



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 listed on the main board of the Singapore Exchange Securities Trading Limited.

The ARA Group comprises four primary business segments:

- Real estate investment trusts ("REITs");
- Private funds;
- Real estate management services; 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; private funds investing in real estate and real estate-related securities in Asia; and provides real estate management services, including property management services and convention & exhibition services; and corporate finance advisory services.

As at 31 December 2009, ARA's total assets under management was S\$13.5 billion (approximately US\$9.6 billion).

Financial Statements Announcement
For the financial year ended 31 December 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	1/10/09 to 31/12/09 S\$'000	1/10/08 to 31/12/08 S\$'000	Change %	1/1/09 to 31/12/09 S\$'000	1/1/08 to 31/12/08 S\$'000	Change %
Management fees	(a)	18,332	16,422	12%	67,102	64,484	4%
Acquisition and performance fees	(a)	5,047	-	n.m.	7,494	1,148	553%
Other income	(b)	3,504	1,802	94%	11,683	4,407	165%
Total revenue		26,883	18,224	48%	86,279	70,039	23%
Administrative expenses	(c)	(5,302)	(3,845)	38%	(21,856)	(19,194)	14%
Operating lease expenses	(d)	(580)	(538)	8%	(2,258)	(1,764)	28%
Other expenses	(e)	(4,504)	(4,309)	5%	(7,656)	(8,755)	(13%)
Results from operating activities		16,497	9,532	73%	54,509	40,326	35%
Finance expenses	(f)	(174)	(209)	(17%)	(715)	(813)	(12%)
		16,323	9,323	75%	53,794	39,513	36%
Share of profits of associates (net of tax)	(g)	54	18	200%	245	155	58%
Profit before income tax	(h)	16,377	9,341	75%	54,039	39,668	36%
Income tax expense	(i)	(2,360)	223	n.m.	(5,844)	(3,096)	89%
Profit for the period		14,017	9,564	47%	48,195	36,572	32%
Attributable to:							
Equity holders of the Company		14,078	9,574	47%	48,339	36,729	32%
Minority interest		(61)	(10)	510%	(144)	(157)	(8%)
		14,017	9,564	47%	48,195	36,572	32%

n.m.: not meaningful

**Financial Statements Announcement
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1(a)(ii) Explanatory notes to the income statement
(a) Revenue

		1/10/09 to 31/12/09 ("4Q2009") S\$'000	1/10/08 to 31/12/08 ("4Q2008") S\$'000	Change %	1/1/09 to 31/12/09 ("FY2009") S\$'000	1/1/08 to 31/12/08 ("FY2008") S\$'000	Change %
Management fees		18,332	16,422	12%	67,102	64,484	4%
REIT base and performance fees	(i)	10,232	10,056	2%	40,377	40,512	-
Portfolio management and service fees	(ii)	6,903	6,366	8%	25,528	23,972	6%
Real estate management services fees	(iii)	1,197	-	n.m.	1,197	-	n.m.
Acquisition and performance fees	(iv)	5,047	-	n.m.	7,494	1,148	553%
REIT and private fund acquisition fees		3,896	-	n.m.	6,343	1,148	453%
Corporate finance advisory fees		1,151	-	n.m.	1,151	-	n.m.

