



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2010

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 ("SGX-ST").

The ARA Group comprises four primary business segments:

- Real estate investment trusts ("REITs");
- Private real estate 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, industrial/office and logistics sectors; private real estate 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.

Financial Statements Announcement
For the quarter ended 30 September 2010

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	1/7/10 to 30/9/10 S\$'000	1/7/09 to 30/9/09 S\$'000	Change %	1/1/10 to 30/9/10 S\$'000	1/1/09 to 30/9/09 S\$'000	Change %
Management fees	(a)	21,655	16,338	33%	62,443	48,770	28%
Acquisition and performance fees	(a)	126	2,416	(95%)	1,094	2,447	(55%)
Other income	(b)	2,752	2,158	28%	7,287	8,179	(11%)
Total revenue		24,533	20,912	17%	70,824	59,396	19%
Administrative expenses	(c)	(7,295)	(5,682)	28%	(21,600)	(16,554)	30%
Operating lease expenses	(d)	(645)	(553)	17%	(1,918)	(1,678)	14%
Other expenses	(e)	(1,494)	(1,241)	20%	(3,864)	(3,152)	23%
Results from operating activities		15,099	13,436	12%	43,442	38,012	14%
Finance expenses	(f)	(222)	(170)	31%	(612)	(541)	13%
		14,877	13,266	12%	42,830	37,471	14%
Share of profits of associates (net of tax)	(g)	144	63	n.m.	330	191	73%
Profit before income tax	(h)	15,021	13,329	13%	43,160	37,662	15%
Income tax expense	(i)	(1,768)	(1,175)	50%	(4,887)	(3,484)	40%
Profit for the period		13,253	12,154	9%	38,273	34,178	12%
Attributable to:							
Equity holders of the Company		12,981	12,182	7%	38,059	34,261	11%
Non-controlling interest		272	(28)	n.m.	214	(83)	n.m.
		13,253	12,154	9%	38,273	34,178	12%

n.m.: not meaningful

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1(a)(ii) Explanatory notes to the income statement

(a) Revenue

		1/7/10 to 30/9/10 ("3Q2010") S\$'000	1/7/09 to 30/9/09 ("3Q2009") S\$'000	Change %	1/1/10 to 30/9/10 ("YTD 3Q2010") S\$'000	1/1/09 to 30/9/09 ("YTD 3Q2009") S\$'000	Change %
Management fees		21,655	16,338	33%	62,443	48,770	28%
REIT base and performance fees	(i)	11,686	10,058	16%	33,202	30,145	10%
Portfolio management and service fees	(ii)	6,567	6,280	5%	19,317	18,625	4%
Real estate management services fees	(iii)	3,402	-	n.m.	9,924	-	n.m.
Acquisition and performance fees		126	2,416	(95%)	1,094	2,447	(55%)
Acquisition and performance fees	(iv)	126	2,416	(95%)	1,094	2,447	(55%)

n.m.: not meaningful

- (i) REIT management fees increased to S\$33.2 million in YTD 3Q2010 compared with S\$30.1 million in YTD 3Q2009 primarily due to management fees received from Cache Logistics Trust ("Cache"), which was listed on the SGX-ST on 12 April 2010 and higher management fees arising from an increase in the valuation of the property portfolios of REITs under management. Fortune REIT's property portfolio was revalued to HK\$12.4 billion with a revaluation gain of 8.0% as at 30 June 2010. The property portfolio of Suntec REIT's and Cache were revalued upwards by 4.0% and 1.5% respectively to S\$5.4 billion and S\$0.7 billion as at 30 September 2010.
- (ii) Portfolio management and service fees increased to S\$19.3 million in YTD 3Q2010 from S\$18.6 million in YTD 3Q2009 primarily due to 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 subsidiaries, APM Property Management Pte. Ltd. ("APM"), for property management services rendered to Suntec REIT and the management of the Suntec City MCST; and Suntec Singapore International Convention & Exhibition Services Pte. Ltd. ("SSICES"), for convention & exhibition services provided to the Suntec Singapore International Convention & Exhibition Centre ("Suntec Singapore"). APM was acquired on 8 December 2009 while SSICES commenced operations on 30 September 2009.
- (iv) The Group received performance fees of S\$1.1 million in YTD 3Q2010 from the ARA Harmony Fund. In YTD 3Q2009, the Group received S\$2.4 million in relation to the establishment of the ARA Harmony Fund on 30 September 2009 and acquisition fees from Suntec REIT for its 20% equity stake in the ARA Harmony Fund.

(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 decreased to S\$7.3 million in YTD 3Q2010 from S\$8.2 million in YTD 3Q2009. This was primarily due to a lower net gain on disposal / fair valuation of certain REIT units received by the Group as part payment for REIT management fees of S\$1.4 million in YTD 3Q2010 (YTD 3Q2009: S\$2.6 million). Included in other income for YTD 3Q2010 was a S\$0.2 million gain (YTD 3Q2009: Nil) on divestment of interests in ARA Strategic Capital I Pte Ltd on 31 August 2010.

(c) Administrative expenses

Administrative expenses comprised primarily of staff-related expenses and strategic advisory fees. Administrative expenses increased to S\$21.6 million in YTD 3Q2010 from S\$16.6 million in YTD 3Q2009, primarily due to an increase in headcount and staff-related expenses in line with the Group's continuing business expansion.

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(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 increased to S\$3.9 million in YTD 3Q2010 from S\$3.2 million in YTD 3Q2009 primarily due to net exchange losses of S\$804,000 compared to a net exchange gain of S\$73,000 in YTD 3Q2009. Included in other expenses was an amount of S\$435,000 in YTD 3Q2010 relating to amortisation of intangible assets (YTD 3Q2009: Nil).

(f) Finance expenses

The finance expenses was primarily due to interest paid on borrowings of RM44.9 million (equivalent to approximately S\$19.2 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 and 40% effective interest in Cache Property Management Pte. Ltd., the property manager of Cache.

(h) Profit before income tax

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

	1/7/10 to 30/9/10 S\$'000	1/7/09 to 30/9/09 S\$'000	Change %	1/1/10 to 30/9/10 S\$'000	1/1/09 to 30/9/09 S\$'000	Change %
<u>Other Income</u>						
Distribution income	1,483	1,620	(8%)	5,096	5,367	(5%)
Interest income	179	22	n.m.	544	30	n.m.
Gain on disposal / fair valuation of held-for-trading securities	864	470	84%	1,370	2,621	(48%)
Gain on disposal of subsidiary	203	-	n.m.	203	-	n.m.
<u>Operating Expenses</u>						
Amortisation of intangible asset	217	-	n.m.	435	-	n.m.
Depreciation	113	143	(21%)	347	292	19%
Exchange loss/(gain) - net	573	220	160%	804	(73)	n.m.

n.m.: not meaningful

(i) Income tax expense

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

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

	1/7/10 to	1/7/09 to	Change	1/1/10 to	1/1/09 to	Change
	30/9/10	30/9/09	%	30/9/10	30/9/09	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period	13,253	12,154	9%	38,273	34,178	12%
Other comprehensive income:						
Foreign currency translation differences for foreign operations	(1,881)	(750)	n.m.	(1,737)	(750)	n.m.
Effective portion of changes in fair value of cash flow hedge	234	348	(33%)	249	700	(64%)
Net changes in fair value of available-for-sale financial assets	8,254	9,290	(11%)	11,289	16,784	(33%)
Other comprehensive income for the period, net of income tax	6,607	8,888	(26%)	9,801	16,734	(41%)
Total comprehensive income for the period	19,860	21,042	(6%)	48,074	50,912	(6%)
Attributable to:						
Equity holders of the Company	19,588	21,069	(7%)	47,860	50,995	(6%)
Non-controlling interest	272	(27)	n.m.	214	(83)	n.m.
Total comprehensive income for the period	19,860	21,042	(6%)	48,074	50,912	(6%)

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 September 2010**
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	
		30/9/10 S\$'000	31/12/09 S\$'000	30/9/10 S\$'000	31/12/09 S\$'000
Non-current assets					
Plant and equipment		1,056	1,095	-	-
Tenancy deposits		625	625	-	-
Subsidiaries	(a)	-	-	94,302	64,928
Associates		946	551	-	-
Financial assets	(b)	128,393	92,432	-	-
Intangible asset	(c)	1,015	1,450	-	-
		<u>132,035</u>	<u>96,153</u>	<u>94,302</u>	<u>64,928</u>
Current assets					
Financial assets	(d)	4,848	4,174	-	-
Derivative assets	(e)	396	147	-	-
Trade and other receivables	(f)	24,641	22,451	17	125
Amounts owing by related corporations	(g)	-	-	3,958	6,935
Cash and short term bank deposits		23,734	46,148	462	25,600
		<u>53,619</u>	<u>72,920</u>	<u>4,437</u>	<u>32,660</u>
Total assets		<u>185,654</u>	<u>169,073</u>	<u>98,739</u>	<u>97,588</u>
Equity attributable to equity holders					
Share capital		1,397	1,164	1,397	1,164
Reserves		143,846	126,863	90,505	93,060
		<u>145,243</u>	<u>128,027</u>	<u>91,902</u>	<u>94,224</u>
Non-controlling interest	(h)	243	(371)	-	-
Total equity		<u>145,486</u>	<u>127,656</u>	<u>91,902</u>	<u>94,224</u>
Non-current liabilities					
Financial liabilities	(i)	243	18,515	-	-
Deferred tax liabilities		44	54	-	-
		<u>287</u>	<u>18,569</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	(j)	15,551	17,760	2,871	3,201
Amounts owing to related corporations	(g)	-	-	3,964	161
Financial liabilities	(i)	19,299	38	-	-
Current tax payable		5,031	5,050	2	2
		<u>39,881</u>	<u>22,848</u>	<u>6,837</u>	<u>3,364</u>
Total liabilities		<u>40,168</u>	<u>41,417</u>	<u>6,837</u>	<u>3,364</u>
Total equity and liabilities		<u>185,654</u>	<u>169,073</u>	<u>98,739</u>	<u>97,588</u>

**Financial Statements Announcement
For the quarter ended 30 September 2010****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. The increase in interests in subsidiaries in YTD 3Q2010 was due to advances to certain subsidiaries to purchase certain financial assets as mentioned in (b) below.*
- (b) *Non-current financial assets as at 30 September 2010 comprise (i) Suntec REIT units held by the Group as a strategic stake; (ii) Cache units held by the Group as a strategic stake, (iii) a 12.5% interest in AmFIRST REIT which has been pledged as security for a credit facility (see note (h) below); (iv) seed capital investment in the ARA Asia Dragon Fund ("ADF"); (v) investment in the ARA Asian Asset Income Fund ("AAIF"); (vi) a strategic stake in APN Property Group Limited ("APN"); and (vii) an amount of S\$8.0 million (31 December 2009: S\$8.0 million) which relates to the Group's participation in a mezzanine loan to the ARA Harmony Fund to part finance its acquisition of Suntec Singapore. Of the available-for-sale financial assets, an amount of S\$19.9 million (31 December 2009: S\$11.0 million) of unquoted equity investments which relates to seed capital investment in the ADF is stated at cost.*
- (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 APM. Goodwill arising from the acquisition of this subsidiary was reclassified as an intangible asset and is measured at cost less accumulated amortisation and impairment losses. As at 30 September 2010, an accumulated amortisation of S\$435,000 had been made (31 December 2009: Nil).*
- (d) *Current financial assets as at 30 September 2010 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 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 receivables from real estate management services fees.*
- (g) *Amounts owing to/from related corporations relate mainly to advances to/from subsidiaries.*
- (h) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, ARA Strategic Capital (Holdings) Private Limited, ARA Managers (Silver) Private Limited and ARA Fund Management (Silver) Limited.*
- (i) *Financial liabilities as at 30 September 2010 relate to (i) a secured revolving credit facility taken up with AmlInvestment Bank Berhad ("AIBB") to part finance the acquisition of a 12.5% interest in AmFIRST REIT, and (ii) finance lease liabilities.*
- (j) *The decrease in trade and other payables is primarily due to payment of bonuses to employees of a new business unit established in 4Q2009 which had been set aside by their previous employer.*

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

	30/9/10		31/12/09	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	19,299	-	38	-
Amount repayable after one year	243	-	18,515	-
	<u>19,542</u>	<u>-</u>	<u>18,553</u>	<u>-</u>

Footnotes:

- (a) *The increase in total borrowings is due to the strengthening of the RM relative to the SGD 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\$0.4 million (31 December 2009: S\$0.2 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (c) *As at 30 September 2010, the Group had unutilised unsecured (i) overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2009: S\$6.0 million and HK\$3.0 million), and (ii) a revolving credit facility of S\$0.8 million (31 December 2009: S\$1.1 million).*

Details of any collateral

As at 30 September 2010, the Group had bank borrowings of approximately RM44.9 million, equivalent to approximately S\$19.2 million (31 December 2009: S\$18.3 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.

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

	1/7/10 to 30/9/10 S\$'000	1/7/09 to 30/9/09 S\$'000	1/1/10 to 30/9/10 S\$'000	1/1/09 to 30/9/09 S\$'000
Operating activities				
Profit for the period	13,253	12,154	38,273	34,178
Adjustments for:				
Management fee received / receivable in units of REITs	(9,256)	(7,993)	(26,212)	(23,929)
Amortisation of intangible asset	217	-	435	-
Depreciation of plant and equipment	113	143	347	292
Share of profit of associates	(144)	(63)	(330)	(191)
Interest income	(179)	(22)	(544)	(30)
Gain on fair valuation of held-for-trading securities	(864)	(470)	(1,370)	(2,621)
Gain on disposal of subsidiary	(203)	-	(203)	-
(Gain)/Loss on disposal of plant and equipment	(24)	1	(24)	4
Distribution income	(1,483)	(1,620)	(5,096)	(5,367)
Finance expenses	222	170	612	541
Income tax expense	1,768	1,175	4,887	3,484
Operating profit before working capital changes	3,420	3,475	10,775	6,361
Changes in working capital:				
Trade and other receivables	368	199	(592)	(5,490)
Trade and other payables	1,917	2,719	(2,213)	5,097
Proceeds from sale of units in REITs	9,342	7,493	25,478	25,574
Income tax paid	(2,000)	(1,036)	(4,915)	(2,527)
Distribution income received	1,483	1,620	5,096	5,367
Interest received	179	22	544	30
Cash flows from operating activities	14,709	14,492	34,173	34,412
Investing activities:				
Dividend received from associate	-	-	-	170
Contribution from non-controlling interest	-	-	400	-
Purchase of plant and equipment	(70)	(308)	(135)	(322)
Proceeds from disposal of plant and equipment	25	-	25	-
Proceeds from disposal of subsidiary, net of cash disposed	23	-	23	-
Investment in Mezzanine loan	-	(8,000)	-	(8,000)
Purchase of available-for-sale securities				
- quoted	-	-	(10,476)	(4,275)
- unquoted	(9,580)	(1,303)	(14,889)	(1,826)
Cash flows used in investing activities	(9,602)	(9,611)	(25,052)	(14,253)
Financing activities:				
Payment of finance lease liabilities	(9)	(9)	(28)	(28)
Interest paid	(222)	(170)	(612)	(541)
Dividend paid	(16,064)	(13,387)	(30,616)	(26,425)
Cash flows used in financing activities	(16,295)	(13,566)	(31,256)	(26,994)
Net decrease in cash & cash equivalents	(11,188)	(8,685)	(22,135)	(6,835)
Cash and cash equivalents at beginning of period	35,216	43,779	46,148	41,879
Effect of exchange rate fluctuations on cash held	(294)	-	(279)	50
Cash and cash equivalents at end of period	23,734	35,094	23,734	35,094

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Footnotes:

- (a) As at 30 September 2010, the Group had utilised S\$55.1 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	30/9/10 S\$'000	31/12/09 S\$'000
Seed capital investment in the ADF	19,922	11,101
Strategic stake in REIT	27,200	27,200
Investment in mezzanine loan ⁽¹⁾	8,000	8,000
	55,122	46,301

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

- (b) Cash flows from operating activities was relatively stable at S\$34.2 million in YTD 3Q2010 compared to S\$34.4 million in YTD 3Q2009.
- (c) Net cash outflow for investing activities amounted to S\$25.1 million in YTD 3Q2010 (YTD 3Q2009: S\$14.3 million). This was primarily due to (i) additional seed capital investment of S\$8.8 million (YTD 3Q2009: S\$1.5 million) in the ADF pursuant to capital calls from the fund, (ii) an amount of S\$10.5 million applied towards the acquisition of a strategic stake in Cache during its IPO in April 2010 and (iii) an strategic investment of S\$5.7 million in APN Property Group in August 2010. In YTD 3Q2009, an amount of S\$4.3 million was used towards the acquisition of Suntec REIT units which are held as a strategic stake and an amount of S\$8.0 million relates to the Group's participation in the mezzanine loan to the ARA Harmony Fund to part-finance its purchase of the Suntec Singapore International Convention & Exhibition Centre.
- (d) Net cash outflow for financing activities amounted to S\$31.3 million in YTD 3Q2010 (YTD 3Q2009: S\$27.0 million). This was primarily due to dividend payments of S\$30.6 million in May and September 2010.

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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
<u>The Company</u>				
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
At 1 January 2010	1,164	75,413	17,647	94,224
Total comprehensive income for the period				
- Loss for the period	-	-	(325)	(325)
At 31 March 2010	1,164	75,413	17,322	93,899
Total comprehensive income for the period				
- Profit for the period	-	-	21,422	21,422
Transactions with owners, recorded directly in equity				
- Bonus issue expense	-	(28)	-	(28)
- Issue of Bonus share	233	(233)	-	-
Final tax-exempt dividend paid of S\$0.025 per share	-	-	(14,552)	(14,552)
At 30 June 2010	1,397	75,152	24,192	100,741
Total comprehensive income for the period				
- Profit for the period	-	-	7,225	7,225
Final tax-exempt dividend paid of S\$0.023 per share	-	-	(16,064)	(16,064)
At 30 September 2010	1,397	75,152	15,353	91,902

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	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	Non-controlling interest S\$'000	Total equity S\$'000
The Group								
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	-	-	-	-	10,088	10,088	(26)	10,062
Total comprehensive income for the period	-	-	(1,975)	29	10,088	8,142	(26)	8,116
At 31 March 2009	1,164	75,413	(29,811)	(255)	37,484	83,995	(253)	83,742
Total other comprehensive income	-	-	9,469	324	-	9,793	(1)	9,792
Profit for the period	-	-	-	-	11,991	11,991	(29)	11,962
Total comprehensive income for the period	-	-	9,469	324	11,991	21,784	(30)	21,754
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
At 1 January 2010	1,164	75,413	2,766	(626)	49,310	128,027	(371)	127,656
Total other comprehensive income	-	-	1,394	106	-	1,500	-	1,500
Profit for the period	-	-	-	-	12,455	12,455	(160)	12,295
Total comprehensive income for the period	-	-	1,394	106	12,455	13,955	(160)	13,795
<i>Transactions with owners, recorded directly in equity</i>								
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-
- Contribution from non-controlling interest	-	-	-	-	-	-	400	400
Total transactions with owners	-	-	-	-	-	-	400	400
At 31 March 2010	1,164	75,413	4,160	(520)	61,765	141,982	(131)	141,851
Total other comprehensive income	-	-	1,641	53	-	1,694	-	1,694
Profit for the period	-	-	-	-	12,623	12,623	102	12,725
Total comprehensive income for the period	-	-	1,641	53	12,623	14,317	102	14,419
<i>Transactions with owners, recorded directly in equity</i>								
Bonus issue expenses	-	(28)	-	-	-	(28)	-	(28)
Issue of bonus shares	233	(233)	-	-	-	-	-	-
Total transactions with owners	233	(261)	-	-	-	(28)	-	(28)
Final tax-exempt dividend paid of S\$0.025 per share	-	-	-	-	(14,552)	(14,552)	-	(14,552)
At 30 June 2010	1,397	75,152	5,801	(467)	59,836	141,719	(29)	141,690
Total other comprehensive income	-	-	8,254	(1,647)	-	6,607	-	6,607
Profit for the period	-	-	-	-	12,981	12,981	272	13,253
Total comprehensive income for the period	-	-	8,254	(1,647)	12,981	19,588	272	19,860
Final tax-exempt dividend paid of S\$0.023 per share	-	-	-	-	(16,064)	(16,064)	-	(16,064)
At 30 September 2010	1,397	75,152	14,055	(2,114)	56,753	145,243	243	145,486

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

**Financial Statements Announcement
For the quarter ended 30 September 2010**

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

There are no changes in the Company's share capital since the end of the last quarter financial statements announcement, which was reported on 12 August 2010.

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	
	30/9/10	31/12/09
Total number of issued shares	698,471,997	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 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 quarter ended 30 September 2010**
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)	1/7/10 to 30/9/10	1/7/09 to 30/9/09	1/1/10 to 30/9/10	1/1/09 to 30/9/09
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	1.86	2.09	5.45	5.89
(ii) Adjusted for the number of ordinary shares in issue after the bonus issue	1.86	1.74	5.45	4.91

(a) The calculation of basic 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 September 2010 and 30 September 2009 and the number of 698,471,997 and 582,060,000 shares in issue as at 30 September 2010 and 30 September 2009 respectively.

(b) The calculation of adjusted 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 September 2010 and 30 September 2009 and the number of 698,471,997 shares in issue after the bonus issue.

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	
	30/9/10	31/12/09	30/9/10	31/12/09
Net asset value per ordinary share				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	20.79	22.00	13.13	16.19
(ii) Adjusted for the number of ordinary shares in issue after the bonus issue	20.79	18.33	13.13	13.49
Net tangible assets per ordinary share				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	20.65	21.75	13.13	16.19
(ii) Adjusted for the number of ordinary shares in issue after the bonus issue	20.65	18.12	13.13	13.49

(a) Net asset value ("NAV") for the relevant period is calculated based on the net assets of the Group (excluding non-controlling interest) and the issued share capital of 698,471,997 shares (2009: 582,060,000 shares). The adjusted NAV per share for the relevant period is calculated based on the net assets of the Group (excluding non-controlling interest) and the number of 698,471,997 shares in issue after the bonus issue.

(b) Net tangible assets is calculated based on the NAV of the Group, excluding non-controlling interest and intangible asset, and the issued share capital of 698,471,997 shares (2009: 582,060,000 shares). The adjusted net tangible asset per share for the relevant period is calculated based on the NAV of the Group, excluding non-controlling interest and intangible asset, and the number of 698,471,997 shares in issue after the bonus issue.

**Financial Statements Announcement
For the quarter ended 30 September 2010**

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

	3Q2010 S\$'000	3Q2009 S\$'000	Change %	YTD 3Q2010 S\$'000	YTD 3Q2009 S\$'000	Change %
Total Revenue	24,533	20,912	17%	70,824	59,396	19%
Management fees	21,655	16,338	33%	62,443	48,770	28%
Acquisition and performance fees	126	2,416	(95%)	1,094	2,447	(55%)
Other income	2,752	2,158	28%	7,287	8,179	(11%)
EBIT	15,099	13,436	12%	43,442	38,012	14%
Net profit⁽¹⁾	12,981	12,182	7%	38,059	34,261	11%
Net margin	53%	58%	-5% pts	54%	58%	-4% pts

n.m.: not meaningful

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

3Q2010 vs 3Q2009

Recurrent management fee income increased by 33% to S\$21.7 million in 3Q2010 from S\$16.3 million in 3Q2009. This was primarily due to (i) management fee contribution from the Group's real estate management services business division which was established in 4Q2009, (ii) management fee contribution from the ARA Harmony Fund which was established on 30 September 2009 and Cache which was listed on the SGX-ST on 12 April 2010 and (iii) higher management fees arising from an increase in the valuation of the property portfolios of REITs under management.

Acquisition and performance fees of S\$0.1 million in 3Q2010 was in relation to consultancy services rendered to the ARA Harmony Fund in relation to the fund's asset enhancement initiatives. In 3Q2009, the Group received S\$2.4 million in relation to the establishment of the ARA Harmony Fund on 30 September 2009 and acquisition fees from Suntec REIT for its 20% equity stake in the ARA Harmony Fund.

Other income increased to S\$2.8 million in 3Q2010 from S\$2.2 million in 3Q2009, primarily due to a gain on disposal / fair valuation of REIT units received by the Group as part payment for REIT management fees of S\$0.9 million in 3Q2010 compared to a gain of \$0.5 million in 3Q2009 and a S\$0.2 million gain (3Q2009: Nil) on divestment of interests in ARA Strategic Capital I Pte Ltd on 31 August 2010.

The Group recorded higher operating expenses of S\$9.4 million in 3Q2010 compared to S\$7.5 million in 3Q2009, primarily due to higher administrative expenses in line with the Group's continuing business expansion.

As a result of the above, net profit for 3Q2010 rose 7% to S\$13.0 million from S\$12.2 million in 3Q2009.

YTD 3Q2010 vs YTD 3Q2009

Recurrent management fee income increased by 28% to S\$62.4 million in YTD 3Q2010 from S\$48.8 million in YTD 3Q2009. This was primarily due to (i) management fee contribution from the Group's real estate management services business division which was established in 4Q2009, (ii) management fee contribution from the ARA Harmony Fund which was established on 30 September 2009 and Cache which was listed on the SGX-ST on 12 April 2010 and (iii) higher management fees arising from an increase in the valuation of the property portfolios of REITs under management.

**Financial Statements Announcement
For the quarter ended 30 September 2010**

The Group received performance fees of S\$1.1 million in YTD 3Q2010 in relation to the ARA Harmony Fund. In YTD 3Q2009, the Group received S\$2.4 million in relation to the establishment of the ARA Harmony Fund on 30 September 2009 and acquisition fees from Suntec REIT for its 20% equity stake in the ARA Harmony Fund.

Other income decreased by 11% to S\$7.3 million in YTD 3Q2010 from S\$8.2 million in YTD 3Q2009, primarily due to a lower net gain on disposal / fair valuation of certain REIT units received by the Group as part payment for REIT management fees of S\$1.4 million in YTD 3Q2010 (YTD 3Q2009: S\$2.6 million), partially offset by a S\$0.2 million (YTD 3Q2009: Nil) gain on divestment of interests in ARA Strategic Capital I Pte Ltd on 31 August 2010.

As a result of the above, net profit for YTD 3Q2010 rose 11% to S\$38.1 million from S\$34.2 million in YTD 3Q2009.

As at 30 September 2010, the Group's total assets under management stood at S\$14.7 billion (approximately US\$11.1 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

Global markets continue to benefit from record low interest rates and encouraging corporate earnings releases with major markets at or near their highest levels for the year at the close of the third quarter. However, the anaemic pace of recovery in the US and the impact of austerity measures in Europe continue to pose risks to the global economy. In Asia, the outlook for the Group's core markets of Singapore, Hong Kong, China and Malaysia remains robust and the Group is well-positioned to tap on continuing growth in the region.

REITs

Suntec REIT announced on 26 October 2010 that it has entered into a conditional share purchase agreement to acquire a one-third interest in the Marina Bay Financial Centre Towers 1 and 2, the Marina Bay Link Mall and associated car park lots for S\$1.5 billion. If approved by unitholders, the transaction would strengthen Suntec REIT's position as one of the largest REITs in Singapore and contribute materially to the Group's income in FY2010 and beyond. The Group will continue to focus on active asset management to add value to the properties in its portfolio and seek to capitalize on improving market sentiment to make value-adding acquisitions for the REITs under the Group's management.

Private Funds

The ADF entered into an agreement to purchase an office building in Shanghai in 3Q2010. With the completion of the various acquisitions made in FY2010, the ADF is expected to be more than 75% invested. With the ADF on track to reaching its investment target, the Group is currently commencing work on the launch of ADF II with closing targeted for 1H2011.

Outlook for the financial year ending 31 December 2010

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

**Financial Statements Announcement
For the quarter ended 30 September 2010**
11. Dividend
(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(c) Date payable

Not applicable

(d) Book Closure date

Not applicable

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

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

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than 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)	
	1/7/10 to 30/9/10 S\$'000	1/1/10 to 30/9/10 S\$'000	1/7/10 to 30/9/10 S\$'000	1/1/10 to 30/9/10 S\$'000
Fortune REIT	-	-	2,385	7,263
	-	-	2,385	7,263

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.

**Financial Statements Announcement
For the quarter ended 30 September 2010**

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of ARA Asset Management Limited which may render the unaudited interim financial information (comprising the balance sheets, consolidated income statement, statements of changes in equity and cash flow statement, together with their accompanying notes) as at 30 September 2010 and for the 9 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

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

Lim Hwee Chiang
Director
10 November 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
Suntec Tower Four
Singapore 038986

10 November 2010

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 statements of financial position of the Group and the Company as at 30 September 2010, the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the nine-month period ended 30 September 2010 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

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore