



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2012

The financial information for the quarter ended 31 March 2012 in the announcement have been extracted from the interim financial statements for the period from 1 January 2012 to 31 March 2012, which have been reviewed by the auditors in accordance with the Singapore Standard on Review Engagements 2410.

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.

Financial Results Announcement
For the quarter ended 31 March 2012
1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	1/1/12 to 31/3/12 ("1Q2012") S\$'000	1/1/11 to 31/3/11 ("1Q2011") S\$'000	Change %
Management fees	(a)	23,106	22,063	5%
Acquisition and performance fees	(a)	4,010	2,260	77%
Other income	(b)	7,211	2,877	151%
Total revenue		34,327	27,200	26%
Administrative expenses	(c)	(9,229)	(7,525)	23%
Operating lease expenses	(d)	(584)	(565)	3%
Other expenses	(e)	(2,178)	(1,883)	16%
Results from operating activities		22,336	17,227	30%
Finance costs	(f)	(33)	(257)	(87%)
		22,303	16,970	31%
Share of profit of associates (net of tax)	(g)	1,380	165	736%
Profit before income tax	(h)	23,683	17,135	38%
Income tax expense	(i)	(3,389)	(1,992)	70%
Profit for the period		20,294	15,143	34%
Attributable to:				
Equity holders of the Company		20,003	14,827	35%
Non-controlling interests		291	316	(8%)
		20,294	15,143	34%

**Financial Results Announcement
 For the quarter ended 31 March 2012**
1(a)(ii) Explanatory notes to the income statement of the Group
(a) Revenue

		1Q2012 S\$'000	1Q2011 S\$'000	Change %
Management fees		23,106	22,063	5%
REIT base and performance fees	(i)	15,242	13,237	15%
Portfolio management and service fees	(ii)	5,023	5,736	(12%)
Real estate management services fees	(iii)	2,841	3,090	(8%)
Acquisition and performance fees		4,010	2,260	77%
Acquisition and performance fees	(iv)	4,010	2,260	77%

- (i) REIT management fees increased to S\$15.2 million in 1Q2012 compared with S\$13.2 million in 1Q2011 primarily due to higher management fees arising from an increase in the valuation of the property portfolios of the REITs under management. Fortune REIT's acquisition of The Belvedere Garden Property and The Provident Centre Property on 17 February 2012 also contributed to the higher REIT management fees.
- (ii) Portfolio management and service fees decreased to S\$5.0 million in 1Q2012 from S\$5.7 million in 1Q2011. Since 4Q2011, the ARA Asia Dragon Fund ("ADF") has commenced to return part capital to investors by means of proceeds from the divestment of some of its assets. This reduced the portfolio management fees received by the Group due to the lower contributed capital amount. The lower fees received from the ADF was partially mitigated by additional fee income generated from ARA Asia Dragon Fund II ("ADF II") for the quarter ended 31 March 2012.
- (iii) Real estate management services fees decreased to S\$2.8 million in 1Q2012 compared with S\$3.1 million in 1Q2011, primarily due to lower leasing commission received by APM Property Management Pte. Ltd. ("APM") from its Malaysia operations.
- (iv) The Group received acquisition and performance fees of S\$4.0 million in 1Q2012, which included the acquisition and divestment fees received in relation to (i) Suntec REIT's divestment of Chijmes in January 2012 and (ii) Fortune REIT's acquisition of The Belvedere Garden Property and The Provident Centre Property in February 2012. In 1Q2011, the Group received acquisition and performance fees of S\$2.3 million, which comprised primarily performance fees received in relation to the ARA Harmony Fund and acquisition fees in relation to the acquisition of 6 Changi North Way by Cache Logistics Trust ("Cache").

(b) Other income

Other income comprised primarily of distribution income, interest income and net gain on fair valuation / disposal of marketable securities. Other income increased to S\$7.2 million in 1Q2012 from S\$2.9 million in 1Q2011. This was primarily due to a net gain on disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees and an increase in distribution income received.

(c) Administrative expenses

Administrative expenses comprised primarily of staff-related expenses and strategic advisory fees. Administrative expenses increased to S\$9.2 million in 1Q2012 from S\$7.5 million in 1Q2011, primarily due to an increase in headcount and staff-related expenses in line with the Group's continuing business expansion. Excluded from administrative expense was staff-related expenses of S\$6.3 million (1Q2011: S\$6.7 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd., which was fully reimbursed from the ARA Harmony Fund.

**Financial Results Announcement
For the quarter ended 31 March 2012**

(d) Operating lease expenses

Operating lease expenses remained relatively stable at S\$0.6 million for both 1Q2012 and 1Q2011.

(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 increased to S\$2.2 million in 1Q2012 from S\$1.9 million in 1Q2011 primarily due to higher expenses incurred for professional fees, overseas marketing trips and road shows for the establishment of new business segments, including the ADF II.

(f) Finance costs

The finance cost was primarily due to interest paid on borrowings of RM44.9 million (equivalent to approximately S\$18.9 million), taken up in May 2007. The RM44.9 million loan facility was fully repaid in May 2011.

(g) Share of profits of associates (net of tax)

Share of profits of associates (net of tax) was primarily due to the recognition of the Group's share of profits arising from (i) 30% effective interest in Am ARA REIT Managers Sdn Bhd, the manager of AmFIRST REIT, (ii) 40% effective interest in Cache Property Management Pte. Ltd., the property manager of Cache, and (iii) 30% effective interest in Hui Xian Asset Management Limited, the manager of Hui Xian REIT. The Group's share of profits of associates increased from S\$0.2 million to S\$1.4 million primarily due to the contribution from Hui Xian Asset Management Limited as Hui Xian REIT was only listed on 29 April 2011.

(h) Profit before income tax

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

	1Q2012	1Q2011	Change
	S\$'000	S\$'000	%
<u>Other Income</u>			
Distribution income	2,313	1,550	49%
Interest income	28	169	(83%)
Gain on disposal of held-for-trading securities	4,833	1,149	321%
<u>Operating Expenses</u>			
Amortisation of intangible asset	-	218	(100%)
Depreciation of plant and equipment	135	124	9%
Foreign exchange loss - net	22	91	(76%)

(i) Income tax expense

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

**Financial Results Announcement
For the quarter ended 31 March 2012**

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

	1Q2012	1Q2011	Change
	S\$'000	S\$'000	%
Profit for the period	20,294	15,143	34%
Other comprehensive income:			
Translation differences relating to financial statements of foreign operations	(1,155)	(720)	60%
Effective portion of changes in fair value of cash flow hedges	539	159	239%
Net movement in fair value of available-for-sale financial assets	7,194	(129)	n.m.
Other comprehensive income for the period, net of income tax	6,578	(690)	n.m.
Total comprehensive income for the period	26,872	14,453	86%
Attributable to:			
Equity holders of the Company	26,581	14,137	88%
Non-controlling interests	291	316	(8%)
Total comprehensive income for the period	26,872	14,453	86%

n.m.: not meaningful

Note:

There is no tax effect relating to the components of the other comprehensive income for the period.

Financial Results Announcement
For the quarter ended 31 March 2012
1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group		Company	
		31/3/12 S\$'000	31/12/11 S\$'000	31/3/12 S\$'000	31/12/11 S\$'000
Non-current assets					
Plant and equipment		1,238	1,360	-	-
Tenancy deposits		494	502	-	-
Subsidiaries	(a)	-	-	87,075	87,690
Associates	(b)	4,389	3,100	-	-
Financial assets	(c)	105,062	96,920	-	-
		<u>111,183</u>	<u>101,882</u>	<u>87,075</u>	<u>87,690</u>
Current assets					
Financial assets	(d)	3,348	24,764	-	-
Trade and other receivables	(e)	27,378	30,616	26	62
Amounts due from related corporations	(f)	-	-	5,371	5,242
Cash and cash equivalents		102,489	57,291	39,116	31,091
		<u>133,215</u>	<u>112,671</u>	<u>44,513</u>	<u>36,395</u>
Total assets		<u>244,398</u>	<u>214,553</u>	<u>131,588</u>	<u>124,085</u>
Equity attributable to equity holders					
Share capital		1,537	1,537	1,537	1,537
Reserves		213,946	187,365	128,529	121,122
		<u>215,483</u>	<u>188,902</u>	<u>130,066</u>	<u>122,659</u>
Non-controlling interests	(g)	950	659	-	-
Total equity		<u>216,433</u>	<u>189,561</u>	<u>130,066</u>	<u>122,659</u>
Non-current liabilities					
Loan and borrowings	(h)	236	268	-	-
Deferred tax liabilities		140	117	-	-
		<u>376</u>	<u>385</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	(i)	17,672	17,343	1,519	1,419
Amounts due to related corporations	(f)	-	-	3	7
Loan and borrowings	(h)	119	120	-	-
Derivative liabilities	(j)	178	717	-	-
Current tax payable		9,620	6,427	-	-
		<u>27,589</u>	<u>24,607</u>	<u>1,522</u>	<u>1,426</u>
Total liabilities		<u>27,965</u>	<u>24,992</u>	<u>1,522</u>	<u>1,426</u>
Total equity and liabilities		<u>244,398</u>	<u>214,553</u>	<u>131,588</u>	<u>124,085</u>

**Financial Results Announcement
For the quarter ended 31 March 2012****Footnotes:**

- (a) *Interest in subsidiaries comprise equity investments in the Company's subsidiaries and loans to subsidiaries where the settlement of the amount is neither planned nor likely to occur in the foreseeable future.*
- (b) *Interest in associates relates to the Group's 40% equity interest in Cache Property Management Pte. Ltd., and 30% equity interest in Am ARA REIT Holdings Sdn. Bhd., Am ARA REIT Managers Sdn. Bhd., World Deluxe Enterprises Limited, Hui Xian Asset Management Limited and Beijing Hui Xian Enterprise Services Limited.*
- (c) *Non-current financial assets as at 31 March 2012 comprise (i) 34.1 million Suntec REIT units held by the Group as a strategic stake and which have been pledged as security for a credit facility (see 1(b)(ii) – Details of any collateral); (ii) 11.9 million Cache units held by the Group as a strategic stake, (iii) 23.1 million AmFIRST REIT units held by the Group as strategic stake; (iv) seed capital investment in the ARA Asia Dragon Fund ("ADF"); (v) investment in the ARA Asian Asset Income Fund ("AAIF"); (vi) a 13.9% strategic stake in APN Property Group Limited ("APN"); and (vii) seed capital investment in the ARA Asia Dragon Fund II ("ADF II").*
- (d) *Current financial assets as at 31 March 2012 comprise REIT units received by the Group as payment of acquisition fees for (i) the acquisition of The Belvedere Garden Property and The Provident Centre Property by Fortune REIT's acquisition on 17 February 2012, and (ii) the acquisition of Jinshan Chemical Warehouse by Cache on 15 June 2011. The REIT units received as payment for acquisition fees are subject to a one-year moratorium as stipulated in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.*
- (e) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The decrease in trade and other receivables is primarily due to the receipt of amounts due from a private fund.*
- (f) *Amounts due from/to related corporations relate mainly to advances to/from subsidiaries and amounts paid on behalf by related corporations.*
- (g) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited.*
- (h) *Financial liabilities as at 31 March 2012 relate to finance lease liabilities for the purchase of certain plant and equipment.*
- (i) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff related benefits to employees and other payables.*
- (j) *Derivative liabilities relate to the fair value of foreign currency forward contracts entered into by the Group to hedge the Group's foreign currency exposure.*

**Financial Results Announcement
For the quarter ended 31 March 2012**

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

	31/3/12		31/12/11	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	119	-	120	-
Amount repayable after one year	236	-	268	-
	<u>355</u>	<u>-</u>	<u>388</u>	<u>-</u>

Footnotes:

- (a) The Group's borrowings includes S\$355,000 (31 December 2011: S\$388,000) relating to finance lease liabilities for the purchase of certain plant and equipment.
- (b) As at 31 March 2012, the Group has the following facilities:
- (i) an unutilised revolving credit facility of S\$20.0 million secured on the Group's strategic stake in Suntec REIT (31 December 2011: S\$20.0 million);
 - (ii) an unutilised revolving credit facility of RM16.0 million secured on the Group's strategic stake in AmFIRST REIT (31 December 2011: RM16.0 million); and
 - (iii) unutilised unsecured overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2011: S\$6.0 million and HK\$3.0 million).

Details of any collateral

On 15 March 2011, the Group pledged 34.1 million units of Suntec REIT as security for a S\$20.0 million revolving credit facility with United Overseas Bank Limited. The facility bears interest at a floating rate of 1.35% p.a. above the Association of Banks in Singapore Swap Offer Rate and terminates on 15 March 2014.

On 28 September 2011, the Group pledged 23.1 million units of AmFIRST REIT as security for a RM16.0 million revolving credit facility with United Overseas Bank (Malaysia) Bhd. The facility bears interest at a floating rate of 1.4% p.a. above the bank's cost of funds. The facility is available for a period of 3 years with an option to extend for another 3 years.

Financial Results Announcement
For the quarter ended 31 March 2012
1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1Q2012	1Q2011
	S\$'000	S\$'000
Operating activities		
Profit for the period	20,294	15,143
Adjustments for:		
Management fees received / receivable in units of REITs	(15,185)	(10,443)
Amortisation of intangible asset	-	218
Depreciation	135	123
Share of profit of associates	(1,380)	(165)
Interest income	(28)	(169)
Gain on fair valuation / disposal of held-for-trading securities	(4,833)	(1,149)
Distribution income	(2,313)	(1,550)
Finance cost	33	257
Income tax expense	3,389	1,992
Operating profit before working capital changes	112	4,257
Changes in working capital:		
Trade and other receivables	3,218	1,941
Trade and other payables	329	(5,564)
Cash generated from operating activities	3,659	634
Proceeds from sale of units in REITs	41,272	10,656
Income tax paid	(173)	(192)
Distribution income received	2,313	1,550
Cash flows from operating activities	47,071	12,648
Investing activities:		
Interest received	28	169
Purchase of plant and equipment	(20)	(150)
Investment in associate	-	(243)
Net purchase of available-for-sale securities - unquoted	(1,606)	(398)
Cash flows used in investing activities	(1,598)	(622)
Financing activities:		
Net payment of finance lease liabilities	(33)	(33)
Interest paid	(33)	(257)
Cash flows used in financing activities	(66)	(290)
Net increase in cash & cash equivalents	45,407	11,736
Cash and cash equivalents at beginning of period	57,291	42,327
Effect of exchange rate fluctuations on cash held	(209)	(89)
Cash and cash equivalents at end of period	102,489	53,974

**Financial Results Announcement
For the quarter ended 31 March 2012**

Footnotes:

- (a) As at 31 March 2012, the Group had utilised S\$60.8 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	31/3/12 S\$'000	31/12/11 S\$'000
Seed capital investment in the ADF	25,584	24,723
Strategic stake in REIT	27,200	27,200
Investment in mezzanine loan ⁽¹⁾	8,000	8,000
	60,784	59,923

- (1) This investment was made in relation to the establishment of the ARA Harmony Fund.
- (b) Cash flows from operating activities increased to S\$47.1 million in 1Q2012 from S\$12.6 million in 1Q2011 primarily due to higher proceeds received from the sale of certain REIT units received by the Group as part payment for REIT management and acquisition fees.
- (c) Net cash outflow from investing activities increased to S\$1.6 million in 1Q2012 from S\$0.6 million in 1Q2011. The net cash outflow from investing activities in 1Q2012 was primarily due to seed capital investment in both ADF and ADF II pursuant to capital calls by both funds. The net cash outflow for investing activities in 1Q2011 comprised mainly of seed capital investment in the ADF.
- (d) Net cash outflow for financing activities decreased to S\$66,000 in 1Q2012 from S\$290,000 in 1Q2011. This was primarily due to a reduction in interest paid which resulted from the repayment of the RM44.9 million loan facility (equivalent to S\$18.9 million) in 2Q2011.

Financial Results Announcement
For the quarter ended 31 March 2012

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
Company				
At 1 January 2011	1,397	75,152	29,569	106,118
Total comprehensive income for the period				
- Profit for the period	-	-	4,893	4,893
At 31 March 2011	1,397	75,152	34,462	111,011
At 1 January 2012	1,537	75,012	46,110	122,659
Total comprehensive income for the period				
- Profit for the period	-	-	7,407	7,407
At 31 March 2012	1,537	75,012	53,517	130,066

	Share capital and 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
Group							
At 1 January 2011	76,549	17,129	(3,303)	82,505	172,880	638	173,518
Total other comprehensive income	-	(129)	(561)	-	(690)	-	(690)
Profit for the period	-	-	-	14,827	14,827	316	15,143
Total comprehensive income for the period	-	(129)	(561)	14,827	14,137	316	14,453
At 31 March 2011	76,549	17,000	(3,864)	97,332	187,017	954	187,971
At 1 January 2012	76,549	755	(3,976)	115,574	188,902	659	189,561
Total other comprehensive income	-	7,194	(616)	-	6,578	-	6,578
Profit for the period	-	-	-	20,003	20,003	291	20,294
Total comprehensive income for the period	-	7,194	(616)	20,003	26,581	291	26,872
At 31 March 2012	76,549	7,949	(4,592)	135,577	215,483	950	216,433

Notes:

- Included in the share capital is a share premium account of S\$75.0 million as at 31 March 2012 (31 March 2011: S\$75.2 million).
- Other reserves comprised foreign currency translation reserves and hedging reserves.

**Financial Results Announcement
For the quarter ended 31 March 2012**

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 21 February 2012.

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

	31/3/12	As at 31/12/11
Total number of issued shares	768,319,189	768,319,189

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 for the three-month period ended 31 March 2012 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 Auditor of the Entity".

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 2011.

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 Results Announcement
For the quarter ended 31 March 2012**

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)	1Q2012	1Q2011
Earnings per ordinary share for the period based on profit for the period attributable to equity holders of the Company:		
(i) Based on the number of ordinary shares in issue as at the end of the financial period	2.60	2.12
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	2.60	1.93

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 March 2012 and 31 March 2011 and the issued share capital of 768,319,189 and 698,471,997 shares as at 31 March 2012 and 31 March 2011 respectively.

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 March 2012 and 31 March 2011 and the issued share capital of 768,319,189 shares as at 31 March 2012.

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	
	31/3/12	31/12/11	31/3/12	31/12/11
Net asset value per ordinary share	28.05	24.59	16.93	15.96
Net tangible assets per ordinary share	28.05	24.59	16.93	15.96

Net asset value ("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 768,319,189 shares.

Net tangible assets per share is calculated based on the NAV of the Group, excluding non-controlling interest and intangible asset, and the issued share capital of 768,319,189 shares.

**Financial Results Announcement
For the quarter ended 31 March 2012**

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

	1Q2012 S\$'000	1Q2011 S\$'000	Change %
Total Revenue	34,327	27,200	26%
Management fees	23,106	22,063	5%
Acquisition and performance fees	4,010	2,260	77%
Other income	7,211	2,877	151%
Net profit ⁽¹⁾	20,003	14,827	34%

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

1Q2012 vs 1Q2011

Recurrent management fee income increased by 5% to S\$23.1 million in 1Q2012 from S\$22.1 million in 1Q2011. This was primarily due to higher REIT management fees arising from (i) an increase in the valuation of the property portfolios of the REITs under management; and (ii) Fortune REIT's acquisition of The Belvedere Garden Property and The Provident Centre Property on 17 February 2012. In 1Q2012, the Group had also began to accrue for portfolio management fees receivable from the ADF II with the commencement of its investment period in March 2012.

In 1Q2012, the Group received acquisition and performance fees of S\$4.0 million in relation to (i) Suntec REIT's divestment of Chijmes in January 2012 and (ii) Fortune REIT's acquisition of The Belvedere Garden Property and The Provident Centre Property in February 2012. The acquisition and performance fees of S\$2.3 million received in 1Q2011 comprised primarily performance fees received in relation to the ARA Harmony Fund and acquisition fees in relation to the acquisition of 6 Changi North Way by Cache.

Other income increased to S\$7.2 million in 1Q2012 from S\$2.9 million in 1Q2011, primarily due to a net gain on disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees and an increase in distribution income received.

The Group recorded higher total operating expenses of S\$12.0 million in 1Q2012 compared to S\$10.0 million in 1Q2011, primarily due to higher staff-related expenses in line with the Group's continuing business expansion. Higher expenses incurred for professional fees, overseas marketing trips and road shows for the establishment of new business segments, including the ADF II, also resulted in higher costs incurred during the period.

As a result of the above, net profit for 1Q2012 rose 34% to S\$20.0 million from S\$14.8 million in 1Q2011.

As at 31 March 2012, the Group's total assets under management stood at S\$20.8 billion (approximately US\$16.5 billion).

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**Financial Results Announcement
For the quarter ended 31 March 2012****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 economic growth remains delicately balanced as concerns continue to linger over the Eurozone sovereign debt crisis and the strength of the US economic recovery, even as the International Monetary Fund (IMF) raised its 2012 growth forecasts to 3.5% in recent weeks. European policy-makers continue to seek ways to cut their government debt burdens further and push ahead with economic reforms.

In China, economic growth slowed further to 8.1% in the first three months of 2012, although this is still above the 7.5% annual growth target that Chinese Premier Wen Jiabao set in March. The IMF also added that the Chinese economy will grow 8.2% this year, up from their previous forecast of 8.1%. Market watchers now believe that the risk of a hard economic landing for China has largely passed and Beijing had considerable fiscal resources available to help bolster the economy if risks to the downside accelerate. Likewise, the Group acknowledges that a “hard-landing” scenario is unlikely and is positive on China’s commercial property sector while remaining cautious on the residential sector.

On Asia’s property sector as a whole, the Group believes regional real estate remains an attractive asset as Asia’s positive long-term fundamentals have remained largely unchanged, given increasing domestic consumption driven by an emerging middle-class and a fast-growing tourism sector.

REITs

For FY2012, the Group’s AUM has been boosted on the back of (i) Fortune REIT’s completed acquisition of The Belvedere Garden Property and The Provident Centre Property for HK\$1.9 billion; and (ii) Hui Xian REIT’s acquisition of a 70% interest in the Sheraton Shenyang Lido Hotel for a consideration of RMB 980 million.

Suntec REIT has also successfully completed the divestment of Chijmes in January 2012 at a price of S\$177.0 million, a 23.2% premium over the valuation of S\$143.7 million.

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. Concurrently, the Group is looking to develop and list new REITs focused on new market sectors and/or geographies.

Private Funds

The ADF II has total commitments of US\$400 million and remains on target for a final closing in the second half of 2012.

Outlook for FY2012

Barring unforeseen circumstances, the Directors expect the Group’s net profit in FY2012 to be comparable to that achieved in FY2011.

**Financial Results Announcement
For the quarter ended 31 March 2012**

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

A mandate was obtained from shareholders at the Company's Annual General Meeting held on 26 April 2012.

	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)
	1Q2012 S\$'000	1Q2012 S\$'000
<u>Name of interested person</u>		
Fortune REIT	-	6,222
Cheung Kong Group	-	1,329
	-	7,551

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

- (i) the trust deed constituting Fortune REIT whereby the Group receives base, performance and acquisition fees for its role as the manager of Fortune REIT; and
- (ii) the shareholders' agreement of World Deluxe Enterprises Limited whereby Hui Xian Asset Management Limited pays property management and related consultancy services to the Cheung Kong Group.

**Financial Results Announcement
For the quarter ended 31 March 2012**

14. Negative confirmation pursuant to Rule 705(5)

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 statements of financial position and statements of income, comprehensive income, changes in equity and cash flows, together with their accompanying notes) as at 31 March 2012 and for the three 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
8 May 2012

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

8 May 2012

Dear Sirs

Review of Interim 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 March 2012, the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the three-month period ended 31 March 2012 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 information of the directors and for the inclusion of our report in the Company's interim announcement to its shareholders, to enable the directors to fulfil their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors, the Company or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore