

PRESS RELEASE

ARA REPORTS 35% INCREASE IN 1Q2012 NET PROFIT TO S\$20.0 MILLION

- **Total revenue rose 26% to S\$34.3 million**
- **Recurrent management fees up 5% to S\$23.1 million**
- **EPS increased 35% to 2.60 Singapore cents per share**
- **Total assets under management of S\$20.8 billion**

1Q2012 Results Highlights

		1Q2012	1Q2011	% Change
Revenue				
Management fees	(S\$'000)	23,106	22,063	5%
Acquisition and performance fees	(S\$'000)	4,010	2,260	77%
Other income	(S\$'000)	7,211	2,877	151%
Total Revenue	(S\$'000)	34,327	27,200	26%
Net Profit	(S\$'000)	20,003	14,827	35%
EPS ¹	(S cents)	2.60	1.93	35%
AUM ²	(S\$ billion)	20.8	16.8	24%

8 May 2012 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report a 35% increase in net profit to S\$20.0 million for the first quarter ended 31 March 2012 (“1Q2012”).

Total revenue rose 26% to S\$34.3 million in 1Q2012 from S\$27.2 million in 1Q2011, largely on the back of improved management fees, as well as higher acquisition and performance fees. Recurrent management fee income increased by 5% to S\$23.1 million in 1Q2012 from S\$22.1 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 in February 2012 also contributed to the higher REIT management fees.

¹ Based on share capital of 768,319,189 shares as at 31 March 2012

² Assets under Management based on exchange rates as at 31 March 2012

In 1Q2012, the Group had also begun to accrue for portfolio management fees receivable from the ARA Asia Dragon Fund II after securing initial commitments of US\$400 million and commencement of its investment period in March 2012.

During the quarter, the Group also received acquisition and performance fees of S\$4.0 million in relation to (i) Fortune REIT's acquisition of The Belvedere Garden Property and The Provident Centre Property and (ii) Suntec REIT's divestment of Chijmes.

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.

For the first three months of 2012, earnings per share (EPS) was 2.60 Singapore cents, up 35% from 1.93 Singapore cents in 1Q2011. Total assets under management stood at S\$20.8 billion as at 31 March 2012.

ARA Group CEO, John Lim commented: "We are pleased to report a strong start to FY2012 with a 35% increase in net profit to S\$20.0 million for 1Q2012. For FY2012, ARA will continue to seek to grow its REIT platform organically via active asset management and value-adding acquisitions, even as we look to develop and list new REITs focused on new market sectors and/or geographies."

Looking ahead, the Group remains cautiously optimistic of global growth prospects this year, in particular Asia's economic growth fundamentals.

"The global economic health has improved in the last 3 months. We believe the risk of a hard economic landing for China is diminishing with Beijing having considerable fiscal resources available to help bolster its economy if risks to the downside accelerate," added Mr Lim, who is positive on China's commercial property sector while remaining cautious on the residential sector.

On Asia's property sector as a whole, Mr Lim said, "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."

About ARA Asset Management Limited

ARA, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

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

For more information, please contact:

Cheryl Seow
Senior Director, Group Finance
cherylseow@ara.com.hk

Arthur Poon
Manager, Corporate Finance
arthurpoon@ara.com.hk

Tel: (65) 6835 9232
Fax: (65) 6835 9672

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