

PRESS RELEASE

ARA NET PROFIT HITS RECORD S\$36.7 MILLION

- Total revenue rises 13% to S\$70.0 million
- Recurrent income jumps 57% to S\$64.5 million
- Total assets under management of S\$12.2 billion (approximately US\$8.5 billion)
- Proposes final dividend of 2.24 Singapore cents per share
- Strengthens China network with offices in Beijing, Tianjin and Nanjing

FY2008 Results Highlights

		FY2008	FY2007	Change (%)
Revenue				
Management fees	(S\$'000)	64,484	41,203	57%
Acquisition and performance fees	(S\$'000)	1,148	19,133	(94%)
Other income	(S\$'000)	4,407	1,741	153%
Total Revenue	(S\$'000)	70,039	62,077	13%
EBIT ¹	(S\$'000)	40,326	39,216	3%
Net Profit	(S\$'000)	36,729	34,012	8%
EPS ²	(S cents)	6.31	5.84	8%
Net Margin	(%)	52%	55%	-3%
Return on Equity ³	(%)	49%	34%	+15%
Total AUM	(S\$ billion)	12.2	10.4	17%

¹ Earnings before interest and tax

² Based on 582,060,000 shares in issue as at 31 December 2007 and 31 December 2008

³ Based on full year net profit divided by equity as at year end

19 February 2009 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to announce a record net profit of S\$36.7 million for the financial year ended 31 December 2008 (“FY2008”), an 8% increase from the S\$34.0 million achieved in FY2007.

Total revenue for FY2008 rose 13% to S\$70.0 million from S\$62.1 million in FY2007, boosted by a 57% increase in recurrent management fee income from REITs and private funds to S\$64.5 million from S\$41.2 million previously. At the same time, costs were kept

under control with the Group achieving a net margin of 52% for the year. As at 31 December 2008, the Group's total assets under management stood at S\$12.2 billion (US\$8.5 billion).

Notwithstanding the current challenging economic climate, the REITs under the Group's management are continuing to achieve positive rental reversions and steady increases in net property income, which translates to higher recurrent REIT management fees. For the coming financial year, the REITs will continue to focus on active asset management to optimize property income.

The Group's flagship private real estate fund, the ARA Asia Dragon Fund ("ADF"), had a very active year. The ADF completed its third and final closing in June 2008 to bring its aggregate committed capital to US\$1.13 billion. The fund has also been actively seeking out investment opportunities in the region, in particular China. In December 2008, the ADF completed the acquisition of the Nanjing International Finance Center, a prime landmark office-cum-retail building in the heart of Nanjing for RMB1.6 billion (approximately S\$350 million). As at 31 December 2008, the ADF's real estate investments have a gross valuation of approximately US\$1.9 billion.

During the year, the Group strengthened its China network with the establishment of new offices in Tianjin and Nanjing in collaboration with the ADF's joint-venture partners to add to the existing office in Beijing. With a current staff strength of over 140 across Asia, including approximately 60 in China alone, the Group is well on its way towards building a pan-Asian real estate investment platform.

Looking ahead, the Group will seek to launch new private funds with specific strategies tailored for the current market climate, even as we continue to be on the lookout for opportunities arising from the current financial and economic crisis to expand our geographical footprint and grow assets under management.

Mr John Lim, Group CEO of ARA, said, “We are very pleased to report another year of record profits for ARA despite the extremely challenging market conditions. The Group has been prudent in managing our capital over the past year and as a result, our financial position remains strong with ample cash reserves and low gearing. In addition, we have grown our recurrent management fee income strongly in FY2008, putting us on a strong footing to meet the challenges in the coming financial year and beyond. Looking ahead, we remain optimistic on the long-term growth prospects for China and view the current market dislocations as an opportunity for well-capitalised vehicles such as the ADF to acquire assets at attractive valuations. As part of our expansion plans for China, we have significantly strengthened our network in the country and the Group now has offices in Beijing, Tianjin and Nanjing. We are well-positioned to leverage our growing investment platform and take advantage of opportunities that may arise to continue our growth.”

To thank shareholders for their support, the Board has proposed a final dividend of 2.24 Singapore cents per share for FY2008. Including the interim dividend of 2.17 Singapore cents per share which was paid out on 2 September 2008, the total dividend declared for FY2008 is 4.41 Singapore cents per share, representing a payout ratio of 70%.

About ARA Asset Management Limited

ARA, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

- (a) REIT management – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages four REITs listed in three countries namely, Fortune REIT and Suntec REIT listed in Singapore, Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia;
- (b) Private real estate fund management – The Group manages several closed-end private real estate funds focused on real estate investments in Asia;
- (c) Specialist equity fund management – The Group currently manages an open-ended private fund investing in REITs and listed infrastructure and utilities trusts in the Asia-Pacific region; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to the Group and the various REITs we manage.

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

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