n.m.: not meaningful

- (i) REIT management fees were relatively stable at S\$40.4 million in FY2009 compared with S\$40.5 million in FY2008 as higher REIT performance fees arising from an increase in the net property income of the REITs managed by the Group and management fee contribution in relation to 3 retail properties in Hong Kong acquired by Fortune REIT on 15 October 2009 were partially offset by a decrease in REIT base fees.
- (ii) Portfolio management and service fees increased to S\$25.5 million in FY2009 from S\$24.0 million in FY2008 primarily due to fee contribution from the third and final closing of the ARA Asia Dragon Fund ("ADF") on 19 June 2008 and management fee contribution from the ARA Harmony Fund which was established on 30 September 2009.
- (iii) Real estate management services fees relate to management fees received by the Group's wholly-owned subsidiary, APM Property Management Pte. Ltd. (formerly known as Suntec City Management Pte. Ltd.), which was acquired on 8 December 2009, for the management of the Suntec City MCST and property management services rendered to Suntec REIT for the REIT's Suntec City properties. Also included in real estate management services fees are fees received by the Group from the ARA Harmony Fund for convention & exhibition services provided for the Suntec Singapore International Convention & Exhibition Centre ("Suntec Singapore").
- (iv) The Group received acquisition and performance fees of S\$7.5 million in FY2009, primarily from acquisition fees and corporate finance advisory fees received in relation to the acquisition of 3 retail properties in Hong Kong by Fortune REIT, which was completed on 15 October 2009 and arrangement fees received in relation to the establishment of the ARA Harmony Fund. The S\$1.1 million of acquisition and performance fees received in FY2008 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 a net gain on disposal / fair valuation of marketable securities. Other income increased to S\$11.7 million in FY2009 from S\$4.4 million in FY2008, primarily due to higher distribution income of S\$7.6 million in FY2009 (FY2008: S\$4.1 million) from the Group's financial assets and a net gain on disposal / fair valuation on certain REIT units received by the Group as part payment for REIT management fees of S\$3.5 million in FY2009 (FY2008: S\$Nil). Included in other income for FY2009 was an amount of S\$0.2 million received for the Jobs Credit Scheme introduced in the 2009 Singapore Budget which was applied towards reducing staff costs.

**Financial Statements Announcement
For the financial year ended 31 December 2009**

(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\$21.9 million in FY2009 from S\$19.2 million in FY2008, primarily due to an increase in headcount and staff-related expenses.

(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

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\$7.7 million in FY2009 from S\$8.8 million in FY2008 primarily due to lower traveling and professional fees. The Group recognised an impairment loss of S\$2.8 million on certain financial assets in FY2009 compared with a loss on disposal of certain REIT units received by the Group as part payment for REIT management fees of S\$3.1 million in FY2008.

(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\$18.4 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:

	1/10/09 to 31/12/09	1/10/08 to 31/12/08	Change	1/1/09 to 31/12/09	1/1/08 to 31/12/08	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Other Income</u>						
Distribution income	2,223	1,765	26%	7,590	4,062	87%
Interest income	185	37	400%	215	345	(38%)
Gain on fair valuation of held-for-trading securities	867	-	n.m.	3,488	-	n.m.
<u>Operating Expenses</u>						
Depreciation	103	78	32%	395	270	46%
Exchange (gain)/loss - net	(20)	23	n.m.	(93)	64	n.m.
Loss on fair valuation of held-for-trading securities	-	1,231	n.m.	-	3,055	n.m.
Impairment loss on fair valuation of available-for-sale securities	2,768	-	n.m.	2,768	-	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.

Financial Statements Announcement
For the financial year ended 31 December 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.

	1/10/09 to 31/12/09 S\$'000	1/10/08 to 31/12/08 S\$'000	Change %	1/1/09 to 31/12/09 S\$'000	1/1/08 to 31/12/08 S\$'000	Change %
Profit for the period	14,017	9,564	47%	48,195	36,572	32%
Other comprehensive income:						
Foreign currency translation differences for foreign operations	(125)	161	n.m.	(875)	12	n.m.
Effective portion of changes in fair value of cash flow hedge	(167)	(162)	3%	533	(386)	n.m.
Net changes in fair value of available-for-sale financial assets	13,818	(16,055)	n.m.	30,602	(26,814)	n.m.
Other comprehensive income for the period, net of income tax	13,526	(16,056)	n.m.	30,260	(27,188)	n.m.
Total comprehensive income for the period	27,543	(6,492)	n.m.	78,455	9,384	736%
Attributable to:						
Equity holders of the Company	27,604	(6,483)	n.m.	78,599	9,546	723%
Minority interest	(61)	(9)	578%	(144)	(162)	(11%)
Total comprehensive income for the period	27,543	(6,492)	n.m.	78,455	9,384	736%

