



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENT ANNOUNCEMENT

FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007

These figures have not been audited nor reviewed.

ARA Asset Management Limited (“ARA” or the “Group”) is an Asian real estate fund management company focused on the management of public-listed real estate investment trusts (“REITs”) and private real estate funds. ARA was incorporated as an exempt company with limited liability in Bermuda on 1 July 2002 and was officially listed on the main board of the SGX-ST on 2 November 2007.

ARA’s business comprises four primary segments:

- REIT management;
- Private real estate fund management;
- Specialist equity fund management; and
- Corporate finance advisory services.

ARA currently manages REITs listed in Singapore, Hong Kong and Malaysia with a diversified portfolio spanning the office, retail and industrial sectors; private real estate funds that invest in Singapore, Hong Kong, Malaysia and China; and a specialist equity fund investing in REITs and listed infrastructure and utilities trusts in the Asia-Pacific region.

As of 30 September 2007, ARA’s total assets under management was US\$6.1 billion (approximately S\$9.0 billion).

Credit Suisse (Singapore) Limited and DBS Bank Ltd. are the Joint Global Coordinators, Bookrunners and Underwriters for the initial public offering of ARA.

**Financial Statements Announcement
For the third quarter ended 30 September 2007**
1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	1/7/07 to 30/9/07 ^(a) S\$'000	1/7/06 to 30/9/06 ^(a) S\$'000	Change %	1/1/07 to 30/9/07 ^(a) S\$'000	1/1/06 to 30/9/06 ^(a) S\$'000	Change %
Revenue	(b)	9,382	7,408	27%	26,162	21,566	21%
Other income	(c)	203	244	-17%	456	1,068	-57%
Total revenue		<u>9,585</u>	<u>7,652</u>	25%	<u>26,618</u>	<u>22,634</u>	18%
Administrative expenses	(d)	(4,212)	(3,272)	29%	(11,309)	(9,312)	21%
Operating lease expenses		(172)	(166)	4%	(486)	(410)	19%
Other expenses		<u>(681)</u>	<u>(425)</u>	60%	<u>(1,344)</u>	<u>(1,216)</u>	11%
Results from operating activities		4,520	3,789	19%	13,479	11,696	15%
Finance costs	(e)	(206)	(23)	796%	(287)	(46)	524%
		4,314	3,766	15%	13,192	11,650	13%
Share of profits of associates (net of tax)	(f)	<u>75</u>	<u>5</u>	n.m.	<u>131</u>	<u>22</u>	n.m.
Profit before income tax	(g)	4,389	3,771	16%	13,323	11,672	14%
Income tax expense		<u>(787)</u>	<u>(830)</u>	-5%	<u>(2,176)</u>	<u>(2,160)</u>	1%
Profit for the period		<u><u>3,602</u></u>	<u><u>2,941</u></u>	22%	<u><u>11,147</u></u>	<u><u>9,512</u></u>	17%
Attributable to:							
Equity holders of the Company		3,667	3,010	22%	11,403	9,581	19%
Minority interest		<u>(65)</u>	<u>(69)</u>	-6%	<u>(256)</u>	<u>(69)</u>	271%
		<u><u>3,602</u></u>	<u><u>2,941</u></u>	22%	<u><u>11,147</u></u>	<u><u>9,512</u></u>	17%

1(a)(ii) Notes to the income statement
Footnotes:

- (a) The Group's combined financial information were prepared in a manner similar to the "pooling of interests" method as if the corporate reorganisation had been completed on 31 December 2003, or the dates of incorporation of the subsidiaries under common control, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, although certain of the legal parent-subsidiary relationships were not established until on and after 25 September 2007. These combined financial statements are the combination or aggregation of all the financial statements of the companies of our Group.
- (b) Revenue comprises (i) REIT base and performance fees, (ii) acquisition fees and (iii) portfolio management and service fees.
- (c) Other income comprises largely of interest income, gain on fair valuation of units in the public-listed REITs held by us as payment of management fees for the respective REITs and distribution income derived from such REIT units. Distribution income is recognised when the right to receive payment is established. Interest income is recognised as it accrues using the effective interest method.
- (d) Administrative expenses comprise primarily staff-related expenses, directors' fees and strategic advisors' fees. Included in the strategic advisory fees is an annual fee of S\$4.0 million which is payable to Suntec City Development Pte Ltd, the sponsor of Suntec REIT, for advisory services in connection with certain strategies relating to the management of the Suntec City properties in Suntec REIT.
- (e) Finance costs comprise mainly of interest on bank borrowings.

