



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

### **FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2009**

These figures have not been audited but reviewed by our auditors.

ARA Asset Management Limited ("ARA" or the "Group") is a real estate fund management company focused on the management of public-listed real estate investment trusts ("REITs") and private real estate funds. ARA was incorporated as an exempted company with limited liability in Bermuda on 1 July 2002 and admitted to the official list of the main board of the Singapore Exchange Securities Trading Limited on 2 November 2007.

ARA's business comprises four primary segments:

- REIT management;
- Private real estate fund management;
- Specialist equity fund management; and
- Corporate finance advisory services.

ARA currently manages REITs listed in Singapore, Hong Kong and Malaysia with a diversified portfolio spanning the office, retail and industrial/office sectors; a private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia; and a specialist equity fund investing in REITs and listed infrastructure and utilities trusts in the Asia-Pacific region.

As at 31 March 2009, ARA's total assets under management was S\$12.6 billion (approximately US\$8.3 billion).

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

**Financial Statements Announcement  
For the quarter ended 31 March 2009**

**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	1/1/09 to 31/3/09 S\$'000	1/1/08 to 31/3/08 S\$'000	Change %
Management fees	(a)	16,279	15,878	3%
Acquisition and performance fees	(a)	-	1,148	(100%)
Other income	(b)	1,542	462	234%
Total revenue		<u>17,821</u>	<u>17,488</u>	2%
Administrative expenses	(c)	(5,423)	(4,968)	9%
Operating lease expenses	(d)	(568)	(402)	41%
Other expenses	(e)	(617)	(1,855)	(67%)
Results from operating activities		<u>11,213</u>	<u>10,263</u>	9%
Finance expenses	(f)	(185)	(204)	(9%)
		<u>11,028</u>	<u>10,059</u>	10%
Share of profits of associates (net of tax)	(g)	51	45	13%
Profit before income tax	(h)	<u>11,079</u>	<u>10,104</u>	10%
Income tax expense	(i)	(1,017)	(977)	4%
Profit for the period		<u><u>10,062</u></u>	<u><u>9,127</u></u>	10%
Attributable to:				
Equity holders of the Company		10,088	9,194	10%
Minority interest		(26)	(67)	(61%)
		<u><u>10,062</u></u>	<u><u>9,127</u></u>	10%

**Financial Statements Announcement  
For the quarter ended 31 March 2009**
**1(a)(ii) Explanatory notes to the income statement**
**(a) Revenue**

		1/1/09 to 31/3/09 ("1Q2009") S\$'000	1/1/08 to 31/3/08 ("1Q2008") S\$'000	Change %
<b>Management fees</b>		<b>16,279</b>	<b>15,878</b>	<b>3%</b>
REIT base and performance fees	(i)	10,104	9,868	2%
Portfolio management and service fees	(ii)	6,175	6,010	3%
<b>Acquisition and performance fees</b>		<b>-</b>	<b>1,148</b>	<b>(100%)</b>
REIT acquisition fees	(iii)	-	1,148	(100%)

- (i) The increase in REIT base and performance fees was primarily due to higher REIT performance fees arising from higher net property income in the REITs managed by the Group, partially offset by a decrease in REIT base fees due to a reduction in the valuation of the properties in the REITs managed by the Group at as 31 December 2008.
- (ii) Portfolio management and service fees increased to S\$6.2 million in 1Q2009 from S\$6.0 million in 1Q2008 primarily due to fee contribution from the third and final closing of the ARA Asia Dragon Fund ("ADF") on 19 June 2008.
- (iii) The Group received REIT acquisition fees of S\$1.1 million in 1Q2008 from the acquisition by AmFIRST REIT of an interest in The Summit Subang USJ, a mixed commercial development in Subang Jaya, Malaysia which was completed on 31 March 2008.

**(b) Other income**

Other income comprised primarily of distribution income and interest income. Other income increased to S\$1.5 million in 1Q2009 from S\$0.5 million in 1Q2008, primarily from an increase in distribution income from the Group's financial assets. Included in other income for 1Q2009 was S\$50,000 received for the Jobs Credit Scheme introduced in the 2009 Singapore Budget. This would be applied towards reducing staff costs.

**(c) Administrative expenses**

Administrative expenses comprised primarily of staff-related expenses, directors' fees and strategic advisory fees. In line with the Group's business expansion, administrative expenses increased to S\$5.4 million in 1Q2009 from S\$5.0 million in 1Q2008, primarily due to the increase in headcount, related expenses and strategic advisory fees.

**(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 comprise primarily of other staff-related expenses such as travelling expenses, telecommunication expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, listing expenses, board meeting expenses and other miscellaneous expenses. The decrease in other expenses to S\$617,000 in 1Q2009 from S\$1.9 million in 1Q2008 was primarily due to a gain on fair valuation of certain REIT units received by the Group as part payment for REIT management fees of S\$92,000 in 1Q2009, compared with a loss of S\$816,000 in 1Q2008.

**Financial Statements Announcement  
For the quarter ended 31 March 2009**

**(f) Finance expenses**

The decrease in finance expenses was primarily due to lower interest paid on borrowings of RM44.9 million (equivalent to approximately S\$18.8 million) taken up to part finance the acquisition of a 12.5% interest in AmFIRST REIT in May 2007.

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

Share of profits of associates (net of tax) was primarily due to the recognition of our share of profits arising from the Group's 30% effective interest in Am ARA REIT Managers Sdn Bhd, the manager of AmFIRST REIT.

**(h) Profit before income tax**

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

	<b>1/1/09 to 31/3/09</b>	<b>1/1/08 to 31/3/08</b>	<b>Change</b>
	S\$'000	S\$'000	%
<u>Income</u>			
Distribution income	1,488	301	394%
Interest income	4	161	(98%)
<u>Expenses</u>			
Depreciation	77	60	28%
Exchange (gain)/loss - net	(628)	393	(260%)
(Gain)/Loss on fair valuation of held-for-trading securities	(92)	816	(111%)

**(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 Statements Announcement  
For the quarter ended 31 March 2009**
**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	
		31/3/09 S\$'000	31/12/08 S\$'000	31/3/09 S\$'000	31/12/08 S\$'000
<b>Non-current assets</b>					
Plant and equipment		799	849	-	-
Tenancy deposits		296	296	-	-
Subsidiaries	(a)	-	-	54,532	49,480
Associates		366	468	-	-
Financial assets	(b)	53,539	48,870	-	-
		<u>55,000</u>	<u>50,483</u>	<u>54,532</u>	<u>49,480</u>
<b>Current assets</b>					
Financial assets	(c)	-	-	-	-
Trade and other receivables	(d)	17,181	16,069	48	24
Amounts owing by related corporations	(e)	-	-	6,749	8,870
Cash and short term bank deposits		47,538	41,879	33,921	35,948
		<u>64,719</u>	<u>57,948</u>	<u>40,718</u>	<u>44,842</u>
<b>Total assets</b>		<u><u>119,719</u></u>	<u><u>108,431</u></u>	<u><u>95,250</u></u>	<u><u>94,322</u></u>
<b>Equity attributable to equity holders</b>					
Share capital		1,164	1,164	1,164	1,164
Reserves	(f)	82,830	74,689	90,238	89,257
		<u>83,994</u>	<u>75,853</u>	<u>91,402</u>	<u>90,421</u>
<b>Minority interest</b>		<u>(253)</u>	<u>(227)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u><u>83,741</u></u>	<u><u>75,626</u></u>	<u><u>91,402</u></u>	<u><u>90,421</u></u>
<b>Non-current liabilities</b>					
Financial liabilities	(g)	18,948	18,832	-	-
Deferred tax liabilities		54	54	-	-
		<u>19,002</u>	<u>18,886</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	(h)	12,766	11,058	3,318	3,186
Amounts owing to related corporations		-	-	509	686
Financial liabilities	(g)	38	38	-	-
Derivative liabilities	(i)	886	386	-	-
Current tax payable		3,286	2,437	21	29
		<u>16,976</u>	<u>13,919</u>	<u>3,848</u>	<u>3,901</u>
<b>Total liabilities</b>		<u><u>35,978</u></u>	<u><u>32,805</u></u>	<u><u>3,848</u></u>	<u><u>3,901</u></u>
<b>Total equity and liabilities</b>		<u><u>119,719</u></u>	<u><u>108,431</u></u>	<u><u>95,250</u></u>	<u><u>94,322</u></u>

**Financial Statements Announcement  
For the quarter ended 31 March 2009****Footnotes:**

- (a) *Interests 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) *Non-current financial assets as at 31 March 2009 comprise (i) Suntec REIT units held by the Group as a strategic stake; (ii) a 12.5% interest in AmFIRST REIT which has been pledged as security for a credit facility (see note (g) below); (iii) seed capital investment in the ADF; and (iv) investment in the ARA Asian Asset Income Fund ("AAIF").*  
  
