



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2009

These figures have been reviewed by our auditors but not audited.

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 admitted to the official list of the main board of the Singapore Exchange Securities Trading Limited 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/office sectors; a private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia; and a specialist equity fund investing in REITs and listed infrastructure and utilities trusts in the Asia-Pacific region.

As at 30 June 2009, ARA’s total assets under management was S\$12.4 billion (approximately US\$8.5 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.

**Financial Statements Announcement
For the quarter ended 30 June 2009**

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	1/4/09 to 30/6/09 S\$'000	1/4/08 to 30/6/08 S\$'000	Change %	1/1/09 to 30/6/09 S\$'000	1/1/08 to 30/6/08 S\$'000	Change %
Management fees	(a)	16,153	15,262	6%	32,432	31,140	4%
Acquisition and performance fees	(a)	31	-	n.m.	31	1,148	(97%)
Other income	(b)	4,369	1,392	214%	6,021	1,854	225%
Total revenue		20,553	16,654	23%	38,484	34,142	13%
Administrative expenses	(c)	(5,449)	(5,079)	7%	(10,872)	(10,047)	8%
Operating lease expenses	(d)	(557)	(397)	40%	(1,125)	(799)	41%
Other expenses	(e)	(1,183)	(951)	24%	(1,911)	(2,806)	(32%)
Results from operating activities		13,364	10,227	31%	24,576	20,490	20%
Finance expenses	(f)	(186)	(199)	(7%)	(371)	(403)	(8%)
		13,178	10,028	31%	24,205	20,087	21%
Share of profits of associates (net of tax)	(g)	77	57	35%	128	102	25%
Profit before income tax	(h)	13,255	10,085	31%	24,333	20,189	21%
Income tax expense	(i)	(1,292)	(1,293)	-	(2,309)	(2,270)	2%
Profit for the period		11,963	8,792	36%	22,024	17,919	23%
Attributable to:							
Equity holders of the Company		11,992	8,875	35%	22,079	18,069	22%
Minority interest		(29)	(83)	(65%)	(55)	(150)	(63%)
		11,963	8,792	36%	22,024	17,919	23%

n.m.: not meaningful

**Financial Statements Announcement
For the quarter ended 30 June 2009**
1(a)(ii) Explanatory notes to the income statement
(a) Revenue

		1/4/09 to 30/6/09 ("2Q2009") S\$'000	1/4/08 to 30/6/08 ("2Q2008") S\$'000	Change %	1/1/09 to 30/6/09 ("1H2009") S\$'000	1/1/08 to 30/6/08 ("1H2008") S\$'000	Change %
Management fees		16,153	15,262	6%	32,432	31,140	4%
REIT base and performance fees	(i)	9,983	9,979	-	20,087	19,847	1%
Portfolio management and service fees	(ii)	6,170	5,283	17%	12,345	11,293	9%
Acquisition and performance fees		31	-	n.m.	31	1,148	(97%)
REIT acquisition fees	(iii)	31	-	n.m.	31	1,148	(97%)

n.m.: not meaningful

- (i) REIT base and performance fees were relatively stable as higher REIT performance fees arising from higher net property income in the REITs managed by the Group were offset by a decrease in REIT base fees due to a reduction in the valuation of the properties in those REITs as at 31 December 2008. As at 30 June 2009, Fortune REIT's property portfolio was revalued at HK\$8.9 billion with a revaluation gain of 3.5%.
- (ii) Portfolio management and service fees increased to S\$12.3 million in 1H2009 from S\$11.3 million in 1H2008 primarily due to fee contribution from the third and final closing of the ARA Asia Dragon Fund ("ADF") on 19 June 2008.
- (iii) The Group received REIT acquisition fees of S\$31,000 in 1H2009 from AmFIRST REIT for the REIT's acquisition of certain commercial strata units of Menara Summit which was completed on 15 June 2009. The S\$1.1 million in 1H2008 was from the acquisition by AmFIRST REIT of an interest in The Summit Subang USJ, a mixed commercial development in Subang Jaya, Malaysia which was completed on 31 March 2008.