Financial Statements Announcement
For the third quarter ended 30 September 2007

- (f) *Share of profits of associates (net of tax) includes our share of the profits and losses, net of tax, of companies in which we have significant influence, but not control, over their financial and operating policies.*
- (g) *The following items have been included in arriving at profit for the period:*

	1/7/07 to	1/7/06 to		1/1/07 to	1/1/06 to	
	30/9/07	30/9/06	Change	30/9/07	30/9/06	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Distribution income	114	78	46%	211	333	-37%
Interest income	90	65	38%	245	162	51%
(Loss) / Gain on fair valuation of held-for-trading securities	(220)	100	n.m.	(18)	573	n.m.
Depreciation	(55)	(55)	-	(161)	(149)	8%
Exchange loss (net)	(124)	(42)	195%	(179)	(253)	-29%

n.m. : not meaningful

**Financial Statements Announcement
For the third quarter ended 30 September 2007**
(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group ^(a)		Company	
		30/9/07 S\$'000	31/12/06 S\$'000	30/9/07 S\$'000	31/12/06 S\$'000
Non-current assets					
Financial assets	(b)	22,105	-	-	-
Property, plant and equipment		471	594	-	-
Tenancy deposits		72	148	-	-
Subsidiaries		-	-	1,782	1,839
Associates		285	161	-	-
		<u>22,933</u>	<u>903</u>	<u>1,782</u>	<u>1,839</u>
Current assets					
Financial assets	(b)	8,304	3	-	-
Trade and other receivables		9,779	7,671	312	1,185
Amounts owing by subsidiaries		-	-	21,169	-
Cash and cash equivalents		14,527	15,737	526	471
		<u>32,610</u>	<u>23,411</u>	<u>22,007</u>	<u>1,656</u>
Total assets		<u>55,543</u>	<u>24,314</u>	<u>23,789</u>	<u>3,495</u>
Equity attributable to equity holders					
Share capital		1,020	20	1,020	20
Reserves		3,446	15,599	457	1,187
		<u>4,466</u>	<u>15,619</u>	<u>1,477</u>	<u>1,207</u>
Minority interest		(350)	(97)	-	-
Total equity		<u>4,116</u>	<u>15,522</u>	<u>1,477</u>	<u>1,207</u>
Non-current liabilities					
Financial liabilities	(c)	19,960	150	-	-
Deferred tax liabilities		18	18	-	-
		<u>19,978</u>	<u>168</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		28,788	5,675	22,312	1,238
Amounts owing to subsidiaries		-	-	-	1,050
Financial liabilities	(c)	90	90	-	-
Current tax payable		2,571	2,859	-	-
		<u>31,449</u>	<u>8,624</u>	<u>22,312</u>	<u>2,288</u>
Total liabilities		<u>51,427</u>	<u>8,792</u>	<u>22,312</u>	<u>2,288</u>
Total equity and liabilities		<u>55,543</u>	<u>24,314</u>	<u>23,789</u>	<u>3,495</u>

**Financial Statements Announcement
For the third quarter ended 30 September 2007**
Footnotes:

- (a) *The Group's combined financial information were prepared in a manner similar to the "pooling of interests" method as if the corporate reorganisation had been completed on 31 December 2003, or the dates of incorporation of the subsidiaries under common control, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, although certain of the legal parent-subsidiary relationships were not established until on and after 25 September 2007. These combined financial statements are the combination or aggregation of all the financial statements of the companies of our Group.*
- (b) *Financial assets at 30 September 2007 relate to units held in listed REITs, some of which are pledged as security to obtain credit facilities.*
- (c) *Financial liabilities at 30 September 2007 relate mainly to finance lease liabilities and the secured revolving credit facility taken up to partly finance the acquisition of a 12.5% interest in AmFIRST REIT included in financial assets.*

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	30/9/07		31/12/06	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	90	-	90	-
Amount repayable after one year	19,659	-	150	-
	<u>19,749</u>	<u>-</u>	<u>240</u>	<u>-</u>

Footnotes:

- (a) *Included in total borrowings is an amount of S\$0.17 million (31/12/06: S\$0.24 million) relating to finance lease liabilities for the purchase of certain fixed assets.*
- (b) *As of 30 September 2007, the Group has unutilised unsecured (i) overdraft facility of HK\$3.0 million (31 Dec 2006: S\$3.0 million) and (ii) revolving credit facility of S\$1.45 million (31 Dec 2006: S\$1.50 million).*

Details of any collateral

As of 30 September 2007, the Group had bank borrowings of approximately RM44.9 million (equivalent to approximately S\$19,579,000) which relates to a secured revolving credit facility provided by AmlInvestment Bank Berhad ("AIBB") to our wholly-owned subsidiary, Jadeline Capital Sdn Bhd ("Jadeline") to partly finance the acquisition of a 12.5% interest in, or 53.7 million units of AmFIRST REIT in May 2007.

This facility is available for 24 months from the date of first draw down on 28 May 2007 and bears interest at a floating rate of 0.25% above AIBB's cost of funds, and is secured by a pledge of the AmFIRST REIT units that the Group purchased. The facility will be repayable in full at maturity with prepayment option.

In the event that the pledged units remain unsold upon the expiry of the facility, Jadeline is required to pay to AIBB 50% of any gains over the purchase price based on the volume weighted average price of the AmFIRST REIT units over the three days leading to the maturity of the facility. The contingent liability arising from the gains over the purchase price in respect of the pledged units held as at the balance sheet date has been recognised as a liability.

**Financial Statements Announcement
For the third quarter ended 30 September 2007**
1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1/7/07 to 30/9/07 S\$'000	1/7/06 to 30/9/06 S\$'000	1/1/07 to 30/9/07 S\$'000	1/1/06 to 30/9/06 S\$'000
Operating activities				
Profit for the period	3,602	2,941	11,147	9,512
Adjustments for:				
Management fee received / receivable in units of REITs	(4,521)	(5,769)	(16,922)	(16,418)
Depreciation of property, plant and equipment	55	55	161	149
Share of profit of associates	(75)	(5)	(131)	(22)
Interest income	(90)	(65)	(245)	(162)
Loss on disposal of property, plant and equipment	-	2	-	2
Loss / (Gain) on fair valuation of held-for-trading securities	220	(100)	18	(573)
Distribution income	(114)	(79)	(211)	(333)
Interest expense	206	23	287	46
Income tax expense	787	830	2,176	2,160
Operating profit/(loss) before working capital changes	70	(2,167)	(3,720)	(5,639)
Changes in working capital:				
Trade and other receivables	(2,760)	(5)	(3,202)	(374)
Trade and other payable	2,635	1,623	3,511	3,712
Proceeds from sale of units in REITs	1,152	10,843	9,741	19,370
Income tax paid	(1,258)	(979)	(2,464)	(1,963)
Distributions income received	114	79	211	333
Interest received	90	65	245	162
Cash flows from operating activities	43	9,459	4,322	15,601
Investing activities:				
Purchase of property, plant and equipment	(17)	(93)	(43)	(191)
Proceed from disposal of property, plant and equipment	-	6	2	6
Purchase of quoted available-for-sale securities	-	-	(21,884)	-
Acquisition of associates	-	-	-	(9)
Contribution from a minority shareholder	-	-	-	14
Cash flows from investing activities	(17)	(87)	(21,925)	(180)
Financing activities:				
Payment of finance lease liabilities (net)	(24)	(23)	(71)	(78)
Proceeds from borrowings	-	-	19,924	-
Fixed deposits pledged to a financial institution	-	-	-	12
Dividends paid	-	-	(3,009)	(5,722)
Interest paid	(206)	(23)	(287)	(46)
Cash flows from financing activities	(230)	(46)	16,557	(5,834)
Net (decrease) / increase in cash & cash equivalents	(204)	9,326	(1,046)	9,587
Cash and cash equivalents at beginning of period	14,877	5,580	15,737	5,372
Effect of exchange rate fluctuations on cash held	(146)	(38)	(164)	(91)
Cash and cash equivalents at end of period	14,527	14,868	14,527	14,868

**Financial Statements Announcement
For the third quarter ended 30 September 2007**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
The Company				
At 1 July 2006	20	(294)	1,403	1,129
Translation differences relating to financial statements of the Company	-	90	-	90
Net gains recognised directly in equity	-	90	-	90
Loss for the period	-	-	(337)	(337)
Total recognised income and expense for the period	-	90	(337)	(247)
At 30 September 2006	20	(204)	1,066	882
At 1 July 2007	20	(237)	2,489	2,272
Translation differences relating to financial statements of the Company	-	53	-	53
Net gains recognised directly in equity	-	53	-	53
Profit for the period	-	-	102	102
Total recognised income and expense for the period	-	53	102	155
Issue of shares from capitalisation of accumulated profits	1,000	-	(1,000)	-
Interim dividends	-	-	(950)	(950)
At 30 September 2007	1,020	(184)	641	1,477

	Share capital S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Attributable to equity holders of the Company S\$'000	Minority interest S\$'000	Total equity S\$'000
The Group							
At 1 July 2006	20	(125)	-	8,751	8,646	13	8,659
Translation differences relating to financial statements of foreign subsidiaries and branches	-	85	-	-	85	-	85
Net gains recognised directly in equity	-	85	-	-	85	-	85
Profit for the period	-	-	-	3,010	3,010	(69)	2,941
Total recognised income and expense for the period during the period	-	85	-	3,010	3,095	(69)	3,026
At 30 September 2006	20	(40)	-	11,761	11,741	(56)	11,685
At 1 July 2007	20	3	901	1,088	2,012	(288)	1,724
Translation differences relating to financial statements of foreign subsidiaries and branches	-	337	-	-	337	3	340
Changes in fair value of available-for-sale financial assets	-	-	(600)	-	(600)	-	(600)
Net gains and losses recognised directly in equity	-	337	(600)	-	(263)	3	(260)
Profit for the period	-	-	-	3,667	3,667	(65)	3,602
Total recognised income and expense for the period	-	337	(600)	3,667	3,404	(62)	3,342
Issue of shares from capitalisation of accumulated profits	1,000	-	-	(1,000)	-	-	-
Interim dividends	-	-	-	(950)	(950)	-	(950)
At 30 September 2007	1,020	340	301	2,805	4,466	(350)	4,116

**Financial Statements Announcement
For the third quarter ended 30 September 2007**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasure shares, if any, against the total number of issued shares excluding treasure shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

On 28 September 2007, pursuant to a shareholders' resolution, the currency denomination of the Company's authorised and issued share capital was re-denominated (at the rate of US\$1.00 to S\$1.51) to S\$18,120, such that the par value of each share was changed from US\$1.00 to S\$1.51.

The shares were then sub-divided, with every one ordinary share of S\$1.51 in the authorised and issued share capital of the Company sub-divided into 755 shares of S\$0.002 each. The Company also increased the authorised share capital from S\$18,120 divided into 9,060,000 ordinary shares of S\$0.002 each to S\$2,000,000 divided into 1,000,000,000 ordinary shares of S\$0.002. Thereafter, an aggregate of 500,000,000 fully paid ordinary shares of S\$0.002 each were issued as bonus shares to the Company's existing shareholders as at 28 September 2007 (namely JL Investment Group Limited, and Cheung Kong Investment Company Limited) in proportion to their existing holdings of shares, out of retained earnings of the Company as at 30 June 2007.

On 1 November 2007, 73,000,000 new shares were issued pursuant to the Initial Public Offering ("IPO") of the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Period ended 30/9/07	Period ended 30/9/06
Total number of issued shares	509,060,000	12,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

**Financial Statements Announcement
For the third quarter ended 30 September 2007**
4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation were followed during the current financial period as compared to those reported in the audited combined financial statements for the year ended 31 December 2006 disclosed in our IPO prospectus dated 26 October 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	1/7/07 to 30/9/07 cents	1/7/06 to 30/9/06 cents	1/1/07 to 30/9/07 cents	1/1/06 to 30/9/06 cents
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:				
(i) Based on weighted average number of ordinary shares in issue	0.72	0.59	2.24	1.88
(ii) On a fully diluted basis	0.72	0.59	2.24	1.88

The calculation of basic and diluted earnings per share for the relevant period is based on the profit for the period attributable to equity holders of the Company for the financial periods ended 30 September 2006 and 30 September 2007 and the weighted average number of 509,060,000 shares in issue as at 30 September 2007.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30/9/07 cents	30/9/06 cents	30/9/07 cents	30/9/06 cents
Net asset value per ordinary share	0.88	2.31	0.29	0.17
Net tangible assets backing per ordinary share	0.88	2.31	0.29	0.17

The total number of shares used for the computation of net asset value and net tangible assets backing per share is 509,060,000 shares in issue as at 30 September 2007.

The net asset value per ordinary shares decreased due to dividends of S\$23.2 million declared in June and July 2007 (30 September 2006: S\$5.7 million).

Financial Statements Announcement
For the third quarter ended 30 September 2007

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of performance

	1/7/07 to 30/9/07 S\$'000	1/7/06 to 30/9/06 S\$'000	Change %	1/1/07 to 30/9/07 S\$'000	1/1/06 to 30/9/06 S\$'000	Change %
Revenue	9,382	7,408	27%	26,162	21,566	21%
Other income	203	244	-17%	456	1,068	-57%
Total revenue	<u>9,585</u>	<u>7,652</u>	25%	<u>26,618</u>	<u>22,634</u>	18%
Administrative expenses	(4,212)	(3,272)	29%	(11,309)	(9,312)	21%
Operating lease expenses	(172)	(166)	4%	(486)	(410)	19%
Other expenses	<u>(681)</u>	<u>(425)</u>	60%	<u>(1,344)</u>	<u>(1,216)</u>	11%
Results from operating activities	4,520	3,789	19%	13,479	11,696	15%
Finance costs	(206)	(23)	796%	(287)	(46)	524%
	<u>4,314</u>	<u>3,766</u>	15%	<u>13,192</u>	<u>11,650</u>	13%
Share of profits of associates (net of tax)	<u>75</u>	<u>5</u>	n.m.	<u>131</u>	<u>22</u>	n.m.
Profit before income tax	4,389	3,771	16%	13,323	11,672	14%
Income tax expense	<u>(787)</u>	<u>(830)</u>	-5%	<u>(2,176)</u>	<u>(2,160)</u>	1%
Profit for the period	<u><u>3,602</u></u>	<u><u>2,941</u></u>	22%	<u><u>11,147</u></u>	<u><u>9,512</u></u>	17%
Attributable to:						
Equity holders of the Company	3,667	3,010	22%	11,403	9,581	19%
Minority interest	<u>(65)</u>	<u>(69)</u>	-6%	<u>(256)</u>	<u>(69)</u>	271%
	<u><u>3,602</u></u>	<u><u>2,941</u></u>	22%	<u><u>11,147</u></u>	<u><u>9,512</u></u>	17%

Breakdown of revenue:-

	1/7/07 to 30/9/07 S\$'000	1/7/06 to 30/9/06 S\$'000	1/1/07 to 30/9/07 S\$'000	1/1/06 to 30/9/06 S\$'000
REIT base and performance fees	8,374	7,137	23,856	20,701
Acquisition fees	256	-	672	-
Portfolio management and service fees	752	271	1,634	865

**Financial Statements Announcement
For the third quarter ended 30 September 2007**

3Q 2007 versus 3Q 2006

Results from Operating Activities

Total revenue increased by 25% from S\$7.7 million to S\$9.6 million. The increase in total revenue was primarily due to an increase in REIT base and performance fees which increased from S\$7.1 million in 3Q 2006 to S\$8.4 million in 3Q 2007 due to an increase in the property value and higher net property income in the REITs we manage. Portfolio management fees increased from S\$271,000 in 3Q 2006 to S\$752,000 in 3Q 2007 due to contributions from the establishment of the ARA Asian Asset Income Fund in June 2007 and the first closing of the ARA Asia Dragon Fund. The ARA Asia Dragon Fund completed a first closing on 20 September 2007 with capital commitments of US\$716.0 million.

Administrative expenses increased by 29% from S\$3.3 million in 3Q 2006 to S\$4.2 million in 3Q 2007 due to additional staff-related expenses arising from increased headcount in line with the continued growth of the Group.

Other expenses increased from S\$425,000 in 3Q 2006 to S\$681,000 in 3Q 2007 due to increases in other staff-related expenses which increased in tandem with the increase in headcount.

Finance Costs

Finance costs increased from S\$23,000 in 3Q 2006 to S\$206,000 in 3Q 2007 due to additional borrowings of RM44.5 million (equivalent to approximately S\$19.6 million) taken up to partly finance the acquisition of a 12.5% interest in AmFIRST REIT. Finance costs for 3Q 2006 relate mainly to a term loan of S\$650,000 which was fully repaid in 2006.

Share of profits of associates (net of tax)

Share of profits of associates increased from S\$5,000 in 3Q 2006 to S\$75,000 in 3Q 2007 due to the recognition of our share of profits arising from the Group's 30% effective interest in Am ARA REIT Managers Sdn Bhd, the manager of AmFIRST REIT. AmFIRST REIT was listed on Bursa Malaysia on 21 December 2006.

As a result of the above, net profit after tax attributable to equity holders of the Company increased by 22% from S\$3.0 million in 3Q 2006 to S\$3.7 million in 3Q 2007.

YTD September 2007 versus YTD September 2006

Results from Operating Activities

Total revenue increased by 18% from S\$22.6 million in the three quarters ended 30 September 2006 to S\$26.6 million in the three quarters ended 30 September 2007. This was mainly due to an increase in the property value and higher net property income in the REITs we manage. For the three quarters ended 30 September 2007, the Group also recognised acquisition fees of S\$0.7 million due to the acquisition of certain properties by Prosperity REIT and AmFIRST REIT. The Group waived acquisition fees earned in respect of Suntec REIT and Fortune REIT with respect to acquisitions completed between 3 August 2005 to 15 February 2007. As a result, there were no acquisition fees recognised for the three quarters ended 30 September 2006. Portfolio management fees increased from S\$0.9 million in the three quarters ended 30 September 2006 to S\$1.6 million in the three quarters ended 30 September 2007 mainly due to portfolio management fees earned by the Group from the first closing of the ARA Asia Dragon Fund in September 2007, and the establishment of the ARA Asian Asset Income Fund in June 2007.

Administrative expenses increased by 21% from S\$9.3 million in the three quarters ended 30 September 2006 to S\$11.3 million in the three quarters ended 30 September 2007 due to additional staff-related expenses arising from increased headcount in line with the continued growth of the Group.

Other expenses increased by 11% from S\$1.2 million in the three quarters ended 30 September 2006 to S\$1.3 million in the three quarters ended 30 September 2007 due primarily to an increase in traveling and other staff-related expenses, in tandem with the increase in headcount.

Financial Statements Announcement For the third quarter ended 30 September 2007

Finance Costs

Finance costs increased from S\$46,000 in the three quarters ended 30 September 2006 to S\$287,000 in the three quarters ended 30 September 2007 due to additional bank borrowings taken up to partly finance the acquisition of a 12.5% interest in AmFIRST REIT.

Share of profits of associates (net of tax)

Share of profits of associates increased from S\$22,000 in the three quarters ended 30 September 2006 to S\$131,000 in the three quarters ended 30 September 2007 due to the recognition of our share of profits arising from the Group's 30% effective interest in Am ARA REIT Managers Sdn Bhd, the manager of AmFIRST REIT. AmFIRST REIT was listed on Bursa Malaysia on 21 December 2006.

All in, net profit after tax attributable to equity holders of the Company increased by 19% from S\$9.6 million in the three quarters ended 30 September 2006 to S\$11.4 million in the three quarters ended 30 September 2007.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Underpinned by strong economic fundamentals, Asian economies are expected to continue to outperform the world economy in 2007 and 2008. Real estate markets continue to see large volumes of capital flowing into and around the region on the back of strong property fundamentals. In the first half of 2007, capital inflows into Asia-Pacific real estate totalled US\$54 billion, a 14% increase year-on-year¹. The strong property market is expected to continue into the end of the year with the region a potential beneficiary of the fallout of the credit market difficulties in the US and Europe, as global investors reallocate funds to the region in search of higher growth opportunities on a risk-adjusted basis.

The Group continues to see strong opportunities for real estate fund management in the region and is exploring various opportunities with a view to expand our footprint to other Asian markets. As of 30 September 2007, the Group's total assets under management was US\$6.1 billion (approximately S\$9.0 billion).

We remain on the lookout for acquisitions for the REITs we manage as well as opportunities for new REITs in the region. Suntec REIT completed its acquisition of its one-third interest in One Raffles Quay, a prime landmark office development situated in Singapore's new business financial centre in the Marina Bay precinct, for S\$941.5 million on 31 October 2007. On 5 December 2007, Suntec REIT completed its acquisition of 11,786 sf of office strata space in Suntec Tower Two for an aggregate consideration of S\$24.9 million and on 6 December 2007, announced the execution of an option to acquire 12,045 sf of office strata space in Suntec Tower One at a purchase price of S\$27.6 million. In Malaysia, AmFIRST REIT entered into a conditional sale and purchase agreement in August 2007 to acquire an interest in The Summit Subang USJ, a mixed commercial building comprising a 15-storey office tower block and a 17-storey hotel tower located atop a 6-storey retail podium for RM260.0 million.

On 20 September 2007, we completed the first closing of the ARA Asia Dragon Fund with capital commitments of US\$716.0 million and allocated co-investment capital of US\$500.0 million. We are currently in the process of completing a second closing by the end of the year. We have fully divested the Al-Islami Far Eastern Real Estate Fund ("AIFEREF"), a Shariah-compliant private real estate fund established by us in August 2004, and are in the process of returning capital to investors. Going forward, we seek to continue to grow our specialist equity fund management business and establish more private funds under our management.

**Financial Statements Announcement
For the third quarter ended 30 September 2007**

Outlook for the financial year ending 31 December 2007

The Group expects an outstanding full year performance with strong growth across all our business segments. Acquisition fees from REITs, in particular Suntec REIT's acquisition of its one-third interest in One Raffles Quay, as well as the first closing of the ARA Asia Dragon Fund are expected to provide a significant lift to our results in the next reporting period ending 31 December 2007.

Barring unforeseen circumstances, the Group expects a record performance for ARA in the financial year ending 31 December 2007.

1 – Source: Jones Lang LaSalle, Asia Pacific Property Digest, Third Quarter 2007

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year?
No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

An interim dividend of \$950,000 was declared in July 2007 as disclosed in our IPO prospectus dated 26 October 2007. No further dividend has been declared or recommended for the period under review.

**Financial Statements Announcement
For the third quarter ended 30 September 2007**

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	1/7/07 to 30/9/07 S\$'000	1/1/07 to 30/9/07 S\$'000	1/7/07 to 30/9/07 S\$'000	1/1/07 to 30/9/07 S\$'000
Fortune REIT			1,976	6,038
AIFEREF			233	700
The Center (55) Limited			85	224
Action Advantage Limited	137	408		
	137	408	2,294	6,962

14. Confirmation pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of ARA Asset Management Limited which may render the unaudited interim combined financial information (comprising the balance sheets, combined income statement, statements of changes in equity and combined cash flow statement, together with their accompanying notes) as at 30 September 2007 and for the 9 months ended on that date, to be false or misleading in any material aspect.

On behalf of the Board,

Chiu Kwok Hung, Justin
Director

Lim Hwee Chiang
Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on the forward-looking statements in this release, which are based on the current view of management on future events. Information from external sources in this release has not been independently verified by us. The external sources quoted in this release have not consented to the inclusion of the information in this release.

**BY ORDER OF THE BOARD
ARA ASSET MANAGEMENT LIMITED**

Lim Hwee Chiang
Director
13 December 2007