of isolation during military rule, hotels and hospitality products are potential businesses to be involved in, especially in an emerging frontier market like Myanmar.

In addition, with its recent political and economic reforms, Myanmar is becoming a promising investment destination with immense potential to attract business travellers. Coupled with Myanmar's rich cultural history and a booming tourism sector, hotels in Yangon are expected to enjoy healthy occupancy and room rates.

The Group will continue to look out for attractive business opportunities to further grow its hospitality portfolio geographically and to strengthen the "Amara" brand name.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

Shareholders and investors are advised to exercise caution in dealings in shares of the Company as there is no assurance that a JV agreement will be entered into. Further announcements will be made when the JV agreement is finalised and executed.

Submitted by Ms Susan Teo Geok Tin / Ms Foo Soon Soo, Company Secretaries on 4 April 2013 to the SGX-ST.