(b) Other income

Other income comprised primarily of distribution income, interest income and gain on fair valuation of held-for-trading securities. Other income increased to S\$6.0 million in 1H2009 from S\$1.9 million in 1H2008, primarily from a gain on disposal of S\$2.2 million in 1H2009 (1H2008: \$Nil) on REIT units received by the Group as part payment for REIT management fees and higher distribution income of S\$3.7 million in 1H2009 (1H2008: S\$1.6 million) from the Group's financial assets. Included in other income for 1H2009 was S\$97,000 received for the Jobs Credit Scheme introduced in the 2009 Singapore Budget which was applied towards reducing staff costs.

(c) Administrative expenses

Administrative expenses comprised primarily of staff-related expenses, directors' fees and strategic advisory fees. In line with the Group's continuing business expansion, administrative expenses increased to S\$10.9 million in 1H2009 from S\$10.0 million in 1H2008, primarily due to an increase in headcount, related expenses and strategic advisory fees.

(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 the Group.

(e) Other expenses

**Financial Statements Announcement
For the quarter ended 30 June 2009**

Other expenses comprised primarily of other staff-related expenses such as travelling expenses, telecommunications expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, listing expenses, board meeting expenses and other miscellaneous expenses. Other expenses decreased to S\$1.9 million in 1H2009 from S\$2.8 million in 1H2008. The Group recorded a loss on disposal of certain REIT units received by the Group as part payment for REIT management fees of S\$1.0 million in 1H2008. The Group recorded a gain on disposal of such REIT units in 1H2009 which was explained in (b) above.

(f) Finance expenses

The decrease in finance expenses was primarily due to lower interest paid on borrowings of RM44.9 million (equivalent to approximately S\$18.5 million) taken up to part 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:

	1/4/09 to 30/6/09	1/4/08 to 30/6/08	Change	1/1/09 to 30/6/09	1/1/08 to 30/6/08	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Other Income</u>						
Distribution income	2,259	1,296	74%	3,747	1,597	135%
Interest income	4	96	(96%)	8	257	(97%)
Gain on fair valuation of held-for-trading securities	2,059	-	100%	2,151	-	100%
<u>Operating Expenses</u>						
Depreciation	72	62	16%	149	122	22%
Exchange (gain)/loss - net	335	39	759%	(293)	432	(168%)
Loss on fair valuation of held-for-trading securities	-	212	(100%)	-	1,028	(100%)

(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.

**Financial Statements Announcement
For the quarter ended 30 June 2009**

1(a)(iii) Statement of Comprehensive Income together with a comparative statement for the corresponding period of the immediately preceding financial year

With effect from 1 January 2009, FRS 1 *Presentation of Financial Statements* requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. Non-owner changes include income and expenses that were previously recognised directly in equity. This is a change of presentation and does not affect the recognition or measurement of the Group's transactions. Previously, such non-owner changes are included in the Statement of Changes in Equity.

	1/1/09 to 30/6/09 S\$'000	1/1/08 to 30/6/08 S\$'000	Change %
Profit for the period	22,024	17,919	23%
Other comprehensive income:			
Translation differences relating to financial statements of foreign subsidiaries	-	(443)	n.m.
Effective portion of changes in fair value of cash flow hedge	352	240	47%
Increase/(Decrease) in fair value of available-for-sale financial assets	7,494	(4,615)	n.m.
Total comprehensive income	29,870	13,101	128%
Attributable to:			
Owners of the Company	29,926	13,257	126%
Minority interest	(56)	(156)	(64%)
	29,870	13,101	128%

n.m.: not meaningful

Footnotes:

- (a) *There is no tax effect relating to the component of the total comprehensive income*