*Of the available-for-sale financial assets, an amount of S\$9.2 million of unquoted equity investments relating to seed capital investment in the ADF are stated at cost since there were no market comparables or reliable estimates available to project future cash flows to arrive at its fair values.*
- (c) *Current financial assets as at 31 March 2009 comprise REIT units received by the Group as part payment of the management fees from those REITs (other than the Suntec REIT units held by the Group as a strategic stake).*
- (d) *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 base and performance fees from the REITs managed by the Group; and accrued portfolio management fees from the ADF.*
- (e) *Amounts owing by related corporations relate mainly to advances to subsidiaries.*
- (f) *This includes a negative fair value reserve change of S\$2.0 million (2008: S\$26.8 million) for the financial period ended 31 March 2009.*
- (g) *Financial liabilities as at 31 March 2009 relate to a secured revolving credit facility taken up to part finance the acquisition of a 12.5% interest in AmFIRST REIT and finance lease liabilities.*
- (h) *The increase in trade and other payables is primarily due to the accrual of strategic advisory fees, other professional fees and listing expenses.*
- (i) *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 Statements Announcement  
For the quarter ended 31 March 2009**

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

	31/3/09		31/12/08	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	38	-	38	-
Amount repayable after one year	18,948	-	18,832	-
	<u>18,986</u>	<u>-</u>	<u>18,870</u>	<u>-</u>

**Footnotes:**

- (a) *The increase in total borrowings is primarily due to the weakening of the SGD relative to the RM 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\$0.2 million (31 December 2008: S\$0.2 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (c) *As at 31 March 2009, the Group had unutilised unsecured (i) overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2008: S\$6.0 million and HK\$3.0 million), and (ii) revolving credit facility of S\$1.2 million (31 December 2008: S\$1.2 million).*

**Details of any collateral**

As at 31 March 2009, the Group had bank borrowings of approximately RM44.9 million (equivalent to approximately S\$18.8 million (31 December 2008: S\$18.6 million)) which relates to a secured revolving credit facility provided by AmInvestment Bank Berhad ("AIBB") to our wholly-owned subsidiary, Jadelin Capital Sdn Bhd ("Jadelin") to part finance the acquisition of a 12.5% interest in, or 53.7 million units of AmFIRST REIT in May 2007.

This facility has been 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.

**Financial Statements Announcement  
For the quarter ended 31 March 2009**

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>1/1/09 to 31/3/09 S\$'000</b>	<b>1/1/08 to 31/3/08 S\$'000</b>
<b>Operating activities</b>		
Profit for the period	10,062	9,127
Adjustments for:		
Management fee received / receivable in units of REITs	(7,984)	(7,887)
Depreciation of plant and equipment	77	60
Share of profit of associates	(51)	(45)
Interest income	(4)	(161)
Gain on disposal of plant and equipment	-	(32)
(Gain) / Loss on fair valuation of held-for-trading securities	(92)	816
Distribution income	(1,488)	(301)
Finance expenses	185	204
Income tax expense	1,017	977
Operating profit before working capital changes	<u>1,722</u>	<u>2,758</u>
Changes in working capital:		
Trade and other receivables	(807)	6,881
Trade and other payables	1,708	7,557
Proceeds from sale of units in REITs	6,397	17,577
Income tax paid	(168)	(113)
Distributions income received	1,488	301
Interest received	4	161
<b>Cash flows from operating activities</b>	<u>10,344</u>	<u>35,122</u>
<b>Investing activities:</b>		
Purchase of plant and equipment	(10)	(67)
Proceed from disposal of plant and equipment	-	126
Purchase of available-for-sale securities		
- quoted	(4,275)	(14,192)
- unquoted	(550)	(3,352)
<b>Cash flows from investing activities</b>	<u>(4,835)</u>	<u>(17,485)</u>
<b>Financing activities:</b>		
Payment of finance lease liabilities (net)	(9)	(27)
Interest paid	(185)	(204)
<b>Cash flows from financing activities</b>	<u>(194)</u>	<u>(231)</u>
<b>Net increase in cash &amp; cash equivalents</b>	<b>5,315</b>	<b>17,406</b>
Cash and cash equivalents at beginning of period	41,879	74,494
Effect of exchange rate fluctuations on cash held	344	(99)
<b>Cash and cash equivalents at end of period</b>	<u><b>47,538</b></u>	<u><b>91,801</b></u>



**Financial Statements Announcement  
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**Footnotes:**

- (a) As at 31 March 2009, the Group had utilised S\$36.4 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	31/3/09 S\$'000	31/12/08 S\$'000
Seed capital investment in the ADF	9,214	8,664
Strategic stake in REIT	27,200	27,200
	36,414	35,864

- (b) Cash flows from operating activities decreased to S\$10.3 million in 1Q2009 from S\$35.1 million in 1Q2008, primarily due to a decrease in the proceeds arising from the sale of units in REITs and movement in working capital.
- (c) Net cash outflow for investing activities amounted to S\$4.8 million in 1Q2009 (1Q2008: S\$17.5 million). This was primarily due to (i) S\$4.3 million (1Q2008: S\$14.2 million) used towards the acquisition of Suntec REIT units which are held as a strategic stake; and (ii) additional seed capital investment of S\$550,000 (1Q2008: S\$3.4 million) in the ADF pursuant to capital calls from the fund.
- (d) Net cash outflow for financing activities amounted to S\$194,000 in 1Q2009 (1Q2008: S\$231,000). This was primarily due to lower loan interest paid for.

**Financial Statements Announcement  
For the quarter ended 31 March 2009**

**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>The Company</b>				
<b>At 1 January 2008</b>	1,164	75,413	24,680	101,257
Total recognised income and expense for the period				
- Loss for the period	-	-	(395)	(395)
<b>At 31 March 2008</b>	<b>1,164</b>	<b>75,413</b>	<b>24,285</b>	<b>100,862</b>
<b>At 1 January 2009</b>	1,164	75,413	13,844	90,421
Total recognised income and expense for the period				
- 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>

	Share capital S\$'000	Share premium S\$'000	Foreign currency translation reserve S\$'000	Hedging reserve S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Attributable to equity holders of the Company S\$'000	Minority interest S\$'000	Total equity S\$'000
<b>The Group</b>									
<b>At 1 January 2008</b>	1,164	75,413	85	-	(1,022)	25,414	101,054	(65)	100,989
Translation differences relating to financial statements of foreign subsidiaries	-	-	(602)	-	-	-	(602)	1	(601)
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	289	-	-	289	-	289
Changes in fair value of available-for-sale financial assets	-	-	-	-	(3,368)	-	(3,368)	-	(3,368)
Net (losses) / gains recognised directly in equity	-	-	(602)	289	(3,368)	-	(3,681)	1	(3,680)
Profit for the period	-	-	-	-	-	9,194	9,194	(67)	9,127
Total recognised income and expense for the period	-	-	(602)	289	(3,368)	9,194	5,513	(66)	5,447
<b>At 31 March 2008</b>	<b>1,164</b>	<b>75,413</b>	<b>(517)</b>	<b>289</b>	<b>(4,390)</b>	<b>34,608</b>	<b>106,567</b>	<b>(131)</b>	<b>106,436</b>
<b>At 1 January 2009</b>	1,164	75,413	102	(386)	(27,836)	27,396	75,853	(227)	75,626
Translation differences relating to financial statements of foreign subsidiaries	-	-	528	-	-	-	528	-	528
Effective portion of changes in fair value of cash flow hedge, net of tax	-	-	-	(500)	-	-	(500)	-	(500)
Changes in fair value of available-for-sale financial assets	-	-	-	-	(1,975)	-	(1,975)	-	(1,975)
Net gains / (losses) recognised directly in equity	-	-	528	(500)	(1,975)	-	(1,947)	-	(1,947)
Profit for the period	-	-	-	-	-	10,088	10,088	(26)	10,062
Total recognised income and expense for the period	-	-	528	(500)	(1,975)	10,088	8,141	(26)	8,115
<b>At 31 March 2009</b>	<b>1,164</b>	<b>75,413</b>	<b>630</b>	<b>(886)</b>	<b>(29,811)</b>	<b>37,484</b>	<b>83,994</b>	<b>(253)</b>	<b>83,741</b>

**Financial Statements Announcement  
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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**

Not applicable.

**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**

	As at	
	31/3/09	31/12/08
Total number of issued shares	582,060,000	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 2410: Review of Interim Financial Information Performed by the Independent Auditors.

**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 2008.

**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 quarter ended 31 March 2009**
**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)	1/1/09 to 31/3/09	1/1/08 to 31/3/08
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	1.73	1.58
(ii) On a fully diluted basis	1.73	1.58

The calculation of basic and diluted 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 2008 and 31 March 2009 and 582,060,000 shares in issue as at 31 March 2008 and 31 March 2009 respectively.

**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	
	31/3/09	31/12/08	31/3/09	31/12/08
Net asset value per ordinary share	14.39	13.00	15.70	15.53
Net tangible assets backing per ordinary share	14.39	13.00	15.70	15.53

Net asset value is calculated based on the net assets of the Group (excluding minority interest), based on the issued share capital of 582,060,000 shares.

**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**

	1Q2009 S\$'000	1Q2008 S\$'000	Change %
<b>Total Revenue</b>			
Management fees	16,279	15,878	3%
Acquisition and performance fees	-	1,148	(100%)
Other income	1,542	462	234%
<b>EBIT</b>	11,213	10,263	9%
<b>Net profit<sup>(1)</sup></b>	10,088	9,194	10%
<b>Net margin</b>	57%	53%	+4%
<b>ROE<sup>(2)</sup></b>	48%	35%	+13%

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

(2) Annualised figure

**Financial Statements Announcement  
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**1Q2009 vs 1Q2008**

Recurrent management fee income increased by 3% to S\$16.3 million in 1Q2009 from S\$15.9 million in 1Q2008, primarily due to higher REIT performance fees arising from higher net property income in the REITs managed by the Group and portfolio management fee contribution from the third and final closing of the ADF on 19 June 2008, partially offset by a decrease in REIT base fees due to a reduction in the valuation of the properties in the REITs managed by the Group as at 31 December 2008. The Group received REIT acquisition fees of S\$1.1 million in 1Q2008 from the acquisition by AmFIRST REIT of an interest in The Summit Subang USJ, a mixed commercial development in Subang Jaya, Malaysia which was completed on 31 March 2008.

The Group recorded lower operating expenses of S\$6.6 million in 1Q2009 compared to S\$7.2 million in 1Q2008, primarily due to a gain on fair valuation of certain REIT units received by the Group as part payment for REIT management fees of S\$92,000 in 1Q2009, compared with a loss of S\$816,000 in 1Q2008, offset by higher administrative expenses in line with the Group's business expansion.

As a result of the above, net profit for 1Q2009 rose to S\$10.1 million, a 10% increase from S\$9.2 million in 1Q2008. The Group's net margin in 1Q2009 was 57%.

As at 31 March 2009, total assets under management of the Group stood at S\$12.6 billion (approximately US\$8.3 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**

The financial and credit crisis has shown tentative signs of abatement in recent weeks partly as a result of active intervention by governments worldwide. Nevertheless, with the exception of China which is expected to register a positive albeit slower growth in 2009, the economic outlook for all the key markets in which the Group operates remains challenging. Amidst this uncertain outlook, the Group continues to maintain a prudent approach to its capital management. With ample cash reserves, low gearing and stable management fee income from REITs and private real estate funds, ARA's financial position remains strong.

With the slowdown in regional economies, we will focus on active asset management in the REITs we manage to optimize net property income and mitigate the impact of rental pressures on distributions to REIT unitholders. Suntec REIT has just announced the refinancing of its loan facilities due in 2009 through a S\$825 million Term Loan Facility. Following this transaction, all the REITs under our management have no external borrowings coming due in the year. On the private funds front, the Group's flagship ARA Asia Dragon Fund has undrawn committed capital of approximately 70% and continues to actively seek investment opportunities in the region.

Going forward, the Group will seek to close new private funds with specific strategies tailored for the current market climate. We continue to be on the lookout for opportunities arising from the current financial and economic crisis to expand our geographic footprint and grow our assets under management.

**Outlook for the financial year ending 31 December 2009**

Barring unforeseen circumstances, the Group expects net profit in FY2009 to be comparable to that achieved in FY2008.

**Financial Statements Announcement  
For the quarter ended 31 March 2009**
**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 recommended for the financial period under review.

**13. Interested Person Transactions**

	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)
	1/1/09 to 31/3/09 S\$'000	1/1/09 to 31/3/09 S\$'000
<u>Name of interested person</u>		
Fortune REIT <sup>(1)</sup>	-	2,002
	-	<b>2,002</b>

The interested person transactions have been entered into based on terms stipulated in the trust deed constituting Fortune REIT whereby the Group receives base and performance fees for its role as the manager of Fortune REIT.

**Financial Statements Announcement  
For the quarter ended 31 March 2009**

**14. Confirmation pursuant to Rule 705(4) of the Listing Manual**

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 balance sheets, consolidated income statement, statements of changes in equity and cash flow statement, together with their accompanying notes) as at 31 March 2009 and for the 3 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  
29 April 2009

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.



**KPMG LLP**  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

Telephone +65 6213 3388  
Fax +65 6225 0984  
Internet www.kpmg.com.sg

The Board of Directors  
ARA Asset Management Limited  
6 Temasek Boulevard #16-02  
Suntec Tower Four  
Singapore 038986

29 April 2009

Dear Sirs

## **Review of Interim Financial Information**

### *Introduction*

We have reviewed the accompanying condensed financial information of ARA Asset Management Limited ("the Company") and its subsidiaries (collectively the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2009, the related statements of income, changes in equity and cash flows of the Group for the three-month period ended 31 March 2009 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 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**  
*Public Accountants and  
Certified Public Accountants*

Singapore