



AMARA HOLDINGS LIMITED

NEWS RELEASE

AMARA'S NET PROFIT INCREASES 45% TO S\$16.3 MILLION IN FY2010

- *Proposes final dividend of 0.5 cents per ordinary share*

Singapore, February 28, 2011 - Mainboard-listed Amara Holdings Limited ("Amara" or the "Group") (安国控股有限公司), a homegrown integrated lifestyle group, today reported a 45 per cent increase in net profit from S\$11.3 million for the financial year ended December 31, 2009 ("FY2009") to S\$16.3 million for the financial year ended December 31, 2010 ("FY2010").

Mr. Albert Teo (张福泉), Chief Executive Officer of Amara said, "I am heartened to report an increase in net profit for this financial year. Leveraging on our deep expertise in the hotel investment and management industry, we will continue to strengthen the Group's brand name and status in the hospitality industry in Asia. With visitor arrivals to Singapore growing 20 per cent to almost 12 million and tourism receipts amounting to over S\$18 billion in 2010, we look forward to a continued positive trend for the year ahead."

Performance Review

For the period under review, profit before tax increased by 46% from S\$12.0 million in FY2009 to S\$17.5 million in FY2010, due mainly to significant contribution from the hotel investment and management segment.

Revenue from the hotel investment and management segment grew by 24%, due to higher occupancy and room rates. However, the Group recorded lower revenue in the property investment and development segment as there were no property units launched in 2010.

Other income increased to S\$6.6 million for FY2010 from S\$2.5 million in FY2009. This was due to gain from fair value adjustment of investment properties which was partially offset by decrease in jobs credit in FY2010.

Finance costs decreased by 17% to S\$2.9 million mainly due to lower borrowings.

The Group's financial position has been strengthened with reduced borrowings at S\$133.7 million as at December 31, 2010 from S\$157.1 million as at December 31, 2009.

As at December 31, 2010, the Group continues to maintain healthy cash and bank balances of S\$10.3 million.

Outlook

The positive outlook of visitor arrivals to Singapore bodes well for the Group's hotels in Singapore.

The Group's shopping centre at 100 Tras Street will be under renovation in 2011 and will be branded as a new mall, "100 AM" upon completion, which will improve rental yields. During the period of refurbishment, rental income for the Group's property development and investment segment will be affected, but the impact is expected to be offset by revenue on sales from the Group's new property development project.

Said Mr. Albert Teo, “We will continue to strengthen our business fundamentals and further develop our capabilities in all our business segments. Tapping on the positive economic sentiment, we will move forward prudently and take hold of the growth opportunities that come our way. Barring any unforeseen circumstances, we are optimistic on our outlook for FY2011.”

About Amara Holdings Limited

Mainboard-listed Amara Holdings Limited (“Amara” or the “Group”), a homegrown integrated lifestyle group, is principally engaged in three business areas, namely, Hotel Investment and Management, Property Investment and Development, and Specialty Restaurants and Food Services.

Hotel Investment and Management

Amara made its debut entry into Hotel Investment and Management with the development of Amara Hotel (“Amara Singapore”) in Singapore in 1986. The Group also broadened its presence with the development of Amara Sanctuary Resort, Sentosa, a boutique resort consisting of 121 beautifully designed guest rooms, Courtyard and Verandah Suites as well as villas, which opened in the second quarter of 2007. This marked the Group’s debut entry into the resort hotels business.

Amara’s solid foundation and established brand name will provide the platform to spur the Group towards its vision of being a leading player in Asia’s hospitality industry.

Property Investment and Development

Amara's property investment and development operations span across retail, commercial and residential sectors. For each development, Amara aims to deliver creativity and value to its customers. The integration of aesthetics and functionality seen in the Group's property developments reflects its in-depth understanding of current market trends and needs. Its prized residential development, The Linear, conceptualised to provide a unique suburban living experience at Upper Bukit Timah, underscores the Group's astute property investment and development capabilities.

Specialty Restaurants and Food Services

The Group's entry into specialty restaurants and food services stands strong. This is attributable to its excellent products and personalised service. Amara has developed a portfolio of concept restaurants including Thanying and Silk Road Restaurant. Both Thanying and Silk Road Restaurant have won numerous awards and are choice restaurants in the local dining scene.

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