

PRESS RELEASE

ARA's 1H 2012 NET PROFIT UP 20% TO S\$35.4 MILLION

- Total revenue rose 21% to S\$63.4 million
- EPS increased 20% to 4.61 Singapore cents per share
- Interim dividend of 2.30 Singapore cents per share declared
- Total assets under management of S\$21.8 billion, up 16% from a year ago
- Successfully raised close to US\$1 billion of new investor commitments for CIP Fund and ADF II

1H2012 Results Highlights

		1H2012	1H2011	% Change
Revenue				
Management fees	(S\$'000)	47,782	44,661	7%
Acquisition and performance fees	(S\$'000)	4,663	2,499	87%
Other income	(S\$'000)	10,978	5,394	104%
Total Revenue	(S\$'000)	63,423	52,554	21%
Operating Profit (Pre-Tax)	(S\$'000)	39,855	33,701	18%
Share of Profit of Associates	(S\$'000)	2,168	885	145%
Net Profit	(S\$'000)	35,384	29,571	20%
EPS ¹	(S cents)	4.61	3.85	20%
Dividend per Share	(S cents)	2.30	2.30	-
AUM	(S\$ billion)	21.8	18.8	16%

10 August 2012 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report a 20% increase in net profit to S\$35.4 million for the six months ended 30 June 2012 (“1H2012”). Total revenue rose 21% to S\$63.4 million in 1H2012 from S\$52.6 million in 1H2011, on the back of improved management fees together with higher acquisition and performance fees.

Recurrent management fee income increased by 7% to S\$47.8 million in 1H2012 from S\$44.7 million in 1H2011, due largely to higher REIT management and portfolio management fees arising from an increase in the valuation of the property portfolios of the REITs under

¹ Based on the enlarged share capital of 768,319,189 shares following the 1-for-10 bonus issue in June 2011.

management as well as a higher asset valuation of the ARA Harmony Fund. In 1H2012, the Group had also begun to accrue for portfolio management fees receivable from the ARA Asia Dragon Fund II (“ADF II”) with the commencement of its investment period in March 2012.

The Group’s acquisition and performance fees of S\$4.7 million received in 1H2012 comprises acquisition and divestment fees received in relation to (i) Suntec REIT’s divestment of Chijmes in January 2012, (ii) Fortune REIT’s acquisition of The Belvedere Square and The Provident Square in February 2012 and (iii) Cache’s acquisition of 21 Changi North Way on 30 April 2012 and project management fees received by APM in relation to the remaking of Suntec City.

Other income increased to S\$11.0 million in 1H2012 from S\$5.4 million in 1H2011, primarily due to higher net gain on disposal of certain REIT units received by the Group as part payment for REIT management fees and acquisition fees and an increase in distribution income.

For the first six months of 2012, earnings per share (EPS) was 4.61 Singapore cents, up 20% from 3.85 Singapore cents in 1H2011. Total assets under management (“**AUM**”) soared 16% to a record S\$21.8 billion as at 30 June 2012 from S\$18.8 billion a year ago.

Commenting on ARA’s 1H2012 results and improvement in its AUM, ARA Group CEO, John Lim said: “In addition to ARA’s 20% jump in 1H2012 net profit, we are also pleased to report that the Group has raised close to US\$1 billion for its private real estate funds which is all the more remarkable given the challenging fund raising environment. This is a testament to the strength and track record of ARA, as well as its ability to expand its suite of fund platforms.”

The gross investor commitments of US\$941 million was raised via two separate vehicles, namely a new fund, ARA China Investment Partners, LLC, (“**CIP Fund**”), as well as through ARA’s existing vehicle, the ADF II.

The new CIP Fund with initial committed capital of US\$500 million has been established as a long term, core-plus separate account vehicle following a significant contribution from the California Public Employees’ Retirement System (“**CalPERS**”). ARA will also be invested in the CIP Fund, which will adopt an investment strategy targeting high-quality, income producing office and retail properties in key cities in China, including Hong Kong.

The initial term of the fund will be ten years with two additional extension options of six years each. Additional capital commitments will be made available upon deployment of the initial commitment at the discretion of CalPERS, and, therefore, the fund’s portfolio is expected to grow significantly over time.

Looking ahead, the Group remains cautiously optimistic of global growth prospects.

“Although faced with headwinds arising from the ongoing economic uncertainty, ARA remains resolute in sourcing investment opportunities for both its listed and private real estate platforms in Asia, particularly in China, Hong Kong, Singapore and Malaysia. This is consistent with the Group’s belief that regional real estate remains an attractive asset class as Asia’s sound fundamentals should become more evident in the medium to long term,” added Mr Lim.

The Directors have declared a tax-exempt (one-tier) interim dividend of 2.30 Singapore cents per ordinary share for the financial period from 1 January 2012 to 30 June 2012, unchanged from 1H2011.

– End of Release –

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.

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