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 financial year ended 31 December 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	
		31/12/09 S\$'000	31/12/08 S\$'000	31/12/09 S\$'000	31/12/08 S\$'000
Non-current assets					
Plant and equipment		1,095	849	-	-
Tenancy deposits		625	296	-	-
Subsidiaries	(a)	-	-	64,928	49,480
Associates		551	468	-	-
Financial assets	(b)	92,432	48,870	-	-
Goodwill	(c)	1,450	-	-	-
		<u>96,153</u>	<u>50,483</u>	<u>64,928</u>	<u>49,480</u>
Current assets					
Financial assets	(d)	4,174	-	-	-
Derivative assets	(e)	147	-	-	-
Trade and other receivables	(f)	22,451	16,069	125	24
Amounts owing by related corporations	(g)	-	-	6,935	8,870
Cash and short term bank deposits		46,148	41,879	25,600	35,948
		<u>72,920</u>	<u>57,948</u>	<u>32,660</u>	<u>44,842</u>
Total assets		<u>169,073</u>	<u>108,431</u>	<u>97,588</u>	<u>94,322</u>
Equity attributable to equity holders					
Share capital		1,164	1,164	1,164	1,164
Reserves	(h)	126,863	74,689	93,060	89,257
		<u>128,027</u>	<u>75,853</u>	<u>94,224</u>	<u>90,421</u>
Minority interest		(371)	(227)	-	-
Total equity		<u>127,656</u>	<u>75,626</u>	<u>94,224</u>	<u>90,421</u>
Non-current liabilities					
Financial liabilities	(i)	18,515	18,832	-	-
Deferred tax liabilities		54	54	-	-
		<u>18,569</u>	<u>18,886</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	(j)	17,760	11,058	3,201	3,186
Amounts owing to related corporations		-	-	161	686
Financial liabilities	(i)	38	38	-	-
Derivative liabilities	(e)	-	386	-	-
Current tax payable		5,050	2,437	2	29
		<u>22,848</u>	<u>13,919</u>	<u>3,364</u>	<u>3,901</u>
Total liabilities		<u>41,417</u>	<u>32,805</u>	<u>3,364</u>	<u>3,901</u>
Total equity and liabilities		<u>169,073</u>	<u>108,431</u>	<u>97,588</u>	<u>94,322</u>

**Financial Statements Announcement
For the financial year ended 31 December 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 31 December 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 (i) below); (iii) seed capital investment in the ADF; (iv) investment in the ARA Asian Asset Income Fund ("AAIF"); and (v) an amount of S\$8.0 million which relates to the Group's participation in the mezzanine loan to the ARA Harmony Fund to part finance its purchase of Suntec Singapore. Of the available-for-sale financial assets, an amount of S\$11.0 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) *Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a newly-acquired subsidiary, APM Property Management Pte. Ltd. Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. As of 31 December 2009, no impairment is required to be recognised in respect of the goodwill.*
- (d) *Current financial assets as at 31 December 2009 comprise (i) REIT units received by the Group as part payment for REIT management fees, (ii) REIT units received by the Group as payment of acquisition fees for the acquisition by (1) Suntec REIT of a 20% stake in the ARA Harmony Fund which was completed on 30 September 2009, and (2) Fortune REIT of 3 retail properties in Hong Kong which was completed on 15 October 2009.*
- (e) *Derivative assets/liabilities relate to the fair value of foreign currency forward contracts entered into by the Group to hedge the Group's foreign currency exposure.*
- (f) *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.*
- (g) *Amounts owing by related corporations relate mainly to advances to subsidiaries.*
- (h) *This includes a positive fair value reserve change of S\$30.6 million for FY2009 (2008: negative change of S\$26.8 million).*
- (i) *Financial liabilities as at 31 December 2009 relate to (i) a secured revolving credit facility taken up with AmInvestment Bank Berhad ("AIBB") to part finance the acquisition of a 12.5% interest in AmFIRST REIT, and (ii) finance lease liabilities.*
- (j) *The increase in trade and other payables is primarily due to the accrual of staff benefits arising out of new acquisition of business units and other professional fees.*

Financial Statements Announcement
For the financial year ended 31 December 2009

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

	31/12/09		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	18,515	-	18,832	-
	<u>18,553</u>	<u>-</u>	<u>18,870</u>	<u>-</u>

Footnotes:

- (a) *The decrease in total borrowings is due to lower interest cost incurred and 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 31 December 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\$1.1 million (31 December 2008: S\$1.2 million).*

Details of any collateral

As at 31 December 2009, the Group had bank borrowings of approximately RM44.9 million (equivalent to approximately S\$18.3 million (31 December 2008: S\$18.6 million)) which relates to a secured revolving credit facility provided by 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 financial year ended 31 December 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

	1/10/09 to 31/12/09 S\$'000	1/10/08 to 31/12/08 S\$'000	1/1/09 to 31/12/09 S\$'000	1/1/08 to 31/12/08 S\$'000
Operating activities				
Profit for the period	14,017	9,564	48,195	36,572
Adjustments for:				
Management fee received / receivable in units of REITs	(12,305)	(7,949)	(36,234)	(32,328)
Depreciation of plant and equipment	103	78	395	270
Share of profit of associates	(54)	(18)	(245)	(155)
Interest income	(185)	(37)	(215)	(345)
Loss / (Gain) on disposal of plant and equipment	-	(14)	4	(46)
(Gain) / Loss on fair valuation of held-for-trading securities	(867)	1,231	(3,488)	3,055
Distribution income	(2,223)	(1,765)	(7,590)	(4,062)
Finance expenses	174	209	715	813
Income tax expense	2,360	(223)	5,844	3,096
Operating profit before working capital changes	1,020	1,076	7,381	6,870
Changes in working capital:				
Trade and other receivables	1,327	2,367	(4,163)	10,504
Trade and other payables	1,286	(6,281)	6,383	(5,170)
Proceeds from sale of units in REITs	9,175	9,477	34,749	40,895
Subscription of held-for-trading securities	(732)	-	(732)	-
Income tax paid	(725)	(1,077)	(3,252)	(5,281)
Distributions income received	2,223	1,765	7,590	4,062
Interest received	185	37	215	345
Cash flows from operating activities	13,759	7,364	48,171	52,225
Investing activities:				
Dividend received from associate	-	-	170	-
Investment in Mezzanine loan	-	-	(8,000)	-
Acquisition of subsidiary, net of cash acquired	(1,115)	-	(1,115)	-
Purchase of plant and equipment	(325)	(64)	(647)	(319)
Proceed from disposal of plant and equipment	-	(78)	-	48
Purchase of available-for-sale securities				
- quoted	-	(7,101)	(4,275)	(33,264)
- unquoted	(906)	(3,896)	(2,732)	(15,619)
Cash flows from investing activities	(2,346)	(11,139)	(16,599)	(49,154)
Financing activities:				
Payment of finance lease liabilities (net)	(10)	(51)	(38)	(123)
Interest paid	(174)	(209)	(715)	(813)
Dividend paid	-	-	(26,425)	(34,747)
Cash flows from financing activities	(184)	(260)	(27,178)	(35,683)
Net increase/(decrease) in cash & cash equivalents	11,229	(4,035)	4,394	(32,612)
Cash and cash equivalents at beginning of period	35,094	45,912	41,879	74,494
Effect of exchange rate fluctuations on cash held	(175)	2	(125)	(3)
Cash and cash equivalents at end of period	46,148	41,879	46,148	41,879

**Financial Statements Announcement
For the financial year ended 31 December 2009**

Footnotes:

- (a) As at 31 December 2009, the Group had utilised S\$46.3 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	31/12/09 S\$'000	31/12/08 S\$'000
Seed capital investment in the ADF	11,101	8,664
Strategic stake in REIT	27,200	27,200
Investment in mezzanine loan ⁽¹⁾	8,000	-
	46,301	35,864

- (1) This investment was made in relation to the establishment of the ARA Harmony Fund.

- (b) Cash flows from operating activities decreased to S\$48.2 million in FY2009 from S\$52.2 million in FY2008, 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 FY2008 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\$16.6 million in FY2009 (FY2008: S\$49.2 million). This was primarily due to (i) S\$4.3 million (FY2008: S\$33.3 million) used towards the acquisition of Suntec REIT units which are held as a strategic stake; (ii) additional seed capital investment of S\$2.4 million (FY2008: S\$15.6 million) in the ADF pursuant to capital calls from the fund; (iii) S\$8.0 million which relate to the Group's participation in the mezzanine loan to the ARA Harmony Fund to part finance its purchase of Suntec Singapore; (iv) S\$1.1 million for the purchase of APM Property Management Pte Ltd .
- (d) Net cash outflow for financing activities amounted to S\$27.2 million in FY2009 (FY2008: S\$35.7 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 and payment of the interim dividend for the financial year ended 31 December 2009 which was paid in September 2009.

**Financial Statements Announcement
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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
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
Total comprehensive income for the period				
- Profit for the period	-	-	721	721
Interim tax-exempt dividend paid of S\$0.0217 per share	-	-	(12,629)	(12,629)
At 30 September 2008	1,164	75,413	2,735	79,312
Total comprehensive income for the period				
- Profit for the period	-	-	11,109	11,109
At 31 December 2008	1,164	75,413	13,844	90,421
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
Total comprehensive income for the period				
- Loss for the period	-	-	(772)	(772)
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(13,387)	(13,387)
At 30 September 2009	1,164	75,413	1,974	78,551
Total comprehensive income for the period				
- Profit for the period	-	-	15,673	15,673
At 31 December 2009	1,164	75,413	17,647	94,224

**Financial Statements Announcement
For the financial year ended 31 December 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 (cont'd)

	Share capital S\$'000	Share premium S\$'000	Fair value reserve S\$'000	Other reserves 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	(1,022)	85	25,414	101,054	(65)	100,989
Total other comprehensive income	-	-	(3,368)	(313)	-	(3,681)	1	(3,680)
Profit for the period	-	-	-	-	9,194	9,194	(67)	9,127
Total comprehensive income for the period	-	-	(3,368)	(313)	9,194	5,513	(66)	5,447
At 31 March 2008	1,164	75,413	(4,390)	(228)	34,608	106,567	(131)	106,436
Total other comprehensive income	-	-	(1,247)	116	-	(1,131)	(7)	(1,138)
Profit for the period	-	-	-	-	8,875	8,875	(83)	8,792
Total comprehensive income for the period	-	-	(1,247)	116	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	(5,637)	(112)	21,365	92,193	(221)	91,972
Total other comprehensive income	-	-	(6,144)	(170)	-	(6,314)	-	(6,314)
Profit for the period	-	-	-	-	9,086	9,086	3	9,089
Total comprehensive income for the period	-	-	(6,144)	(170)	9,086	2,772	3	2,775
Interim tax-exempt dividend paid of S\$0.0217 per share	-	-	-	-	(12,629)	(12,629)	-	(12,629)
At 30 September 2008	1,164	75,413	(11,781)	(282)	17,822	82,336	(218)	82,118
Net (losses)/gains recognised directly in equity	-	-	(16,055)	(2)	-	(16,057)	1	(16,056)
Profit for the period	-	-	-	-	9,574	9,574	(10)	9,564
Total comprehensive income for the period	-	-	(16,055)	(2)	9,574	(6,483)	(9)	(6,492)
At 31 December 2008	1,164	75,413	(27,836)	(284)	27,396	75,853	(227)	75,626
At 1 January 2009	1,164	75,413	(27,836)	(284)	27,396	75,853	(227)	75,626
Total other comprehensive income	-	-	(1,975)	29	-	(1,946)	-	(1,946)
Profit for the period	-	-	-	-	10,087	10,087	(26)	10,061
Total comprehensive income for the period	-	-	(1,975)	29	10,087	8,141	(26)	8,115
At 31 March 2009	1,164	75,413	(29,811)	(255)	37,483	83,994	(253)	83,741
Total other comprehensive income	-	-	9,469	324	-	9,793	(1)	9,792
Profit for the period	-	-	-	-	11,992	11,992	(29)	11,963
Total comprehensive income for the period	-	-	9,469	324	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	(20,342)	69	36,437	92,741	(283)	92,458
Total other comprehensive income	-	-	9,290	(403)	-	8,887	1	8,888
Profit for the period	-	-	-	-	12,182	12,182	(28)	12,154
Total comprehensive income for the period	-	-	9,290	(403)	12,182	21,069	(27)	21,042
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	-	(13,387)	(13,387)	-	(13,387)
At 30 September 2009	1,164	75,413	(11,052)	(334)	35,232	100,423	(310)	100,113
Total other comprehensive income	-	-	13,818	(292)	-	13,526	-	13,526
Profit for the period	-	-	-	-	14,078	14,078	(61)	14,017
Total comprehensive income for the period	-	-	13,818	(292)	14,078	27,604	(61)	27,543
At 31 December 2009	1,164	75,413	2,766	(626)	49,310	128,027	(371)	127,656

* Other reserves comprised foreign currency translation reserves and hedging reserves.

**Financial Statements Announcement
For the financial year ended 31 December 2009**

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.

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

	As at	
	31/12/09	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 2400: Engagements to Review Financial Statements.

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.

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.

**Financial Statements Announcement
For the financial year ended 31 December 2009**
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)	1/10/09 to 31/12/09	1/10/08 to 31/12/08	1/1/09 to 31/12/09	1/1/08 to 31/12/08
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	2.42	1.64	8.30	6.31
(ii) On a fully diluted basis	2.42	1.64	8.30	6.31

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 December 2008 and 31 December 2009 and 582,060,000 shares in issue as at 31 December 2008 and 31 December 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	
	31/12/09	31/12/08	31/12/09	31/12/08
Net asset value per ordinary share	22.00	13.03	16.19	15.53
Net tangible assets per ordinary share	21.75	13.03	16.19	15.53

Net asset value ("NAV") is calculated based on the net assets of the Group (excluding minority interest) and the issued share capital of 582,060,000 shares. The increase in NAV in FY2009 was primarily due to an increase in the Group's financial assets and net profit.

Net tangible assets is calculated based on the NAV of the Group, excluding minority interest and goodwill, and 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

	4Q2009 S\$'000	4Q2008 S\$'000	Change %	FY2009 S\$'000	FY2008 S\$'000	Change %
Total Revenue	26,883	18,224	48%	86,279	70,039	23%
Management fees	18,332	16,422	12%	67,102	64,484	4%
Acquisition and performance fees	5,047	-	n.m.	7,494	1,148	553%
Other income	3,504	1,802	94%	11,683	4,407	165%
EBIT	16,497	9,532	73%	54,509	40,326	35%
Net profit⁽¹⁾	14,078	9,574	47%	48,339	36,729	32%
Net margin	52%	53%	-1% pts	56%	52%	4% pts

n.m.: not meaningful

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

**Financial Statements Announcement
For the financial year ended 31 December 2009****4Q2009 vs 4Q2008**

Recurrent management fee income increased by 12% to S\$18.3 million in 4Q2009 from S\$16.4 million in 4Q2008. This was primarily due to higher REIT management fees from the acquisition of 3 retail properties in Hong Kong for HK\$2.0 billion by Fortune REIT which was completed on 15 October 2009, as well as management fee contribution from the ARA Harmony Fund which was established on 30 September 2009 and management fee contribution from the real estate management services business division.

The Group received acquisition and performance fees of S\$5.0 million in 4Q2009, primarily from acquisition fees and corporate finance advisory fees received in relation to Fortune REIT's acquisition and arrangement fees received for the establishment of the ARA Harmony Fund. Other income increased to S\$3.5 million in 4Q2009 from S\$1.8 million in 4Q2008, primarily due to a gain on disposal of REIT units received by the Group as part payment for REIT management fees of S\$0.9 million in 4Q2009 (4Q2008: S\$Nil) and higher distribution income from the Group's financial assets of S\$2.2 million (4Q2008: S\$1.8 million).

The Group recorded higher operating expenses of S\$10.4 million in 4Q2009 compared to S\$8.7 million in 4Q2008, primarily due to higher administrative expenses in line with the Group's continuing business expansion. The Group also recognised an impairment loss of S\$2.8 million on certain financial assets in 4Q2009 compared with a loss on disposal of certain REIT units received by the Group as part payment for REIT management fees of S\$1.2 million in 4Q2008.

As a result of the above, net profit for 4Q2009 rose 47% to S\$14.1 million from S\$9.6 million in 4Q2008.

FY2009 vs FY2008

Recurrent management fee income in FY2009 increased by 4% to S\$67.1 million from S\$64.5 million in FY2008. For the full year, REIT management fees were relatively stable at S\$40.4 million in FY2009 compared with S\$40.5 million in FY2008 as higher REIT performance fees arising from an increase in the net property income of the REITs managed by the Group and management fee contribution in relation to Fortune REIT's enlarged portfolio were partially offset by a decrease in REIT base fees. Private fund management fees increased 6% to S\$25.5 million from S\$24.0 million in FY2008 due primarily to management fee contributions from the third and final closing of the ADF and the ARA Harmony Fund which was established on 30 September 2009. Real estate management services contributed S\$1.2 million to recurrent management fee (FY2008: Nil).

Acquisition and performance fees increased to S\$7.5 million in FY2009 from S\$1.1 million in FY2008. In FY2009, the Group received acquisition fees and corporate finance advisory fees in relation to Fortune REIT's acquisition of 3 retail properties in Hong Kong which was completed on 15 October 2009 and arrangement fees in relation to the establishment of the ARA Harmony Fund on 30 September 2009. Acquisition and performance fees received in FY2008 was in relation to 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.

Other income increased by 165% to S\$11.7 million in FY2009 from S\$4.4 million in FY2008, primarily due to higher distribution income of S\$7.6 million (FY2008: S\$4.1 million) from the Group's financial assets and gain on disposal of certain REIT units received by the Group as part payment for REIT management fees of S\$3.5 million in FY2009 (FY2008: S\$Nil).

The Group recorded higher operating expenses of S\$31.8 million in FY2009 compared to S\$29.7 million in FY2008, primarily due to higher administrative expenses and operating lease expenses, in line with the Group's continuing business expansion.

As a result of the above, net profit for FY2009 rose 32% to S\$48.3 million from S\$36.7 million in FY2008 while net margin for the period improved 4 percentage points to 56% from 52% in FY2008.

As at 31 December 2009, total assets under management of the Group stood at S\$13.5 billion (approximately US\$9.6 billion).

**Financial Statements Announcement
For the financial year ended 31 December 2009**

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

Positive economic data coming out of a number of countries in 4Q2009 have fuelled optimism of an end to the recession triggered by the US housing crisis and the ensuing credit crunch. However, continuing high unemployment in the US, soaring budget deficits and record sovereign debt levels in a number of countries continue to weigh down on the outlook for the global economy. Nevertheless, Asia has emerged as the region leading the global recovery. As a leading real estate fund manager in Asia, ARA is well-positioned to tap on Asia's emergence to continue its growth.

ARA completed a number of important transactions in 2009, putting the Group on a strong foundation for sustained growth in 2010 and beyond. The Group continues to seek opportunities to grow its assets under management through new REIT and fund launches, as well as expand its geographical reach via new partnerships and acquisitions.

REIT Management

Retail rents in both Singapore and Hong Kong have remained resilient through the crisis and after a year of correction, rentals in the Singapore office sector have also shown clear signs of stabilization. The Group will continue to pro-actively engage current and prospective tenants to maintain high occupancy levels in the REITs' properties and invest in asset enhancements to augment the competitiveness of the properties. At the same time, the Group will also seek to capitalize on improving market sentiment to make value-adding acquisitions for the REITs under our management.

The Group recently announced that Cache Logistics Trust ("CLT"), an Asia Pacific-focused logistics REIT jointly established by ARA and leading Singapore-listed logistics group, CWT Limited ("CWT") has received its letter of eligibility-to-list from the Singapore Exchange Securities Trading Limited. CLT is targeted to be listed by 1H2010, market conditions permitting.

Private Funds

The ADF completed the acquisition of one of the largest retail malls in Dalian, China with a total gross floor area of approximately 185,000 square meters in January 2010. The fund is currently in the midst of reviewing a number of investments and will be looking to place out the bulk of its remaining committed capital by the end of 2010.

Real Estate Management Services

The acquisition of APM Property Management Pte. Ltd. ("APM", previously known as Suntec City Management Pte. Ltd.), the managing agent for the Suntec City MCST, was completed on 8 December 2009. Subsequently, on 9 December 2009, APM entered into a property management with Suntec REIT to manage the REIT's properties in Suntec City. FY2010 will see the first full year of management fee contribution from APM and Suntec Singapore International Convention & Exhibition Services Pte. Ltd. ("SSICES"), the convention & exhibition services provider for Suntec Singapore, which will contribute positively to the Group's revenue and net profit.

Outlook for the financial year ending 31 December 2010

Barring unforeseen circumstances, the Directors expect the Group's net profit in FY2010 to be comparable to that achieved in FY2009.

**Financial Statements Announcement
For the financial year ended 31 December 2009****11. Dividend*****(a) Current Financial Period Reported On***

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

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount	:	S\$0.025 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax Exempt (One-Tier)

(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	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount	:	S\$0.0224 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax Exempt (One-Tier)

(c) Date payable

18 May 2010

(d) Book Closure date

Registrable Transfers received by the Company up to 5.00pm on 3 May 2010 will be registered before entitlements to the dividend are determined.

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

A final dividend of S\$0.025 per share has been recommended for the financial year ended 31 December 2009. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 26 April 2010.

Inclusive of the interim dividend of S\$0.023 per share paid out in September 2009, the total dividend per share for FY2009 is S\$0.048.

13. Others – Proposed bonus issue

The Directors have proposed a bonus issue of up to 116,412,000 new ordinary shares of S\$0.002 each in the capital of the Company on the basis of one (1) bonus share credited as fully paid for every five (5) existing shares held in the capital of the Company.

The proposed bonus issue is subject to shareholders' approval at the Company's Special General Meeting to be held on 26 April 2010.

**Financial Statements Announcement
For the financial year ended 31 December 2009**
PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Revenue		Profit before share of profits of associates, income tax and minority interest	
	1/1/09 to 31/12/09 S\$'000	1/1/08 to 31/12/08 S\$'000	1/1/09 to 31/12/09 S\$'000	1/1/08 to 31/12/08 S\$'000
<u>Business Segments</u>				
REITs	49,147	41,659	31,396	24,707
Private real estate funds	27,766	23,973	17,410	15,490
Real estate management	1,197	-	978	-
Investment holding	6,959	4,407	4,002	872
Others ^(a)	1,210	-	1,447	(79)
	86,279	70,039	55,233	40,990
Unallocated expenses	-	-	(724)	(664)
	86,279	70,039	54,509	40,326

Notes:

(a) Comprise primarily of corporate finance advisory services and dormant companies.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to preceding Paragraph 8.

16. A breakdown of sales.

	FY2009 S\$'000	FY2008 S\$'000	Change %
Revenue reported for first half year	38,484	34,142	13%
Management fees	32,432	31,140	4%
Acquisition and performance fees	31	1,148	(97%)
Other income	6,021	1,854	225%
Operating profit after tax before deducting minority interests reported for first half year	22,024	17,919	23%
Revenue reported for second half year	47,795	35,897	33%
Management fees	34,670	33,344	4%
Acquisition and performance fees	7,463	-	100%
Other income	5,662	2,553	122%
Operating profit after tax before deducting minority interests reported for second half year	26,171	18,653	40%

**Financial Statements Announcement
For the financial year ended 31 December 2009**
17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2009 S\$'000	FY2008 S\$'000
Ordinary	27,939 ^(a)	25,667 ^(b)
Preference	-	-
Total:	27,939	25,667

Notes:

- (a) This includes the proposed final dividend of S\$0.025 per share which amounts to S\$14.6 million and is payable on 18 May 2010. Of the total dividends, S\$13.4 million relates to the interim dividend of S\$0.023 per share which was paid on 3 September 2009. The total dividend of S\$0.048 per share for FY2009 represents an increase of 8.8% over the total dividend of S\$0.0441 per share paid in FY2008.
- (b) This includes the proposed final dividend of S\$0.0224 per share which amounts to S\$13.0 million and paid on 20 May 2009. Of the total dividend, S\$12.6 million relates to the interim dividend of S\$0.0217 per share which was paid on 2 September 2008.

18. Interested Person Transactions

<u>Name of interested person</u>	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)	
	1/10/09 to 31/12/09 S\$'000	1/1/09 to 31/12/09 S\$'000	1/10/09 to 31/12/09 S\$'000	1/1/09 to 31/12/09 S\$'000
Fortune REIT ⁽¹⁾	-	-	2,334	8,338
Fortune REIT ⁽²⁾	-	-	3,703	3,703
Fortune REIT ⁽³⁾	-	-	1,151	1,151
	-	-	7,188	13,192

- (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.
- (2) This relates to the acquisition fees which the Group received in the form of REIT units for Fortune REIT's acquisition of 3 retail properties in Hong Kong which was completed on 15 October 2009. In accordance with the guidelines for REITs under the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, these units shall not be sold within one year from their date of issue.
- (3) This is in respect of the corporate advisory fees received by the Group in relation to Fortune REIT's acquisition of the 3 retail properties in Hong Kong.

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

Lim Hwee Chiang
Director
22 February 2010

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
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22 February 2010

Dear Sirs

Review of Financial Statements

Introduction

We have reviewed the accompanying 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 31 December 2009, the related statements of income, changes in equity and cash flows for the Group for the year ended 31 December 2009 and certain explanatory notes (the "Financial Information"). Management is responsible for the preparation and presentation of this Financial Information in accordance with Singapore Financial Reporting Standards. Our responsibility is to express a conclusion on this Financial Statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, 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 Financial Information is not presented fairly, in all material respects, in accordance with Singapore Financial Reporting Standards.

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