**Financial Statements Announcement
For the quarter ended 30 June 2009**
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	
		30/6/09 S\$'000	31/12/08 S\$'000	30/6/09 S\$'000	31/12/08 S\$'000
Non-current assets					
Plant and equipment		717	849	-	-
Tenancy deposits		296	296	-	-
Subsidiaries	(a)	-	-	53,852	49,480
Associates		437	468	-	-
Financial assets	(b)	62,544	48,870	-	-
		<u>63,994</u>	<u>50,483</u>	<u>53,852</u>	<u>49,480</u>
Current assets					
Financial assets	(c)	1	-	-	-
Trade and other receivables	(d)	20,193	16,069	2,968	24
Amounts owing by related corporations	(e)	-	-	3,148	8,870
Cash and short term bank deposits		43,779	41,879	35,806	35,948
		<u>63,973</u>	<u>57,948</u>	<u>41,922</u>	<u>44,842</u>
Total assets		<u>127,967</u>	<u>108,431</u>	<u>95,774</u>	<u>94,322</u>
Equity attributable to equity holders					
Share capital		1,164	1,164	1,164	1,164
Reserves	(f)	91,577	74,689	91,546	89,257
		<u>92,741</u>	<u>75,853</u>	<u>92,710</u>	<u>90,421</u>
Minority interest		(283)	(227)	-	-
Total equity		<u>92,458</u>	<u>75,626</u>	<u>92,710</u>	<u>90,421</u>
Non-current liabilities					
Financial liabilities	(g)	18,692	18,832	-	-
Deferred tax liabilities		54	54	-	-
		<u>18,746</u>	<u>18,886</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	(h)	13,436	11,058	2,990	3,186
Amounts owing to related corporations		-	-	63	686
Financial liabilities	(g)	38	38	-	-
Derivative liabilities	(i)	34	386	-	-
Current tax payable		3,255	2,437	11	29
		<u>16,763</u>	<u>13,919</u>	<u>3,064</u>	<u>3,901</u>
Total liabilities		<u>35,509</u>	<u>32,805</u>	<u>3,064</u>	<u>3,901</u>
Total equity and liabilities		<u>127,967</u>	<u>108,431</u>	<u>95,774</u>	<u>94,322</u>

**Financial Statements Announcement
For the quarter ended 30 June 2009**

Footnotes:

- (a) *Interests in subsidiaries comprise equity investments in the Company's subsidiaries and loans to subsidiaries where the settlement of the amount is neither planned nor likely to occur in the foreseeable future.*
- (b) *Non-current financial assets as at 30 June 2009 comprise (i) Suntec REIT units held by the Group as a strategic stake; (ii) a 12.5% interest in AmFIRST REIT which has been pledged as security for a credit facility (see note (g) below); (iii) seed capital investment in the ADF; and (iv) investment in the ARA Asian Asset Income Fund ("AAIF").*

Of the available-for-sale financial assets, an amount of S\$9.4 million of unquoted equity investments relating to seed capital investment in the ADF are stated at cost since there were no market comparables or reliable estimates available to project future cash flows to arrive at its fair values.

- (c) *Current financial assets as at 30 June 2009 comprise REIT units received by the Group as part payment for REIT management fees.*
- (d) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The increase in trade and other receivables is primarily due to the increase in accrued REIT management fees; and accrued portfolio management fees from the ADF.*
- (e) *Amounts owing by related corporations relate mainly to advances to subsidiaries.*
- (f) *This includes a positive fair value reserve change of S\$7.5 million (2008: negative change of S\$26.8 million) for the six months ended 30 June 2009.*
- (g) *Financial liabilities as at 30 June 2009 relate to a secured revolving credit facility taken up to part finance the acquisition of a 12.5% interest in AmFIRST REIT and finance lease liabilities.*
- (h) *The increase in trade and other payables is primarily due to the accrual of strategic advisory fees and other professional fees.*
- (i) *Derivative liabilities relate to the fair value of foreign currency forward contracts entered into by the Group to hedge the Group's foreign currency exposure.*

**Financial Statements Announcement
For the quarter ended 30 June 2009**

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

	30/6/09		31/12/08	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	38	-	38	-
Amount repayable after one year	18,692	-	18,832	-
	<u>18,730</u>	<u>-</u>	<u>18,870</u>	<u>-</u>

Footnotes:

- (a) *The decrease in total borrowings is primarily due to the strengthening of the SGD relative to the RM for the RM loan taken up to part finance the acquisition of a 12.5% interest in AmFIRST REIT (please refer to "Details of any collateral" below).*
- (b) *Included in total borrowings is an amount of S\$0.2 million (31 December 2008: S\$0.2 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (c) *As at 30 June 2009, the Group had unutilised unsecured (i) overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2008: S\$6.0 million and HK\$3.0 million), and (ii) revolving credit facility of S\$1.2 million (31 December 2008: S\$1.2 million).*

Details of any collateral

As at 30 June 2009, the Group had bank borrowings of approximately RM44.9 million (equivalent to approximately S\$18.5 million (31 December 2008: S\$18.6 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 part finance the acquisition of a 12.5% interest in, or 53.7 million units of AmFIRST REIT in May 2007.

This facility was extended for a period of 24 months from 28 May 2009 and bears interest at a floating rate of 1.0% p.a. above AIBB's cost of funds from the date of extension. The facility is secured by a pledge of the AmFIRST REIT units purchased by the Group.

**Financial Statements Announcement
For the quarter ended 30 June 2009**
1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1/4/09 to 30/6/09 S\$'000	1/4/08 to 30/6/08 S\$'000	1/1/09 to 30/6/09 S\$'000	1/1/08 to 30/6/08 S\$'000
Operating activities				
Profit for the period	11,963	8,792	22,024	17,919
Adjustments for:				
Management fee received / receivable in units of REITs	(7,952)	(7,995)	(15,936)	(15,882)
Depreciation of plant and equipment	72	62	149	122
Share of profit of associates	(77)	(57)	(128)	(102)
Interest income	(4)	(96)	(8)	(257)
Gain on disposal of plant and equipment	3	-	3	(32)
(Gain) / Loss on fair valuation of held-for-trading securities	(2,059)	212	(2,151)	1,028
Distribution income	(2,259)	(1,296)	(3,747)	(1,597)
Finance expenses	186	199	371	403
Income tax expense	1,292	1,293	2,309	2,270
Operating profit before working capital changes	1,165	1,114	2,886	3,872
Changes in working capital:				
Trade and other receivables	(4,713)	1,226	(5,519)	8,107
Trade and other payables	672	(9,459)	2,378	(1,902)
Proceeds from sale of units in REITs	11,683	6,470	18,081	24,047
Income tax paid	(1,323)	(2,141)	(1,491)	(2,254)
Distributions income received	2,259	1,296	3,747	1,597
Interest received	4	96	8	257
Cash flows from operating activities	9,747	(1,398)	20,090	33,724
Investing activities:				
Purchase of plant and equipment	(4)	(54)	(14)	(121)
Proceed from disposal of plant and equipment	-	-	-	126
Purchase of available-for-sale securities				
- quoted	-	(6,208)	(4,275)	(20,400)
- unquoted	27	(7,480)	(523)	(10,832)
Cash flows from investing activities	23	(13,742)	(4,812)	(31,227)
Financing activities:				
Payment of finance lease liabilities (net)	(10)	(19)	(19)	(46)
Interest paid	(186)	(199)	(371)	(403)
Dividend paid	(13,038)	(22,118)	(13,038)	(22,118)
Cash flows from financing activities	(13,234)	(22,336)	(13,428)	(22,567)
Net increase in cash & cash equivalents	(3,464)	(37,476)	1,850	(20,070)
Cash and cash equivalents at beginning of period	47,538	91,801	41,879	74,494
Effect of exchange rate fluctuations on cash held	(295)	(36)	50	(135)
Cash and cash equivalents at end of period	43,779	54,289	43,779	54,289

**Financial Statements Announcement
For the quarter ended 30 June 2009**

Footnotes:

- (a) As at 30 June 2009, the Group had utilised S\$36.6 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	30/6/09 S\$'000	31/12/08 S\$'000
Seed capital investment in the ADF	9,391	8,664
Strategic stake in REIT	27,200	27,200
	<u>36,591</u>	<u>35,864</u>

- (b) Cash flows from operating activities decreased to S\$20.1 million in 1H2009 from S\$33.7 million in 1H2008, primarily due to a decrease in the proceeds arising from the sale of REIT units and movement in working capital. Cash flows from operating activities in 1H2008 included proceeds from the sale of REIT units received as fees in prior financial periods and receipt of performance fees from the Al-Islami Far Eastern Real Estate Fund.
- (c) Net cash outflow for investing activities amounted to S\$4.8 million in 1H2009 (1H2008: S\$31.2 million). This was primarily due to (i) S\$4.3 million (1H2008: S\$20.4 million) used towards the acquisition of Suntec REIT units which are held as a strategic stake; and (ii) additional seed capital investment of S\$523,000 (1H2008: S\$4.0 million) in the ADF pursuant to capital calls from the fund.
- (d) Net cash outflow for financing activities amounted to S\$13.4 million in 1H2009 (1H2008: S\$22.6 million). This was primarily due to the payment of the final dividend for the financial year ended 31 December 2008 which was paid in May 2009.

**Financial Statements Announcement
For the quarter ended 30 June 2009**

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
The Company				
At 1 January 2008	1,164	75,413	24,680	101,257
Total comprehensive income for the period				
- Loss for the period	-	-	(395)	(395)
At 31 March 2008	1,164	75,413	24,285	100,862
Total comprehensive income for the period				
- Profit for the period	-	-	12,476	12,476
Final tax-exempt dividend paid of S\$0.038 per share	-	-	(22,118)	(22,118)
At 30 June 2008	1,164	75,413	14,643	91,220
At 1 January 2009	1,164	75,413	13,844	90,421
Total comprehensive income for the period				
- Profit for the period	-	-	981	981
At 31 March 2009	1,164	75,413	14,825	91,402
Total comprehensive income for the period				
- Profit for the period	-	-	14,346	14,346
Final tax-exempt dividend paid of S\$0.0224 per share	-	-	(13,038)	(13,038)
At 30 June 2009	1,164	75,413	16,133	92,710

**Financial Statements Announcement
For the quarter ended 30 June 2009**

	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
The Group									
At 1 January 2008	1,164	75,413	85	-	(1,022)	25,414	101,054	(65)	100,989
Other comprehensive income:									
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)
Total other comprehensive income	-	-	(602)	289	(3,368)	-	(3,681)	1	(3,680)
Profit for the period	-	-	-	-	-	9,194	9,194	(67)	9,127
Total comprehensive income 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
Other comprehensive income:									
Translation differences relating to financial statements of foreign subsidiaries	-	-	165	-	-	-	165	(7)	158
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	(49)	-	-	(49)	-	(49)
Changes in fair value of available-for-sale financial assets	-	-	-	-	(1,247)	-	(1,247)	-	(1,247)
Total other comprehensive income	-	-	165	(49)	(1,247)	-	(1,131)	(7)	(1,138)
Profit for the period	-	-	-	-	-	8,875	8,875	(83)	8,792
Total comprehensive income for the period	-	-	165	(49)	(1,247)	8,875	7,744	(90)	7,654
Final tax-exempt dividend paid of S\$0.038 per share	-	-	-	-	-	(22,118)	(22,118)	-	(22,118)
At 30 June 2008	1,164	75,413	(352)	240	(5,637)	21,365	92,193	(221)	91,972
At 1 January 2009	1,164	75,413	102	(386)	(27,836)	27,396	75,853	(227)	75,626
Other comprehensive income:									
Translation differences relating to financial statements of foreign subsidiaries	-	-	529	-	-	-	529	-	529
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	(500)	-	-	(500)	-	(500)
Changes in fair value of available-for-sale financial assets	-	-	-	-	(1,975)	-	(1,975)	-	(1,975)
Total other comprehensive income	-	-	529	(500)	(1,975)	-	(1,946)	-	(1,946)
Profit for the period	-	-	-	-	-	10,087	10,087	(26)	10,061
Total comprehensive income for the period	-	-	529	(500)	(1,975)	10,087	8,141	(26)	8,115
At 31 March 2009	1,164	75,413	631	(886)	(29,811)	37,483	83,994	(253)	83,741
Other comprehensive income:									
Translation differences relating to financial statements of foreign subsidiaries	-	-	(528)	-	-	-	(528)	(1)	(529)
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	852	-	-	852	-	852
Changes in fair value of available-for-sale financial assets	-	-	-	-	9,469	-	9,469	-	9,469
Total other comprehensive income	-	-	(528)	852	9,469	0	9,793	(1)	9,792
Profit for the period	-	-	-	-	-	11,992	11,992	(29)	11,963
Total comprehensive income for the period	-	-	(528)	852	9,469	11,992	21,785	(30)	21,755
Final tax-exempt dividend paid of S\$0.0224 per share	-	-	-	-	-	(13,038)	(13,038)	-	(13,038)
At 30 June 2009	1,164	75,413	103	(34)	(20,342)	36,437	92,741	(283)	92,458

**Financial Statements Announcement
For the quarter ended 30 June 2009**

(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.

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

	30/6/09	As at 31/12/08
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 but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditors.

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

Please refer to attached review report.

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 consolidated financial statements for the financial year ended 31 December 2008, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2009.

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- 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**

(Singapore cents)	1/1/09 to 30/6/09	1/1/08 to 30/6/08
Earnings per ordinary share for the period based on profit for the period attributable to equity holders of the Company:		
(i) Based on the number of ordinary shares in issue as at the end of the financial period	3.79	3.10
(ii) On a fully diluted basis	3.79	3.10

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 June 2008 and 30 June 2009 and 582,060,000 shares in issue as at 30 June 2008 and 30 June 2009 respectively.

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

(Singapore cents)	Group		Company	
	30/6/09	31/12/08	30/6/09	31/12/08
Net asset value per ordinary share	15.88	12.99	15.93	15.53
Net tangible assets backing per ordinary share	15.88	12.99	15.93	15.53

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

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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

	2Q2009 S\$'000	2Q2008 S\$'000	Change %	1H2009 S\$'000	1H2008 S\$'000	Change %
Total Revenue	20,553	16,654	23%	38,484	34,142	13%
Management fees	16,153	15,262	6%	32,432	31,140	4%
Acquisition and performance fees	31	-	n.m.	31	1,148	(97%)
Other income	4,369	1,392	214%	6,021	1,854	225%
EBIT	13,364	10,227	31%	24,576	20,490	20%
Net profit⁽¹⁾	11,992	8,875	35%	22,079	18,069	22%
Net margin	58%	53%	5% pts	57%	53%	4% pts
ROE⁽²⁾	52%	39%	13% pts	48%	39%	9% pts

n.m.: not meaningful

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

(2) Annualised figure

2Q2009 vs 2Q2008

Recurrent management fee income increased by 6% to S\$16.2 million in 2Q2009 from S\$15.3 million in 2Q2008, primarily due to portfolio management fee contribution from the third and final closing of the ADF on 19 June 2008. REIT base and performance fees were relatively stable as higher REIT performance fees arising from higher net property income in the REITs managed by the Group were offset by a decrease in REIT base fees due to a reduction in the valuation of the properties in those REITs at as 31 December 2008. As at 30 June 2009, Fortune REIT's property portfolio was revalued at HK\$8.9 billion with a revaluation gain of 3.5%.

The Group received REIT acquisition fees of \$31,000 in 2Q2009 from AmFIRST REIT for the REIT's acquisition of certain commercial strata units of Menara Summit which was completed on 15 June 2009. Other income increased to S\$4.4 million in 2Q2009 from S\$1.4 million in 2Q2008, primarily from a gain on disposal of S\$2.1 million in 2Q2009 (2Q2008: \$Nil) on REIT units received by the Group as part payment for REIT management fees and higher distribution income from the Group's financial assets.

The Group recorded higher operating expenses of S\$7.2 million in 2Q2009 compared to S\$6.4 million in 2Q2008, primarily due to higher administrative expenses in line with the Group's continuing business expansion.

As a result of the above, net profit for 2Q2009 rose 35% to S\$12.0 million from S\$8.9 million in 2Q2008.

1H2009 vs 1H2008

Recurrent management fee income increased by 4% to S\$32.4 million in 1H2009 from S\$31.1 million in 1H2008, primarily due to portfolio management fee contribution from the third and final closing of the ADF on 19 June 2008. REIT base and performance fees were relatively stable as higher REIT performance fees arising from higher net property income in the REITs managed by the Group were offset by a decrease in REIT base fees due to a reduction in the valuation of the properties in those REITs at as 31 December 2008. As at 30 June 2009, Fortune REIT's property portfolio was revalued at HK\$8.9 billion with a revaluation gain of 3.5%.

**Financial Statements Announcement
For the quarter ended 30 June 2009**

Other income increased by 225% to S\$6.0 million in 1H2009 from S\$1.9 million in 1H2008, primarily due to a gain on disposal of certain REIT units received by the Group as part payment for REIT management fees of S\$2.2 million in 1H2009 and higher distribution income from the Group's financial assets.

As a result of the above, net profit for 1H2009 rose 22% to S\$22.1 million from S\$18.1 million in 1H2008 while net margin for the period improved 4 percentage points to 57% from 53% in 1H2008.

As at 30 June 2009, total assets under management of the Group stood at S\$12.4 billion (approximately US\$8.5 billion).

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

Better than expected economic data have given rise to growing optimism for a recovery in the global economy. However, with unemployment in the US at multi-decade highs and continuing tight credit conditions, the outlook remains uncertain. The Group continues to maintain a prudent approach to its capital management. With ample cash reserves, low gearing and stable management fee income from REITs and private real estate funds, ARA's financial position remains strong.

Following Suntec REIT's refinancing of its loan facilities due in 2009, all the REITs under the Group's management have no external borrowings coming due in the year. The Group will continue to pursue a proactive and prudent capital management strategy for the REITs under our management while being on the lookout for acquisition opportunities.

On 1 August 2009, the Group successfully closed the ARA Harmony Fund to acquire the Suntec Singapore International Convention & Exhibition Centre ("Suntec Singapore") for S\$235 million. On completion of the acquisition, ARA will be appointed as the asset manager and convention & exhibition service provider for Suntec Singapore, which would contribute positively to the Group's results for the current financial year and beyond.

The Group continues to seek opportunities to grow our assets under management through new fund launches and expand our geographical reach via new partnerships and acquisitions.

Outlook for the financial year ending 31 December 2009

Barring unforeseen circumstances, the Group expects to achieve better results in FY2009 compared to FY2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend Amount	:	\$0.023 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax Exempt (One-tier)

**Financial Statements Announcement
For the quarter ended 30 June 2009**
(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend Amount	:	\$0.0217 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax Exempt (One-tier)

(c) Date payable

3 September 2009

(d) Book Closure date

Registrable Transfers received by the Company up to 5.00 pm on 21 August 2009 will be registered before entitlements to the dividend are determined

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

An interim dividend of S\$0.023 per share has been proposed for the financial period from 1 January 2009 to 30 June 2009.

13. Interested Person Transactions

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$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 S\$100,000)	
	1/4/09 to 30/6/09 S\$'000	1/1/09 to 30/6/09 S\$'000	1/4/09 to 30/6/09 S\$'000	1/1/09 to 30/6/09 S\$'000
<u>Name of interested person</u>				
Fortune REIT ⁽¹⁾	-	-	2,020	4,021
	-	-	2,020	4,021

(1) The interested person transactions have been entered into based on terms stipulated in the trust deed constituting Fortune REIT whereby the Group receives base and performance fees for its role as the manager of Fortune REIT.

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, statement of comprehensive income, statements of changes in equity and cash flow statement, together with their accompanying notes) as at 30 June 2009 and for the 6 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 quarter ended 30 June 2009**

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

Lim Hwee Chiang
Director
5 August 2009

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.



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The Board of Directors
ARA Asset Management Limited
6 Temasek Boulevard #16-02
Suntec Tower Four
Singapore 038986

5 August 2009

Dear Sirs

Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed financial information of ARA Asset Management Limited (“the Company”) and its subsidiaries (collectively the “Group”), which comprise the balance sheets of the Group and the Company as at 30 June 2009, the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the six-month period ended 30 June 2009 and certain explanatory notes (the “Interim Financial Information”). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

Restriction on use

Our report is provided on the basis that it is solely for the private information of the directors and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, the Company or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore