



## **ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT**

### **FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 in Asia; and provides real estate management services, including property management services and convention & exhibition services; and corporate finance advisory services.

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**For the financial year ended 31 December 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	1/10/10 to 31/12/10 S\$'000	1/10/09 to 31/12/09 S\$'000	Change %	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000	Change %
Management fees	(a)	22,187	18,332	21%	84,630	67,102	26%
Acquisition and performance fees	(a)	16,405	5,047	225%	17,499	7,494	134%
Other income	(b)	3,095	3,504	(12%)	10,382	11,683	(11%)
<b>Total revenue</b>		<b>41,687</b>	<b>26,883</b>	<b>55%</b>	<b>112,511</b>	<b>86,279</b>	<b>30%</b>
Administrative expenses	(c)	(9,220)	(5,302)	74%	(30,819)	(21,856)	41%
Operating lease expenses	(d)	(619)	(580)	7%	(2,537)	(2,258)	12%
Other expenses	(e)	(1,347)	(4,504)	(70%)	(5,211)	(7,656)	(32%)
<b>Results from operating activities</b>		<b>30,501</b>	<b>16,497</b>	<b>85%</b>	<b>73,944</b>	<b>54,509</b>	<b>36%</b>
Finance cost	(f)	(259)	(174)	49%	(871)	(715)	22%
		30,242	16,323	85%	73,073	53,794	36%
Share of profit of associates (net of tax)	(g)	126	54	133%	456	245	86%
<b>Profit before income tax</b>	(h)	<b>30,368</b>	<b>16,377</b>	<b>85%</b>	<b>73,529</b>	<b>54,039</b>	<b>36%</b>
Income tax expense	(i)	(4,432)	(2,360)	88%	(9,319)	(5,844)	59%
<b>Profit for the period / year</b>		<b>25,936</b>	<b>14,017</b>	<b>85%</b>	<b>64,210</b>	<b>48,195</b>	<b>33%</b>
<b>Attributable to:</b>							
Equity holders of the Company		25,752	14,078	83%	63,812	48,339	32%
Non-controlling interests		184	(61)	n.m.	398	(144)	n.m.
		<b>25,936</b>	<b>14,017</b>	<b>85%</b>	<b>64,210</b>	<b>48,195</b>	<b>33%</b>

*n.m.: not meaningful*

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

**(a) Revenue**

	1/10/10 to 31/12/10 S\$'000	1/10/09 to 31/12/09 S\$'000	Change %	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000	Change %
	(“4Q2010”)	(“4Q2009”)		(“FY2010”)	(“FY2009”)	
<b>Management fees</b>	<b>22,187</b>	<b>18,332</b>	<b>21%</b>	<b>84,630</b>	<b>67,102</b>	<b>26%</b>
REIT base and performance fees	(i) 12,815	10,232	25%	46,018	40,377	14%
Portfolio management fees	(ii) 6,245	6,903	(10%)	25,561	25,528	0%
Real estate management services fees	(iii) 3,127	1,197	161%	13,051	1,197	n.m.
<b>Acquisition and performance fees</b>	(iv) <b>16,405</b>	<b>5,047</b>	<b>225%</b>	<b>17,499</b>	<b>7,494</b>	<b>134%</b>
Acquisition and performance fees	14,958	3,896	284%	15,932	6,343	151%
Advisory and consultancy fees	1,447	1,151	26%	1,567	1,151	36%

*n.m.: not meaningful*

- (i) REIT management fees increased to S\$46.0 million in FY2010 compared with S\$40.4 million in FY2009 primarily due to management fees received from Cache Logistics Trust (“Cache”) which was listed on the SGX-ST on 12 April 2010, full year contribution of management fees in relation to properties acquired by Fortune REIT in October 2009 and higher management fees arising from an increase in the valuation of the property portfolios of the REITs under management.
- (ii) Portfolio management fees remained relatively stable at S\$25.6 million in FY2010 as higher management fee contribution from the ARA Harmony Fund (established on 30 September 2009) was partially offset by the effects of the weakening of the USD against the SGD during FY2010 on portfolio management fees received from the ARA Asia Dragon Fund (“ADF”), which are denominated in USD and the divestment of the Group’s interest in ARA Strategic Capital I Pte. Ltd., the manager of the ARA Asian Asset Income Fund, on 31 August 2010.
- (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 acquisition and performance fees of S\$17.5 million in FY2010 which comprised primarily acquisition fees and corporate finance advisory fees in relation to the acquisition of a one-third interest in Marina Bay Financial Centre Tower 1, Marina Bay Financial Centre Tower 2, the Marina Bay Link Mall and 695 car park lots (the “MBFC Property”) in Singapore by Suntec REIT, which was completed on 9 December 2010; and performance fees in relation to the ARA Harmony Fund received in February 2010. The S\$7.5 million of acquisition and performance fees received in FY2009 was 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.

**(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\$10.4 million in FY2010 from S\$11.7 million in FY2009. 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\$1.7 million in FY2010 (FY2009: S\$3.5 million).

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**(c) Administrative expenses**

Administrative expenses comprised primarily of staff-related expenses and strategic advisory fees. Administrative expenses increased to S\$30.8 million in FY2010 from S\$21.9 million in FY2009, primarily due to the full year impact of staff-related expenses of new business units – APM and Cache – as well as higher bonus and staff-related expenses in line with the Group's performance in FY2010 and its continuing business expansion.

**(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, amortisation of intangible asset, depreciation, listing expenses, board meeting expenses and other miscellaneous expenses. Other expenses decreased to S\$5.2 million in FY2010 from S\$7.7 million in FY2009. The decrease in other expenses was primarily due to the net impact of (i) an impairment loss of S\$2.8 million on certain financial assets recognised in FY2009, (ii) net exchange losses of S\$651,000, including a S\$704,000 unrealised exchange loss, in FY2010 (compared to a net exchange gain of S\$93,000 in FY2009) and (iii) amortisation of intangible assets of S\$0.7 million in FY2010 (FY2009: Nil).

**(f) Finance cost**

Finance cost was primarily due to interest paid on borrowings of RM44.9 million (equivalent to approximately S\$18.9 million), taken up to part finance the acquisition of a 12.5% interest in AmFIRST REIT in May 2007.

**(g) Share of profit of associates (net of tax)**

Share of profit of associates (net of tax) was primarily due to the recognition of the share of profit 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/year:*

	1/10/10 to 31/12/10	1/10/09 to 31/12/09	Change	1/1/10 to 31/12/10	1/1/09 to 31/12/09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Other Income</b>						
Distribution income	2,503	2,223	13%	7,599	7,590	0%
Interest income	174	185	(6%)	718	215	234%
Gain on fair valuation of held-for-trading securities	340	867	(61%)	1,710	3,488	(51%)
Gain on disposal of subsidiary	-	-	n.m.	203	-	n.m.
<b>Operating Expenses</b>						
Amortisation of intangible asset	217	-	n.m.	652	-	n.m.
Depreciation of plant and equipment	119	103	16%	466	395	18%
Foreign exchange (gain)/loss - net	(153)	(20)	n.m.	651	(93)	n.m.
Impairment loss on available-for-sale financial assets	-	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.

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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**

	1/10/10 to 31/12/10 S\$'000	1/10/09 to 31/12/09 S\$'000	Change %	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000	Change %
Profit for the period/year	25,936	14,017	85%	64,210	48,195	33%
Other comprehensive income:						
Translation differences relating to financial statements of foreign operations	(912)	(125)	n.m.	(2,649)	(875)	203%
Effective portion of changes in fair value of cash flow hedge	(277)	(167)	66%	(28)	533	n.m.
Net movement in fair value of available-for-sale financial assets	3,074	13,818	(78%)	14,363	30,602	(53%)
Other comprehensive income for the period, net of income tax	1,885	13,526	(86%)	11,686	30,260	(61%)
<b>Total comprehensive income for the period/year</b>	<b>27,821</b>	<b>27,543</b>	<b>1%</b>	<b>75,896</b>	<b>78,455</b>	<b>(3%)</b>
<b>Attributable to:</b>						
Equity holders of the Company	27,637	27,604	0%	75,498	78,599	(4%)
Non-controlling interests	184	(61)	n.m.	398	(144)	n.m.
<b>Total comprehensive income for the period/year</b>	<b>27,821</b>	<b>27,543</b>	<b>1%</b>	<b>75,896</b>	<b>78,455</b>	<b>(3%)</b>

*n.m.: not meaningful*

**Footnotes:**

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

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**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	
		31/12/10 S\$'000	31/12/09 S\$'000	31/12/10 S\$'000	31/12/09 S\$'000
<b>Non-current assets</b>					
Plant and equipment		1,498	1,095	-	-
Tenancy deposits		495	625	-	-
Subsidiaries	(a)	-	-	95,284	64,928
Associates		1,060	551	-	-
Financial assets	(b)	133,658	92,432	-	-
Intangible asset	(c)	798	1,450	-	-
		<u>137,509</u>	<u>96,153</u>	<u>95,284</u>	<u>64,928</u>
<b>Current assets</b>					
Financial assets	(d)	15,299	4,174	-	-
Derivative assets	(e)	119	147	-	-
Trade and other receivables	(f)	26,372	22,451	173	125
Amounts due from related corporations	(g)	-	-	3,196	6,935
Cash and cash equivalents		42,327	46,148	10,240	25,600
		<u>84,117</u>	<u>72,920</u>	<u>13,609</u>	<u>32,660</u>
<b>Total assets</b>		<u>221,626</u>	<u>169,073</u>	<u>108,893</u>	<u>97,588</u>
<b>Equity attributable to equity holders</b>					
Share capital		1,397	1,164	1,397	1,164
Reserves		171,483	126,863	104,721	93,060
		<u>172,880</u>	<u>128,027</u>	<u>106,118</u>	<u>94,224</u>
<b>Non-controlling interests</b>	(h)	638	(371)	-	-
<b>Total equity</b>		<u>173,518</u>	<u>127,656</u>	<u>106,118</u>	<u>94,224</u>
<b>Non-current liabilities</b>					
Financial liabilities	(i)	387	18,515	-	-
Deferred tax liabilities		142	54	-	-
		<u>529</u>	<u>18,569</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	(j)	20,200	17,760	2,773	3,201
Amounts due to related corporations	(g)	-	-	-	161
Financial liabilities	(i)	18,971	38	-	-
Current tax payable		8,408	5,050	2	2
		<u>47,579</u>	<u>22,848</u>	<u>2,775</u>	<u>3,364</u>
<b>Total liabilities</b>		<u>48,108</u>	<u>41,417</u>	<u>2,775</u>	<u>3,364</u>
<b>Total equity and liabilities</b>		<u>221,626</u>	<u>169,073</u>	<u>108,893</u>	<u>97,588</u>

**Financial Statements Announcement  
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- (a) *Interests in subsidiaries comprised 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 FY2010 was due to advances to certain subsidiaries to purchase certain financial assets as mentioned in (b) below.*
- (b) *Non-current financial assets as at 31 December 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 (i) below); (iv) seed capital investment in the ARA Asia Dragon Fund ("ADF"); (v) investment in the ARA Asian Asset Income Fund ("AAIF"); (vi) a 14.1% strategic interest 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.*
- (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 31 December 2010, an accumulated amortisation of S\$0.7 million had been made (31 December 2009: Nil).*
- (d) *Current financial assets as at 31 December 2010 comprise (i) REIT units received by the Group as part payment for REIT management fees and (ii) REIT units received by the Group as payment of acquisition fees for the acquisition by Suntec REIT of a one-third interest in the MBFC Property which was completed on 9 December 2010 and are subject to a one-year moratorium as stipulated in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.*
- (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 due to/from related corporations relate mainly to advances to/from subsidiaries.*
- (h) *Non-controlling interests relate to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, ARA Strategic Capital (Holdings) Pte. Ltd., ARA Managers (Silver) Pte. Ltd. and ARA Fund Management (Silver) Limited. The non-controlling interest in ARA Strategic Capital (Holdings) Pte. Ltd. ceased with effect from December 2010 following the liquidation of the company during the same month.*
- (i) *Loans and borrowings as at 31 December 2010 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) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff related benefits to employees and other payables. The increase in trade and other payables is primarily due to higher provision of staff related benefits for the year ended 31 December 2010, in line with the Group's continuing business expansion.*

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

	31/12/10		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	18,971	-	38	-
Amount repayable after one year	387	-	18,515	-
	<u>19,358</u>	<u>-</u>	<u>18,553</u>	<u>-</u>

**Footnotes:**

- (a) *The increase in total borrowings is mainly due to the strengthening of the Malaysia Ringgit ("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\$0.5 million (31 December 2009: S\$0.2 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (c) *As at 31 December 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 31 December 2010, the Group had bank borrowings of approximately RM44.9 million, equivalent to approximately S\$18.9 million (31 December 2009: S\$18.4 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.

The Group is currently arranging the refinancing of this facility.



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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**

	1/10/10 to 31/12/10 S\$'000	1/10/09 to 31/12/09 S\$'000	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000
<b>Operating activities</b>				
Profit for the period/year	25,936	14,017	64,210	48,195
Adjustments for:				
Management fees received / receivable in units of REITs	(25,112)	(12,305)	(51,324)	(36,234)
Amortisation of intangible asset	217	-	652	-
Depreciation of plant and equipment	119	103	466	395
Share of profit of associates	(126)	(54)	(456)	(245)
Interest income	(174)	(185)	(718)	(215)
Gain on fair valuation of held-for-trading securities	(340)	(867)	(1,710)	(3,488)
Gain on disposal of subsidiary	-	-	(203)	-
(Gain)/Loss on disposal of plant and equipment	(81)	-	(105)	4
Distribution income	(2,503)	(2,223)	(7,599)	(7,590)
Finance expenses	259	174	871	715
Income tax expense	4,432	2,360	9,319	5,844
Operating profit before working capital changes	2,627	1,020	13,403	7,381
Changes in working capital:				
Trade and other receivables	618	1,327	26	(4,163)
Trade and other payables	4,653	1,286	2,440	6,383
Cash generated from operating activities	7,898	3,633	15,869	9,601
Proceeds from sale of units in REITs	12,994	9,175	38,472	34,749
Subscription of held-for-trading securities	-	(732)	-	(732)
Income tax paid	(957)	(725)	(5,873)	(3,252)
Distribution income received	2,503	2,223	7,599	7,590
<b>Cash flows from operating activities</b>	<b>22,438</b>	<b>13,574</b>	<b>56,067</b>	<b>47,956</b>
<b>Investing activities:</b>				
Dividend received from associate	-	-	-	170
Interest received	174	185	718	215
Acquisition of subsidiary, net of cash acquired	-	(1,115)	-	(1,115)
Contribution from non-controlling interests	-	-	400	-
Purchase of plant and equipment	(883)	(325)	(1,018)	(647)
Proceeds from disposal of plant and equipment	220	-	246	-
Disposal of subsidiary, net of cash disposed	-	-	24	-
Investment in Mezzanine loan	-	-	-	(8,000)
Purchase of available-for-sale securities				
- quoted	(134)	-	(16,334)	(4,275)
- unquoted	(3,178)	(906)	(12,343)	(2,732)
<b>Cash flows used in investing activities</b>	<b>(3,801)</b>	<b>(2,161)</b>	<b>(28,307)</b>	<b>(16,384)</b>
<b>Financing activities:</b>				
Net Proceeds/(Payment) of finance lease liabilities	347	(10)	319	(38)
Interest paid	(259)	(174)	(871)	(715)
Dividend paid	-	-	(30,617)	(26,425)
<b>Cash flows from/(used in) financing activities</b>	<b>88</b>	<b>(184)</b>	<b>(31,169)</b>	<b>(27,178)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>18,725</b>	<b>11,229</b>	<b>(3,409)</b>	<b>4,394</b>
Cash and cash equivalents at beginning of period/year	23,734	35,094	46,148	41,879
Effect of exchange rate fluctuations on cash held	(132)	(175)	(412)	(125)
<b>Cash and cash equivalents at end of period/year</b>	<b>42,327</b>	<b>46,148</b>	<b>42,327</b>	<b>46,148</b>

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**Footnotes:**

- (a) As at 31 December 2010, the Group had utilised S\$58.3 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	31/12/10 S\$'000	31/12/09 S\$'000
Seed capital investment in the ADF	23,100	11,101
Strategic stake in REIT	27,200	27,200
Investment in mezzanine loan <sup>(1)</sup>	8,000	8,000
	58,300	46,301

- (1) This investment was made in relation to the establishment of the ARA Harmony Fund.
- (b) Cash flows from operating activities increased to S\$56.1 million in FY2010 from S\$48.0 million in FY2009, primarily due to higher operating profits and increase in proceeds from the sale of REIT units. The proceeds received from the sale of REIT units in FY2010 included REIT units received as fees in prior financial periods.
- (c) Net cash outflow for investing activities amounted to S\$28.3 million in FY2010 (FY2009: S\$16.4 million). This was primarily due to (i) additional seed capital investment of S\$12.0 million (FY2009: S\$2.4 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) a strategic investment of S\$5.9 million in APN in the second half of 2010. In FY2009, 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 was applied towards the Group's participation in a 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\$31.2 million in FY2010 (FY2009: S\$27.2 million). This was primarily due to dividend payments of S\$30.6 million in May and September 2010.

**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
<b><u>The Company</u></b>				
<b>At 1 January 2009</b>	1,164	75,413	13,844	90,421
Total comprehensive income for the period	-	-	981	981
- Profit for the period	-	-	981	981
<b>At 31 March 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>14,825</b>	<b>91,402</b>
Total comprehensive income for the period	-	-	14,346	14,346
- Profit for the period	-	-	14,346	14,346
Final tax-exempt dividend paid of S\$0.0224 per share	-	-	(13,038)	(13,038)
<b>At 30 June 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>16,133</b>	<b>92,710</b>
Total comprehensive income for the period	-	-	(772)	(772)
- Loss for the period	-	-	(772)	(772)
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(13,387)	(13,387)
<b>At 30 September 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>1,974</b>	<b>78,551</b>
Total comprehensive income for the period	-	-	15,673	15,673
- Profit for the period	-	-	15,673	15,673
<b>At 31 December 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>17,647</b>	<b>94,224</b>
<b>At 1 January 2010</b>	1,164	75,413	17,647	94,224
Total comprehensive income for the period	-	-	(325)	(325)
- Loss for the period	-	-	(325)	(325)
<b>At 31 March 2010</b>	<b>1,164</b>	<b>75,413</b>	<b>17,322</b>	<b>93,899</b>
Total comprehensive income for the period	-	-	21,422	21,422
- Profit for the period	-	-	21,422	21,422
Transactions with owners, recorded directly in equity	-	(28)	-	(28)
- Expenses of an issue of bonus shares	-	(28)	-	(28)
- Issue of Bonus shares	233	(233)	-	-
Final tax-exempt dividend paid of S\$0.025 per share	-	-	(14,552)	(14,552)
<b>At 30 June 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>24,192</b>	<b>100,741</b>
Total comprehensive income for the period	-	-	7,225	7,225
- Profit for the period	-	-	7,225	7,225
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(16,064)	(16,064)
<b>At 30 September 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>15,353</b>	<b>91,902</b>
Total comprehensive income for the period	-	-	14,216	14,216
- Profit for the period	-	-	14,216	14,216
<b>At 31 December 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>29,569</b>	<b>106,118</b>

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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 interests S\$'000	Total equity S\$'000
<b>The Group</b>								
<b>At 1 January 2009</b>	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
<b>At 31 March 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>(29,811)</b>	<b>(255)</b>	<b>37,484</b>	<b>83,995</b>	<b>(253)</b>	<b>83,742</b>
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)
<b>At 30 June 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>(20,342)</b>	<b>69</b>	<b>36,437</b>	<b>92,741</b>	<b>(283)</b>	<b>92,458</b>
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)
<b>At 30 September 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>(11,052)</b>	<b>(334)</b>	<b>35,232</b>	<b>100,423</b>	<b>(310)</b>	<b>100,113</b>
Total other comprehensive income	-	-	13,818	(292)	-	13,526	-	13,226
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
<b>At 31 December 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>2,766</b>	<b>(626)</b>	<b>49,310</b>	<b>128,027</b>	<b>(371)</b>	<b>127,656</b>
<b>At 1 January 2010</b>	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	-	-	-	-	-	-	400	400
- Contribution from non-controlling interest	-	-	-	-	-	-	400	400
Total transactions with owners	-	-	-	-	-	-	400	400
<b>At 31 March 2010</b>	<b>1,164</b>	<b>75,413</b>	<b>4,160</b>	<b>(520)</b>	<b>61,765</b>	<b>141,982</b>	<b>(131)</b>	<b>141,851</b>
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>								
Expenses on issue of bonus shares	-	(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)
<b>At 30 June 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>5,801</b>	<b>(467)</b>	<b>59,836</b>	<b>141,719</b>	<b>(29)</b>	<b>141,690</b>
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
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	-	(16,065)	(16,065)	-	(16,065)
<b>At 30 September 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>14,055</b>	<b>(2,114)</b>	<b>56,753</b>	<b>145,243</b>	<b>243</b>	<b>145,486</b>
Total other comprehensive income	-	-	3,074	(1,189)	-	1,885	-	1,885
Profit for the period	-	-	-	-	25,752	25,752	184	25,936
Total comprehensive income for the period	-	-	3,074	(1,189)	25,752	27,637	184	27,821
<i>Transactions with owners, recorded directly in equity</i>								
Waiver of shareholders' loan	-	-	-	-	-	-	211	211
Total transactions with owners	-	-	-	-	-	-	211	211
<b>At 31 December 2010</b>	<b>1,397</b>	<b>75,152</b>	<b>17,129</b>	<b>(3,303)</b>	<b>82,505</b>	<b>172,880</b>	<b>638</b>	<b>173,518</b>

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

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**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**

On 10 May 2010, 116,411,997 new ordinary shares of S\$0.002 each in the capital of the Company credited as fully paid were allotted and issued to shareholders of the Company on the basis of one (1) bonus share for every five (5) existing shares held in the capital of the Company (the "Bonus Issue"). Following the Bonus Issue, the total number of issued shares in the Company increased from 582,060,000 to 698,471,997. There were no changes in the Company's share capital since the end of the last quarter financial statements announcement, which was reported on 10 November 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**

	<b>As at</b>	
	<b>31/12/10</b>	<b>31/12/09</b>
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 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 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 financial year ended 31 December 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)	4Q2010	4Q2009	FY2010	FY2009
Earnings per ordinary share for the period based on profit for the period attributable to equity holders of the Company:				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	3.69	2.42	9.14	8.30
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	3.69	2.02	9.14	6.92

(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 31 December 2010 and 31 December 2009 and the issued share capital of 698,471,997 and 582,060,000 shares as at 31 December 2010 and 31 December 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 31 December 2010 and 31 December 2009 and the issued share capital of 698,471,997 shares 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	
	31/12/10	31/12/09	31/12/10	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	24.75	22.00	15.19	16.19
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	24.75	18.33	15.19	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	24.64	21.75	15.19	16.19
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	24.64	18.12	15.19	13.49

(a) Net asset value ("NAV") for the relevant period is calculated based on the net assets of the Group (excluding non-controlling interests) 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 interests) and the issued share capital of 698,471,997 shares 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 assets per share for the relevant period is calculated based on the NAV of the Group, excluding non-controlling interests and intangible assets, and the issued share capital of 698,471,997 shares after the Bonus Issue.

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

	4Q2010 S\$'000	4Q2009 S\$'000	Change %	FY2010 S\$'000	FY2009 S\$'000	Change %
<b>Total Revenue</b>	<b>41,687</b>	<b>26,883</b>	<b>55%</b>	<b>112,511</b>	<b>86,279</b>	<b>30%</b>
Management fees	22,187	18,332	21%	84,630	67,102	26%
Acquisition and performance fees	16,405	5,047	225%	17,499	7,494	134%
Other income	3,095	3,504	(12%)	10,382	11,683	(11%)
<b>Net profit<sup>(1)</sup></b>	<b>25,752</b>	<b>14,078</b>	<b>83%</b>	<b>63,812</b>	<b>48,339</b>	<b>32%</b>
<b>Net margin</b>	<b>62%</b>	<b>52%</b>	<b>+10% pts</b>	<b>57%</b>	<b>56%</b>	<b>+1% pts</b>

*n.m.: not meaningful*

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

**4Q2010 vs 4Q2009**

Recurrent management fee income increased by 21% to S\$22.2 million in 4Q2010 from S\$18.3 million in 4Q2009. 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 Cache which was listed on the SGX-ST on 12 April 2010 and (iii) higher management fees arising from increase in the valuation of the property portfolios in the REITs under management and the acquisition of 3 retail properties in Hong Kong by Fortune REIT in October 2009.

Acquisition and performance fees of S\$16.4 million in 4Q2010 relate primarily to acquisition fees and corporate finance advisory fees received in relation to the acquisition of a one-third interest in the MBFC Property by Suntec REIT. In 4Q2009, the Group received S\$5.0 million of acquisition and performance fees, which primarily comprise acquisition fees and corporate finance advisory fees in relation to the acquisition of 3 retail properties in Hong Kong by Fortune REIT.

Other income decreased to S\$3.1 million in 4Q2010 from S\$3.5 million in 4Q2009, primarily due to a lower gain on disposal / fair valuation of REIT units received by the Group as part payment for REIT management fees of S\$0.3 million in 4Q2010 compared to a gain of \$0.9 million in 4Q2009. This was partially offset by the increase in distribution income to S\$2.5 million in 4Q2010 from S\$2.2 million in 4Q2009. The increase in distribution income was contributed primarily by the Group's strategic stake in Cache units which was acquired in April 2010.

The Group recorded higher operating expenses of S\$11.2 million in 4Q2010 compared to S\$10.4 million in 4Q2009, primarily due to higher administrative expenses in line with the Group's continuing business expansion.

As a result of the above, net profit for 4Q2010 rose 83% to S\$25.8 million from S\$14.1 million in 4Q2009.

**FY2010 vs FY2009**

Recurrent management fee income increased by 26% to S\$84.6 million in FY2010 from S\$67.1 million in FY2009. This was primarily due to (i) full year management fee contribution from the Group's real estate management services business division which was established in 4Q2009, (ii) full year management fee contribution from the ARA Harmony Fund which was established on 30 September 2009, (iii) management fee contribution from Cache which was listed on the SGX-ST on 12 April 2010 and (iv) higher management fees arising from increase in the valuation of the property portfolios of the REITs under management.

**Financial Statements Announcement  
For the financial year ended 31 December 2010**

The Group received acquisition and performance fees of S\$17.5 million in FY2010, which comprised primarily acquisition fees and corporate advisory fees received in relation to the acquisition of a one-third interest in the MBFC Property by Suntec REIT and performance fees in relation to the ARA Harmony Fund received in February 2010. In FY2009, the Group received S\$7.5 million of acquisition and performance fees primarily in relation to the acquisition of 3 retail properties in Hong Kong by Fortune REIT and arrangement fees in relation to the establishment of the ARA Harmony Fund.

Other income decreased by 11% to S\$10.4 million in FY2010 from S\$11.7 million in FY2009, 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\$1.7 million in FY2010 (FY2009: S\$3.5 million), partially offset by a S\$0.2 million (FY2009: Nil) gain on divestment of interests in ARA Strategic Capital I Pte. Ltd. on 31 August 2010.

The Group recorded higher operating expenses of S\$38.6 million in FY2010 compared to S\$31.8 million in FY2009, primarily due to higher administrative expenses and operating lease expenses in line with the Group's continuing business expansion, partially offset by a decrease in other expenses. Included in other expenses in FY2009 was an impairment loss of S\$2.8 million on certain financial assets.

As a result of the above, net profit for FY2010 rose 32% to S\$63.8 million from S\$48.3 million in FY2009.

As at 31 December 2010, the Group's total assets under management stood at S\$16.9 billion (approximately US\$13.1 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**

Strong corporate earnings have lifted market sentiment despite continuing weakness in employment and the housing market in the US. Globally, new risks have emerged including sovereign debt woes in Europe, political uncertainty in the Middle East and inflationary concerns in emerging countries which continue to cloud the economic outlook going forward. Nevertheless, ARA remains resilient and well-positioned to tap on opportunities in the region to continue its growth.

**REITs**

Suntec REIT completed the acquisition of a one-third interest in the MBFC Property for S\$1.5 billion on 9 December 2010. The MBFC Property and revaluation gains in the Group's existing portfolio will contribute materially to the Group's recurrent income in FY2011 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 completed the acquisition of 2 retail malls in Malaysia and an office building in Shanghai in 4Q2010. With these acquisitions, the fund is currently approximately 80% invested and the Group expects to place out the ADF's remaining committed capital in 1H2011. The Group is currently in the process of marketing ADF II with a first closing targeted for 1H2011.

**Outlook for the financial year ending 31 December 2011**

Barring unforeseen circumstances, the Directors expect the Group's net profit in FY2011 to be comparable to that achieved in FY2010.



**Financial Statements Announcement  
For the financial year ended 31 December 2010****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\$0.025 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax exempt (One-Tier)

**(c) Date payable**

23 May 2011

**(d) Book Closure date**

Registrable transfers received by the Company up to 5.00 pm on 9 May 2011 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 2010. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 28 April 2011.

Inclusive of the interim dividend of S\$0.023 per share paid out in September 2010, the total dividend per share for FY2010 is S\$0.048 (FY2009: S\$0.048).

Excluding the effects of the enlarged number of issued shares arising from the Bonus Issue, the FY2010 dividend per share would have been \$0.0576 per share.

**Financial Statements Announcement  
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**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 13. 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 profit of associates, income tax and non-controlling interests	
	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000	1/1/10 to 31/12/10 S\$'000	1/1/09 to 31/12/09 S\$'000
<u>Business Segments</u>				
REITs	63,553	49,147	41,683	31,383
Private real estate funds	26,660	27,766	17,501	17,410
Real estate management	13,570	1,197	6,910	978
Investment holding	7,645	6,959	4,959	3,300
Others <sup>(a)</sup>	1,083	1,210	3,231	1,447
	112,511	86,279	74,284	54,518
Unallocated expenses	-	-	(1,211)	(724)
	112,511	86,279	73,073	53,794

**Notes:**

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

- 14. 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.

- 15. A breakdown of sales.**

	FY2010 S\$'000	FY2009 S\$'000	Change %
<b>Revenue reported for first half year</b>	<b>46,291</b>	<b>38,484</b>	<b>20%</b>
Management fees	40,788	32,432	26%
Acquisition and performance fees	968	31	n.m.
Other income	4,535	6,021	(25%)
<b>Operating profit after tax before deducting non-controlling interests reported for first half year</b>	<b>25,020</b>	<b>22,024</b>	<b>14%</b>
<b>Revenue reported for second half year</b>	<b>66,220</b>	<b>47,795</b>	<b>39%</b>
Management fees	43,842	34,670	26%
Acquisition and performance fees	16,531	7,463	122%
Other income	5,847	5,662	3%
<b>Operating profit after tax before deducting non-controlling interests reported for second half year</b>	<b>39,190</b>	<b>26,171</b>	<b>50%</b>

**Financial Statements Announcement  
For the financial year ended 31 December 2010**

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>FY2010 S\$'000</b>	<b>FY2009 S\$'000</b>
Ordinary	33,527 <sup>(a)</sup>	27,939 <sup>(b)</sup>
Preference	-	-
<b>Total:</b>	<b>33,527</b>	<b>27,939</b>

**Notes:**

- (a) This includes the proposed final dividend of S\$0.025 per share which amounts to S\$17.5 million and is payable on 23 May 2011. Of the total dividends, S\$16.1 million relates to the interim dividend of S\$0.023 per share which was paid on 9 September 2010.
- (b) This comprises an interim dividend of S\$13.4 million or S\$0.023 per share which was paid on 3 September 2009 and a final dividend of S\$14.6 million or S\$0.025 per share which was paid on 18 May 2010.

**17. 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)	
	<b>1/10/10 to 31/12/10 S\$'000</b>	<b>1/1/10 to 31/12/10 S\$'000</b>	<b>1/10/10 to 31/12/10 S\$'000</b>	<b>1/1/10 to 31/12/10 S\$'000</b>
Fortune REIT <sup>(1)</sup>	-	-	2,470	9,733
Cosmo Best Limited <sup>(2)</sup>	-	-	10,000	10,000
	-	-	<b>12,470</b>	<b>19,733</b>

The interested person transactions have been entered into based on terms stipulated in the following:

- (1) the trust deed constituting Fortune REIT whereby ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of the Company, receives base and performance fees for its role as the manager of Fortune REIT; and
- (2) a strategic advisory agreement between Cosmo Best Limited, a wholly-owned subsidiary of Cheung Kong (Holdings) Limited, and ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of the Company, for advice with respect to certain strategies relating to the management of the properties under Suntec REIT.

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

Lim Hwee Chiang  
Director  
24 February 2011

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

24 February 2011

Dear Sirs

## **Review of Financial Information**

### *Introduction*

We have reviewed the accompanying 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 31 December 2010, the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the year ended 31 December 2010 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 Information based on our review.

### *Scope of review*

We conducted our review in accordance with Singapore Standard on Review Engagements 2400 *Engagements to Review Financial Statements*. 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**

**KPMG LLP**  
*Public Accountants and  
Certified Public Accountants*

Singapore