

PRESS RELEASE

ARA REPORTS 14% INCREASE IN 1H NET PROFIT TO S\$25.1 MILLION

- **Total revenue rose 20% to S\$46.3 million**
- **Recurrent management fees surged 26% to S\$40.8 million**
- **Secures beachhead into Australia with acquisition of strategic stake in APN Property Group Limited**
- **Total assets under management of S\$14.6 billion (approximately US\$10.4 billion)**
- **Interim dividend of 2.30 Singapore cents per share declared**

1H2010 Results Highlights

		1H2010	1H2009	Change
Revenue				
Management fees	(S\$'000)	40,788	32,432	26%
Acquisition and performance fees	(S\$'000)	968	31	<i>n.m.</i>
Other income	(S\$'000)	4,535	6,021	(25%)
Total Revenue	(S\$'000)	46,291	38,484	20%
EBIT¹	(S\$'000)	28,343	24,576	15%
Net Profit	(S\$'000)	25,078	22,079	14%
EPS²	(S cents)	3.59	3.16	14%
Net Margin	(%)	54%	57%	-3% pts

¹ Earnings before interest and tax

² On a fully diluted basis. Based on 698,471,997 shares in issue after the issue of bonus shares on 10 May 2010

12 August 2010 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to announce a 14% increase in net profit for the six months ended 30 June 2010 (“1H2010”) to S\$25.1 million.

The increase in net profit was matched by healthy topline growth as 1H2010 total revenue rose 20% to S\$46.3 million from S\$38.5 million in 1H2009. Recurrent management fees surged 26% to S\$40.8 million in 1H2010 from S\$32.4 million in 1H2009, primarily from a S\$6.5 million contribution from the real estate management services business division which was established

in 4Q2009. Other income declined 25% to S\$4.5 million in 1H2010 from S\$6.0 million in 1H2009 due to lower gains on disposal and fair valuation of REIT¹ units received as part payment of REIT management fees. The Group also recognized performance fees of S\$968,000 primarily in relation to the ARA Harmony Fund in 1H2010. Despite the continuing business expansion, the Group achieved a healthy net margin of 54% for the period.

Fortune REIT's property portfolio was revalued as at 30 June 2010 with a gain of 8.0% or HK\$921 million to HK\$12.4 billion. Together with the inclusion of Cache Logistics Trust, which was listed on 12 April 2010, the Group's assets under management ("AUM") reached a record S\$14.6 billion (approximately US\$10.4 billion) as at 30 June 2010. The Group expects to continue to increase its AUM with the completion of various acquisitions by the ARA Asia Dragon Fund in the second half of 2010.

Subsequent to the period end, the Group acquired a 15.0%² strategic interest in leading boutique Australian real estate investment manager, APN Property Group Limited ("APN") for a total consideration of A\$4.6 million (approximately S\$5.6 million) via a share placement on 22 July 2010. APN is a specialist real estate investment manager listed on the Australian Securities Exchange ("ASX") with total assets under management of A\$2.6 billion (approximately S\$3.2 billion) as at 31 March 2010. APN currently manages real estate securities funds, private equity real estate funds, a listed REIT and unlisted property funds investing primarily in Australian real estate. As a strategic shareholder, ARA will be looking to collaborate with APN to make inroads into the Australian market by jointly launching and managing real estate funds investing in Australia.

ARA Group CEO, John Lim commented, "We are delighted to report a solid set of results for the first half of 2010. The business initiatives that we have put in place in 2009 are bearing fruit, contributing to the strong 26% increase in recurrent management fees in 1H2010 to S\$40.8 million. With the strategic alliance with APN, we are now well-positioned to grow our presence in Australia, a key market with one of the largest managed funds sectors in the world. APN is a like-minded and well-managed partner and we look forward to leveraging on APN's deep expertise in the Australian real estate and real estate securities sectors to jointly create and manage real estate funds focused on the Australian market. Meanwhile, we continue to look to grow in our existing core markets of Singapore, Hong Kong, China and Malaysia via acquisitions by the REITs and private funds under our management."

¹ Real estate investment trust.

² Based on APN's pre-placement issued share capital. Post-placement, ARA will hold a 13.0% interest in APN based on its enlarged share capital.

The Directors have declared a tax-exempt (one-tier) interim dividend of 2.30 Singapore cents per ordinary share, unchanged from 1H2009. With the increased share capital base of the Company following the recent 1-for-5 bonus share issue in May 2010, the interim dividend represents a 20% increase in payout compared to 1H2009.

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) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages five REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia;
- (b) Private funds – The Group manages several private funds investing in real estate and real estate-related securities in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore International Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

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