

PRESS RELEASE

ARA'S FIRST HALF NET PROFIT CLIMBS 134% TO S\$18.1 MILLION

- **First half revenue surges 98% to S\$34.1 million**
- **Net profit climbs 134% to S\$18.1 million**
- **Return on equity of 39%**
- **Total assets under management of S\$10.5 billion (US\$7.7 billion)**
- **Interim dividend of 2.17 Singapore cents per share declared**

1H 2008 Results Highlights

		1H 2008	1H 2007	Change (%)
Total Revenue	(S\$'000)	34,142	17,235	98%
EBIT ¹	(S\$'000)	20,490	8,959	129%
Net Profit	(S\$'000)	18,069	7,736	134%
Net Margin	(%)	53%	45%	+8%
EPS ²	(S cents)	3.10	1.52	104%
Return on Equity ³	(%)	39%	n.m. ⁴	n.m.

¹ Earnings before interest and tax. Excludes share of profits of associates

² Based on weighted average number of shares of 582,060,000 shares in issue as at 30 June 2008 and 509,060,000 shares in issue as at 30 June 2007

³ Annualised figure

⁴ Not meaningful

Singapore, 4 August 2008 – ARA Asset Management Limited (“ARA” or the “Group”) has today posted net profit of S\$18.1 million for the first half ended 30 June 2008, a 134% increase from S\$7.7 million in 1H 2007.

Total revenue rose 98% to S\$34.1 million in 1H 2008 from S\$17.2 million in 1H 2007, primarily due to higher REIT management fees from the Group's enlarged REIT portfolio and higher net property income in the REITs managed by the Group, as well as portfolio management fees from private real estate funds.

The Group completed the third and final closing of the ARA Asia Dragon Fund (“ADF”) on 19 June 2008 to bring the aggregate committed capital of the fund to US\$1.13 billion. Together with additional allocations of US\$500 million for potential co-investments with the ADF by a major investor, the fund has more than US\$1.6 billion of equity capital at its disposal, representing potential real estate investment capacity of over US\$5 billion. To date, the ADF has invested in real estate assets with a gross value of approximately US\$800 million in Singapore and China.

During the quarter, Suntec REIT successfully refinanced the remaining bridge loan of S\$400 million for the acquisition of its one-third interest in One Raffles Quay, due in October 2008. With this transaction, all the REITs managed by the Group do not have any major refinancings of external borrowings till end 2009.

Net margin for the period rose to 53%, up 8 percentage points from 45% in 1H 2007, primarily due to income from the ADF. As at 30 June 2008, the Group’s total assets under management stood at S\$10.5 billion (US\$7.7 billion).

Commenting on the results, Mr John Lim, Group CEO of ARA, said, “We are pleased to report a strong set of results for the first half of 2008 despite difficult financial market conditions. With assets under management of over S\$10 billion, ARA is now one of the larger real estate fund managers in the region and we will be working on new REIT and private fund offerings, particularly in new asset classes and geographies, to continue to grow our assets under management. In addition, with ARA’s stable management fee income, our strong balance sheet and experienced management team, the Group is well-positioned to take advantage of any opportunities that may arise amidst the current market uncertainty to accelerate our growth.”

To thank shareholders for their continuing support, the Directors have declared a tax-exempt interim dividend of 2.17 Singapore cents per ordinary share, representing 70% of the Group’s net profit for the half year ended 30 June 2008.

About ARA Asset Management Limited

ARA, an affiliate of the Cheung Kong group, is a real estate fund management company with total assets under management of more than US\$7 billion as at 30 June 2008. ARA was incorporated as an exempted company with limited liability in Bermuda on 1 July 2002 and was admitted to the official list of the main board of the Singapore Exchange on 2 November 2007. ARA's business is focused on the following primary segments:

- (a) REIT management – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages four REITs listed in three countries namely, Fortune REIT and Suntec REIT listed in Singapore, Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia;
- (b) Private real estate fund management – The Group manages several closed-end private real estate funds focused on real estate investments in Asia;
- (c) Specialist equity fund management – The Group currently manages an open-ended private fund investing in REITs and listed infrastructure and utilities trusts in the Asia-Pacific region; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to the Group and the various REITs we manage.

Credit Suisse (Singapore) Limited and DBS Bank Ltd. were the joint global coordinators, bookrunners and underwriters for the initial public offering of ARA.

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