



## **ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT**

### **FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008**

These figures have not been audited nor reviewed.

ARA Asset Management Limited (“ARA” or the “Group”) is a 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 exempted company with limited liability in Bermuda on 1 July 2002 and was admitted to the official list of the main board of the Singapore Exchange 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 at 31 March 2008, ARA’s total assets under management was S\$10.4 billion (approximately US\$7.5 billion).

Credit Suisse (Singapore) Limited and DBS Bank Ltd. were the joint global coordinators, bookrunners and underwriters for the initial public offering (“IPO”) of ARA.

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**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	1/1/08 to 31/3/08 S\$'000	1/1/07 to 31/3/07 S\$'000	Change %
Revenue	(a)	17,026	8,049	112%
Other income	(b)	462	410	13%
Total revenue		<u>17,488</u>	<u>8,459</u>	107%
Administrative expenses	(c)	(4,968)	(3,410)	46%
Operating lease expenses	(d)	(402)	(156)	158%
Other expenses	(e)	<u>(1,855)</u>	<u>(487)</u>	281%
Results from operating activities		10,263	4,406	133%
Finance expenses	(f)	<u>(204)</u>	<u>(2)</u>	n.m.
		10,059	4,404	128%
Share of profits of associates (net of tax)	(g)	<u>45</u>	<u>50</u>	(10%)
Profit before income tax		10,104	4,454	127%
Income tax expense	(i)	<u>(977)</u>	<u>(684)</u>	43%
Profit for the period	(h)	<u><u>9,127</u></u>	<u><u>3,770</u></u>	142%
Attributable to:				
Equity holders of the Company		9,194	3,874	137%
Minority interest		<u>(67)</u>	<u>(104)</u>	(36%)
		<u><u>9,127</u></u>	<u><u>3,770</u></u>	142%

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**1(a)(ii) Explanatory notes to the income statement – 1Q 2008 vs 1Q 2007**

**(a) Revenue**

		1Q 2008 S\$'000	1Q 2007 S\$'000	Change %
<b>Revenue</b>		17,026	8,049	112%
REIT base and performance fees	(i)	9,868	7,738	28%
Acquisition fees	(ii)	1,148	40	n.m.
Portfolio management and service fees	(iii)	6,010	271	n.m.

*n.m. : not meaningful*

- (i) The increase in REIT base and performance fees was primarily due to the Group's enlarged REIT portfolio and higher net property income in the REITs managed by the Group.
- (ii) The Group recorded acquisition fees of S\$1.1 million in 1Q 2008 from the acquisition by AmFIRST REIT of an interest in The Summit Subang USJ, a mixed commercial development in Subang Jaya, Malaysia for RM260.0 million which was completed on 31 March 2008, and the acquisition by Suntec REIT of 1,105 square feet of state land along Penang Road for S\$1.2 million on 13 March 2008. Acquisition fees in 1Q 2007 was related to the acquisition of strata office units by Prosperity REIT.
- (iii) Portfolio management and service fees increased to S\$6.0 million in 1Q 2008 from S\$271,000 in 1Q 2007 primarily due to portfolio management fees from the ARA Asia Dragon Fund ("ADF"), which completed its first and second closings on 20 September 2007 and 30 December 2007 respectively, and the ARA Asian Asset Income Fund, which received its first subscriptions in June 2007. Portfolio management fees in 1Q 2007 was from the Al Islami Far Eastern Real Estate Fund ("AIFEREF"). The Group completed the divestment of the underlying assets of the AIFEREF in October 2007.

**(b) Other income**

Other income comprise primarily of distribution income, interest income and gain on fair valuation of held-for-trading securities. Other income increased to S\$462,000 in 1Q 2008 from S\$410,000 in 1Q 2007, primarily from an increase in distribution income and interest income, partially offset by an absence of gain on fair valuation of held-for-trading securities.

**(c) Administrative expenses**

Administrative expenses comprise primarily of staff-related expenses, directors' fees and strategic advisory fees. The increase was largely attributed to the increase in headcount to meet the Group's growing business operations.

**(d) Operating lease expenses**

The increase in operating lease expenses was due to an expansion of our office premises to accommodate the increase in headcount of our Group.

**(e) Other expenses**

Other expenses comprise primarily of other staff-related expenses such as travelling expenses, telecommunication expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, listing and board meeting expenses and other miscellaneous expenses. Included in other expenses for 1Q 2008 was a loss on fair valuation of S\$816,000 on certain REIT units received by the Group as part payment of the base and performance fees of those REITs. The Group also recorded net foreign exchange losses in 1Q 2008 of S\$393,000 primarily due to a one-off foreign exchange loss in AIFEREF performance fees arising from the strengthening of the SGD relative to the USD. Travelling expenses increased to S\$203,000 in 1Q 2008 from \$121,000 in 1Q 2007 primarily as a result of increased travel by the ADF team.

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**(f) Finance costs**

The increase in finance costs was primarily due to interest on borrowings of RM44.9 million (equivalent to approximately S\$19.4 million) taken up to partly finance the acquisition of a 12.5% interest in AmFIRST REIT in May 2007.

**(g) Share of profits of associates (net of tax)**

Share of profits of associates (net of tax) was primarily 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.

**(h) Profit before income tax**

*The following items have been included in arriving at profit for the period:*

	<b>1/1/08 to 31/3/08 S\$'000</b>	<b>1/1/07 to 31/3/07 S\$'000</b>	<b>Change %</b>
<u>Other income</u>			
Distribution income	301	61	393%
Interest income	161	83	94%
Gain on fair valuation of held-for-trading securities	-	266	n.m.
<u>Operating expenses</u>			
Depreciation	60	53	13%
Exchange loss (net)	393	71	454%
Interest expenses	204	2	n.m.
Loss on fair valuation of held-for-trading securities	816	-	n.m.

*n.m. : not meaningful*

**(i) Income tax expense**

The current tax expense is based on the statutory tax rates of the respective countries in which the subsidiaries of the Group operate.

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**1(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		Company	
		31/3/08 S\$'000	31/12/07 S\$'000	31/3/08 S\$'000	31/12/07 S\$'000
<b>Non-current assets</b>					
Financial assets	(a)	44,112	30,093	-	-
Plant and equipment		769	599	-	-
Tenancy deposits		289	289	-	-
Subsidiaries		-	-	1,782	1,782
Associates		341	308	-	-
		<u>45,511</u>	<u>31,289</u>	<u>1,782</u>	<u>1,782</u>
<b>Current assets</b>					
Financial assets	(b)	318	10,978	-	-
Derivative assets	(c)	289	-	-	-
Trade and other receivables	(d)	17,710	24,764	79	9,122
Amounts owing by related corporations	(e)	-	-	43,642	34,493
Cash and cash equivalents		91,801	74,494	74,334	67,146
		<u>110,118</u>	<u>110,236</u>	<u>118,055</u>	<u>110,761</u>
<b>Total assets</b>		<u>155,629</u>	<u>141,525</u>	<u>119,837</u>	<u>112,543</u>
<b>Equity attributable to equity holders</b>					
Share capital		1,164	1,164	1,164	1,164
Reserves		105,403	99,890	99,698	100,093
		<u>106,567</u>	<u>101,054</u>	<u>100,862</u>	<u>101,257</u>
<b>Minority interest</b>		(131)	(65)	-	-
<b>Total equity</b>		<u>106,436</u>	<u>100,989</u>	<u>100,862</u>	<u>101,257</u>
<b>Non-current liabilities</b>					
Financial liabilities	(f)	19,633	19,627	-	-
Deferred tax liabilities		38	38	-	-
		<u>19,671</u>	<u>19,665</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	(g)	23,954	16,161	18,580	10,362
Amounts owing to related corporations		-	-	395	924
Financial liabilities	(f)	66	72	-	-
Current tax payable		5,502	4,638	-	-
		<u>29,522</u>	<u>20,871</u>	<u>18,975</u>	<u>11,286</u>
<b>Total liabilities</b>		<u>49,193</u>	<u>40,536</u>	<u>18,975</u>	<u>11,286</u>
<b>Total equity and liabilities</b>		<u>155,629</u>	<u>141,525</u>	<u>119,837</u>	<u>112,543</u>

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**Footnotes:**

- (a) *Non-current financial assets as at 31 March 2008 comprise (i) Suntec REIT units received by the Group as payment of acquisition fees for the acquisition by Suntec REIT of its one-third interest in One Raffles Quay; (ii) Suntec REIT units received by the Group as part payment of base and performance fees and held by the Group as a strategic stake; (iii) a 12.5% interest in AmFIRST REIT which has been pledged as security to obtain credit facilities (see note (f) below); and (iv) seed capital for the ADF of S\$3.6 million as at 31 March 2008.*
- (b) *Current financial assets as at 31 March 2008 comprise REIT units received by the Group as part payment of the base and performance fees of those REITs (other than the Suntec REIT units held by the Group as a strategic stake).*
- (c) *Derivative assets relate to the fair value of foreign currency forward contracts entered into by the Group to hedge the Group's foreign currency exposure.*
- (d) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The decrease in trade and other receivables is primarily due to payment of private fund performance fee receivable of S\$8.9 million arising from the divestment of the underlying assets of the AIFEREF, partially offset by (i) an increase in accrued base and performance fees of REITs managed by the Group; and (ii) accrued portfolio management fees from the ADF.*
- (e) *Amounts owing by related corporations relate mainly to advances to subsidiaries, including advances for seed capital investment in the ADF. The increase in amounts owing by related corporations was primarily due to a loan of S\$3.3 million to a subsidiary for seed capital investment in the ADF pursuant to capital calls from the fund and increases in advances to subsidiaries.*
- (f) *Financial liabilities as at 31 March 2008 relate to a secured revolving credit facility taken up to partly finance the acquisition of a 12.5% interest in AmFIRST REIT and finance lease liabilities.*
- (g) *The increase in trade and other payables is primarily due to accruals of strategic advisory fees and listing expenses, which were subsequently paid.*

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

	31/3/08		31/12/07	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	66	-	72	-
Amount repayable after one year	19,633	-	19,627	-
	<u>19,699</u>	<u>-</u>	<u>19,699</u>	<u>-</u>

**Footnotes:**

- (a) *Included in total borrowings is an amount of S\$0.3 million (31 December 2007: S\$0.2 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (b) *As at 31 March 2008, the Group has unutilised unsecured (i) overdraft facility of HK\$3.0 million (31 December 2007: HK\$3.0 million) and (ii) revolving credit facility of S\$1.2 million (31 December 2007: S\$1.2 million).*

**Details of any collateral**

As at 31 March 2008, the Group had bank borrowings of approximately RM44.9 million (equivalent to approximately S\$19.4 million) which relates to a secured revolving credit facility provided by AmInvestment 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, which has prepayment option, will be repayable in full at maturity.

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**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>1/1/08 to</b>	<b>1/1/07 to</b>
	<b>31/3/08</b>	<b>31/3/07</b>
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit for the period	9,127	3,770
Adjustments for:		
Management fee received / receivable in units of REITs	(7,887)	(6,139)
Depreciation of plant and equipment	60	53
Share of profit of associates	(45)	(50)
Interest income	(161)	(83)
Gain on disposal of plant and equipment	(32)	-
Loss / (Gain) on fair valuation of held-for-trading securities	816	(266)
Distribution income	(301)	(61)
Finance expenses	204	2
Income tax expense	977	684
Operating profit/(loss) before working capital changes	<u>2,758</u>	<u>(2,090)</u>
Changes in working capital:		
Trade and other receivables	6,881	(1,940)
Trade and other payables	7,557	493
Proceeds from sale of units in REITs	17,577	4,733
Income tax paid	(113)	-
Distributions income received	301	61
Interest received	161	83
<b>Cash flows from operating activities</b>	<u><u>35,122</u></u>	<u><u>1,340</u></u>
<b>Investing activities:</b>		
Purchase of plant and equipment	(67)	(15)
Proceed from disposal of plant and equipment	126	-
Purchase of available-for-sale securities		
- quoted	(14,192)	-
- unquoted	(3,352)	-
<b>Cash flows from investing activities</b>	<u><u>(17,485)</u></u>	<u><u>(15)</u></u>
<b>Financing activities:</b>		
Payment of finance lease liabilities (net)	(27)	(24)
Interest paid	(204)	(2)
Dividend paid	-	(3,009)
<b>Cash flows from financing activities</b>	<u><u>(231)</u></u>	<u><u>(3,035)</u></u>
<b>Net increase in cash &amp; cash equivalents</b>	17,406	(1,710)
Cash and cash equivalents at beginning of period	74,494	15,737
Effect of exchange rate fluctuations on cash held	(99)	(42)
<b>Cash and cash equivalents at end of period</b>	<u><u>91,801</u></u>	<u><u>13,985</u></u>



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**Footnotes:**

(a) *Cash and cash equivalents at the end of financial period comprise:*

	As at	
	31/03/08 S\$'000	31/03/07 S\$'000
Fixed deposits with banks	75,598	9,297
Cash and bank balances	16,203	4,688
	91,801	13,985

(b) *As at 31 March 2008, the Group had utilised S\$17.8 million of the net IPO proceeds raised of S\$75.5 million as follows:-*

	As at	
	31/03/08 S\$'000	31/03/07 S\$'000
Seed capital for ARA Asia Dragon Fund	3,569	-
Strategic stake in REIT	14,192	-
	17,761	-

*As at 31 December 2007, the Group had utilised \$226,000 of the net IPO proceeds as seed capital investment in the ARA Asia Dragon Fund.*

- (c) *Cash flows from operating activities increased to S\$35.1 million in 1Q 2008 from S\$1.3 million in 1Q 2007, primarily due to an increase in the proceeds arising from the sale of units in REITs and movement in working capital.*
- (d) *Net cash outflow for investing activities amounted to S\$17.5 million in 1Q 2008 (1Q 2007: S\$15,000). This was primarily due to (i) S\$14.2 million used towards the acquisition of a strategic stake in Suntec REIT units; and (ii) seed capital investment of S\$3.3 million in the ADF pursuant to capital calls from the fund.*
- (e) *Net cash outflow for financing activities amounted to S\$231,000 in 1Q 2008 compared with S\$3.0 million in 1Q 2007, which included S\$3.0 million of dividend paid. No dividend was paid in 1Q 2008.*

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**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	Share premium S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>The Company</b>				
At 1 January 2007	20	-	1,187	1,207
Profit for the period	-	-	84	84
Total recognised income and expense for the period	-	-	84	84
At 31 March 2007	20	-	1,271	1,291
At 1 January 2008	1,164	75,413	24,680	101,257
Loss for the period	-	-	(395)	(395)
Total recognised income and expense for the period	-	-	(395)	(395)
At 31 March 2008	1,164	75,413	24,285	100,862

	Share capital S\$'000	Share premium S\$'000	Foreign currency translation reserve S\$'000	Hedging 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
<b>The Group</b>									
At 1 January 2007	20	-	(44)	-	-	15,643	15,619	(97)	15,522
Translation differences relating to financial statements of foreign subsidiaries	-	-	(31)	-	-	-	(31)	3	(28)
Net (losses) / gains recognised directly in equity	-	-	(31)	-	-	-	(31)	3	(28)
Profit for the period	-	-	-	-	-	3,874	3,874	(104)	3,770
Total recognised income and expense for the period	-	-	(31)	-	-	3,874	3,843	(101)	3,742
Tax-exempt interim dividend S\$248.66 per share	-	-	-	-	-	(3,009)	(3,009)	-	(3,009)
At 31 March 2007	20	-	(75)	-	-	16,508	16,453	(198)	16,255
At 1 January 2008	1,164	75,413	85	-	(1,022)	25,414	101,054	(65)	100,989
Translation differences relating to financial statements of foreign subsidiaries	-	-	(602)	-	-	-	(602)	1	(601)
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	289	-	-	289	-	289
Changes in fair value of available-for-sale financial assets	-	-	-	-	(3,368)	-	(3,368)	-	(3,368)
Net (losses) / gains recognised directly in equity	-	-	(602)	289	(3,368)	-	(3,681)	1	(3,680)
Profit for the period	-	-	-	-	-	9,194	9,194	(67)	9,127
Total recognised income and expense for the period	-	-	(602)	289	(3,368)	9,194	5,513	(66)	5,447
At 31 March 2008	1,164	75,413	(517)	289	(4,390)	34,608	106,567	(131)	106,436

**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 treasury shares, if any, against the total number of issued shares excluding treasury 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**

Not applicable.

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**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**

	<b>As at</b>	
	<b>31/3/08</b>	<b>31/12/07</b>
Total number of issued shares	582,060,000	582,060,000

**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.

**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 financial year ended 31 December 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**

<b>(Singapore cents)</b>	<b>1/01/08 to 31/03/08</b>	<b>1/01/07 to 31/03/07</b>
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	1.58	0.76
(ii) On a fully diluted basis	1.58	0.76

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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 31 March 2007 and 31 March 2008 and the weighted average number of 509,060,000 shares in issue as at 31 March 2007 and 582,060,000 shares in issue as at 31 March 2008.

**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**

(Singapore cents)	Group		Company	
	31/03/08	31/12/07	31/03/08	31/12/07
Net asset value per ordinary share	18.31	17.36	17.33	17.40
Net tangible assets backing per ordinary share	18.31	17.36	17.33	17.40

Net asset value is calculated based on the net assets of the Group (excluding minority interest), based on the issued share capital of 582,060,000 shares.

**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**

	1Q 2008 S\$'000	1Q 2007 S\$'000	Change %
Total Revenue	17,488	8,459	107%
EBIT	10,263	4,406	133%
Net Profit <sup>(1)</sup>	9,194	3,874	137%
Net Margin	53%	46%	+7%
ROE <sup>(2)</sup>	35%	n.m.	n.m.

*n.m. : not meaningful*

*(1) Net profit refers to "Profit for the period attributable to equity holders of the Company"*

*(2) Annualised figure*

**1Q 2008 vs 1Q 2007**

Total revenue increased by 107% to S\$17.5 million in 1Q 2008 from S\$8.5 million in 1Q 2007, primarily due to higher REIT base and performance fees as a result of an increase in the property values and net property income of the REITs managed by the Group, and portfolio management fees from the ARA Asia Dragon Fund. During the period, the Group also recognised acquisition fees of S\$1.1 million, mainly from AmFIRST REIT's acquisition of an interest in The Summit Subang USJ, a mixed commercial development in Subang Jaya, Malaysia for RM260.0 million which was completed on 31 March 2008

While the increase in revenue was partially offset by higher staff and other costs resulting from the continued business expansion of the Group, net profit for 1Q 2008 rose to S\$9.2 million, a 137% increase from S\$3.9 million in 1Q 2007 while net margin rose by 7 percentage points to 53% in 1Q 2008 from 46% in 1Q 2007.

As at 31 March 2008, total assets under management of the Group stood at S\$10.4 billion (approximately US\$7.5 billion).

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**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**

The global credit crunch and recessionary concerns over the US economy have resulted in uncertainties over general economic and business conditions and affected sentiment in global financial markets. Nevertheless, with an experienced management team in place, a strong balance sheet and stable management fee income from the management of REITs and private real estate funds, the Group is well-positioned to weather the current turbulence to continue to grow and strengthen our position as a leading real estate fund manager in Asia.

On the REIT management front, the Group continues to see positive rental reversions for the REITs under our management and will focus on pro-active asset management and asset enhancement to enhance the property income of the REITs to deliver more returns to investors in the REITs, and increase the Group's REIT performance fee income. The Group is also actively exploring increasing the REITs under our management by setting up new REITs.

For our private funds business segment, the Group has launched our second Shariah-compliant fund on the back of the success of AIFEREF and is targeting to close the fund by the end of the year. The Group is also pleased to report that the ADF has achieved good progress having invested in a number of projects in Singapore and China. Going forward, the Group is looking to complete a third closing for the ADF in mid 2008 even as we continue to focus on securing quality investments for the fund.

**Outlook for the financial year ending 31 December 2008**

Barring unforeseen circumstances, the Group expects a better performance in FY 2008 compared to FY 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

**Financial Statements Announcement  
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**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared or recommended for the financial period under review.

**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)
	1/1/08 to 31/3/08 S\$'000	1/1/08 to 31/3/08 S\$'000
Fortune REIT <sup>(1)</sup>	-	1,907
AIFEREF <sup>(2)</sup>	-	11
The Center (55) Limited <sup>(3)</sup>	-	80
	-	1,998

The interested person transactions have been entered into based on terms stipulated in the following:

- (1) the trust deed constituting Fortune REIT whereby the Group receives base and performance fees for its role as the manager of Fortune REIT;
- (2) the private placement memorandum of the AIFEREF whereby the Group receives portfolio management fees for its role as the portfolio manager of the fund; and
- (3) an operating lease agreement with The Center (55) Limited.

**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 financial information (comprising the balance sheets, consolidated income statement, statements of changes in equity and cash flow statement, together with their accompanying notes) as at 31 March 2008 and for the 3 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



**Financial Statements Announcement  
For the first quarter ended 31 March 2008**

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

Lim Hwee Chiang  
Director  
7 May 2008

This announcement 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.