



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011

The financial information for the quarter ended 30 September 2011 in the announcement have been extracted from the interim financial statements for the period from 1 January 2011 to 30 September 2011, 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 30 September 2011
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	1/7/11 to 30/9/11 ("3Q2011") S\$'000	1/7/10 to 30/9/10 ("3Q2010") S\$'000	Change %	1/1/11 to 30/9/11 ("YTD 3Q2011") S\$'000	1/1/10 to 30/9/10 ("YTD 3Q2010") S\$'000	Change %
Management fees	(a)	23,138	21,655	7%	67,799	62,443	9%
Acquisition and performance fees	(a)	17,869	126	n.m.	20,368	1,094	n.m.
Other income	(b)	3,949	2,752	43%	7,996	7,287	10%
Total revenue		44,956	24,533	83%	96,163	70,824	36%
Administrative expenses	(c)	(11,713)	(7,295)	61%	(26,574)	(21,600)	23%
Operating lease expenses	(d)	(578)	(645)	(10%)	(1,652)	(1,918)	(14%)
Other expenses	(e)	(7,049)	(1,494)	372%	(8,620)	(3,864)	123%
Results from operating activities		25,616	15,099	70%	59,317	43,442	37%
Finance cost	(f)	(47)	(222)	(79%)	(400)	(612)	(35%)
		25,569	14,877	72%	58,917	42,830	38%
Share of profit of associates (net of tax)	(g)	926	144	543%	1,811	330	449%
Profit before income tax	(h)	26,495	15,021	76%	60,728	43,160	41%
Income tax expense	(i)	(791)	(1,768)	(55%)	(4,797)	(4,887)	(2%)
Profit for the period		25,704	13,253	94%	55,931	38,273	46%
Attributable to:							
Equity holders of the Company		25,365	12,981	95%	54,936	38,059	44%
Non-controlling interests		339	272	25%	995	214	365%
		25,704	13,253	94%	55,931	38,273	46%

n.m.: not meaningful

Financial Results Announcement
For the quarter ended 30 September 2011
1(a)(ii) Explanatory notes to the income statement
(a) Revenue

		3Q2011	3Q2010	Change	YTD	YTD	Change
		S\$'000	S\$'000	%	3Q2011	3Q2010	%
					S\$'000	S\$'000	
Management fees		23,138	21,655	7%	67,799	62,443	9%
REIT base and performance fees	(i)	14,193	11,686	21%	41,230	33,202	24%
Portfolio management and service fees	(ii)	5,803	6,567	(12%)	17,253	19,317	(11%)
Real estate management services fees	(iii)	3,142	3,402	(8%)	9,316	9,924	(6%)
Acquisition and performance fees		17,869	126	n.m.	20,368	1,094	n.m.
Acquisition and performance fees	(iv)	17,869	126	n.m.	20,368	1,094	n.m.

- (i) REIT management fees increased to S\$41.2 million in YTD 3Q2011 compared with S\$33.2 million in YTD 3Q2010 primarily due to (i) management fees contribution from a one-third interest in Marina Bay Financial Centre Tower 1, Marina Bay Financial Centre Tower 2, the Marina Bay Link Mall and 695 car park lots (the "MBFC Property") which was acquired by Suntec REIT on 9 December 2010, (ii) management fees received from Cache Logistics Trust ("Cache"), which was listed on the SGX-ST on 12 April 2010, and (iii) higher management fees arising from an increase in the valuation of the property portfolios of the REITs under management.
- (ii) Portfolio management and service fees decreased to S\$17.3 million in YTD 3Q2011 from S\$19.3 million in YTD 3Q2010 primarily due to reporting of the Group's USD denominated portfolio management fees from the ARA Asia Dragon Fund ("ADF") in SGD terms. The portfolio management fees from the ADF in USD was relatively constant between YTD 3Q2011 and YTD 3Q2010 at US\$12.7 million. As at 30 September 2011, the Group has hedged the majority of the current year's management fees that are denominated in USD.
- (iii) Real estate management services fees decreased to S\$9.3 million in YTD 3Q2011 compared with S\$9.9 million in YTD 3Q2010, primarily due to lower leasing commission received by APM Property Management Pte. Ltd. ("APM").
- (iv) The Group received acquisition and performance fees of S\$20.4 million in YTD 3Q2011, which comprise primarily of performance fees of S\$18.5 million received in relation to the ARA Harmony Fund received in January and August 2011. Acquisition fees of S\$1.8 million were received in relation to (i) the acquisition of a 51% interest in Harmony Partners Investments Limited by Suntec REIT and (ii) the acquisitions of 4 properties by Cache during YTD 3Q2011. The S\$1.1 million of acquisition and performance fees received in YTD 3Q2010 were primarily performance fees in relation to the ARA Harmony Fund which were received in February 2010.

(b) Other income

Other income comprised primarily of distribution income, interest income, net gain on fair valuation / disposal of marketable securities and net foreign exchange gain. Other income increased to S\$8.0 million in YTD 3Q2011 from S\$7.3 million in YTD 3Q2010. This was primarily due to the dividend income received from the ADF and distribution income from Cache in YTD 3Q2011 amounting to S\$2.3 million (YTD 3Q2010: Nil). In YTD 3Q2010, the Group recorded a S\$1.4 million net gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management fees and a S\$0.2 million gain (YTD 3Q2011: Nil) on divestment of interests in ARA Strategic Capital I Pte Ltd on 31 August 2010. No such gains were recognised in YTD 3Q2011.

(c) Administrative expenses

Administrative expenses comprised primarily of staff-related expenses and strategic advisory fees. Administrative expenses increased to S\$26.6 million in YTD 3Q2011 from S\$21.6 million in YTD 3Q2010, primarily due to an increase in headcount and staff-related expenses in line with the Group's continuing business expansion. Included in administrative expense was staff-related expenses of S\$15.2 million (YTD 3Q2010: S\$13.4 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd., which was reimbursed from a fund.

**Financial Results Announcement
For the quarter ended 30 September 2011**

(d) Operating lease expenses

Operating lease expenses decreased to S\$1.7 million in YTD 3Q2011 from S\$1.9 million in YTD 3Q2010 as the Group had secured lower rental rates for the renewal of certain office spaces leased for its operations.

(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\$8.6 million in YTD 3Q2011 from S\$3.9 million in YTD 3Q2010 primarily due to fair valuation of certain REIT units received by the Group as part payment for REIT management fees of S\$4.5 million in YTD 3Q2011. Included in other expenses for YTD 3Q2011 was the amortisation of intangible assets of S\$0.7 million (YTD 3Q2010: S\$0.4 million) and expenses incurred for overseas marketing trips and road shows to establish the ADF II. In YTD 3Q2010, the Group recorded a net gain of S\$1.4 million on fair valuation / disposal of certain REIT units as part payment for REIT management fees.

(f) Finance cost

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.

(h) Profit before income tax

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

	3Q2011	3Q2010	Change	YTD 3Q2011	YTD 3Q2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Other Income</u>						
Distribution income	3,163	1,483	113%	7,077	5,096	39%
Interest income	460	179	157%	809	544	49%
Foreign exchange gain - net	324	-	n.m.	80	-	n.m.
Gain on fair valuation / disposal of held-for-trading securities	-	864	-100%	-	1,370	-100%
Gain on disposal of subsidiary	-	203	-100%	-	203	-100%
<u>Operating Expenses</u>						
Amortisation of intangible asset	218	217	0%	654	435	50%
Depreciation of plant and equipment	139	113	23%	393	347	13%
Foreign exchange loss - net	-	573	-100%	-	804	-100%
Loss on fair valuation / disposal of held-for-trading securities	5,571	-	n.m.	4,468	-	n.m.

n.m.: not meaningful

(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 30 September 2011**

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

	3Q2011 S\$'000	3Q2010 S\$'000	Change %	YTD 3Q2011 S\$'000	YTD 3Q2010 S\$'000	Change %
Profit for the period	25,704	13,253	94%	55,931	38,273	46%
Other comprehensive income:						
Translation differences relating to financial statements of foreign operations	2,304	(1,881)	n.m.	489	(1,737)	n.m.
Effective portion of changes in fair value of cash flow hedge	(1,227)	234	n.m.	(988)	249	n.m.
Net movement in fair value of available-for-sale financial assets	(13,627)	8,254	n.m.	(18,332)	11,289	n.m.
Other comprehensive income for the period, net of income tax	(12,550)	6,607	n.m.	(18,831)	9,801	n.m.
Total comprehensive income for the period	13,154	19,860	(34%)	37,100	48,074	(23%)
Attributable to:						
Equity holders of the Company	12,815	19,588	(35%)	36,105	47,860	(25%)
Non-controlling interest	339	272	25%	995	214	365%
Total comprehensive income for the period	13,154	19,860	(34%)	37,100	48,074	(23%)

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 30 September 2011
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	
		30/9/11 S\$'000	31/12/10 S\$'000	30/9/11 S\$'000	31/12/10 S\$'000
Non-current assets					
Intangible asset	(a)	145	798	-	-
Plant and equipment		1,477	1,498	-	-
Tenancy deposits		498	495	-	-
Subsidiaries	(b)	-	-	87,586	95,284
Associates	(c)	2,878	1,060	-	-
Financial assets	(d)	96,285	133,658	-	-
		101,283	137,509	87,586	95,284
Current assets					
Financial assets	(e)	18,223	15,299	-	-
Derivative assets	(f)	-	119	-	-
Trade and other receivables	(g)	27,270	26,372	19	173
Amounts due from related corporations	(h)	-	-	4,770	3,196
Cash and cash equivalents		57,089	42,327	10,038	10,240
		102,582	84,117	14,827	13,609
Total assets		203,865	221,626	102,413	108,893
Equity attributable to equity holders					
Share capital		1,537	1,397	1,537	1,397
Reserves		172,315	171,483	98,975	104,721
		173,852	172,880	100,512	106,118
Non-controlling interests	(i)	1,416	638	-	-
Total equity		175,268	173,518	100,512	106,118
Non-current liabilities					
Financial liabilities	(j)	298	387	-	-
Deferred tax liabilities		142	142	-	-
		440	529	-	-
Current liabilities					
Trade and other payables	(k)	21,874	20,200	1,901	2,773
Financial liabilities	(j)	120	18,971	-	-
Derivative liabilities	(f)	869	-	-	-
Current tax payable		5,294	8,408	-	2
		28,157	47,579	1,901	2,775
Total liabilities		28,597	48,108	1,901	2,775
Total equity and liabilities		203,865	221,626	102,413	108,893

**Financial Results Announcement
For the quarter ended 30 September 2011****Footnotes:**

- (a) *Intangible asset represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of APM; and is measured at cost less accumulated amortisation and impairment losses. As at 30 September 2011, an accumulated amortisation of S\$1.3 million had been made (31 December 2010: S\$0.7 million).*
- (b) *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. In 3Q2011, the equity investments decreased due to the full settlement of a quasi loan of S\$8.0 million in relation to the Group's participation in a mezzanine loan to the ARA Harmony Fund to part finance its acquisition of Suntec Singapore.*
- (c) *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, and Hui Xian Asset Management Limited.*
- (d) *Non-current financial assets as at 30 September 2011 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) Cache units held by the Group as a strategic stake, (iii) 23.1 million AmFIRST REIT units (31 December 2010: 53.7 million) 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"); and (vi) a 14.1% strategic stake in APN Property Group Limited ("APN"). The mezzanine loan to the ARA Harmony Fund to part finance its acquisition of Suntec Singapore has since been fully repaid in 3Q2011 (31 December 2010: S\$8.0 million).*
- (e) *Current financial assets as at 30 September 2011 comprise (i) REIT units received by the Group as part payment for REIT management fees, (ii) REIT units received by the Group as payment of acquisition fees for the acquisition by Suntec REIT of a one-third interest in the MBFC Property which was completed on 9 December 2010, and (iii) REIT units received by the Group as payment of acquisition fees for the acquisition of Jinshan Chemical Warehouse by Cache, which was completed 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.*
- (f) *Derivative assets / liabilities relate to the fair value of foreign currency forward contracts entered into by the Group to hedge the Group's foreign currency exposure.*
- (g) *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 REIT management fees and receivables from real estate management services fees.*
- (h) *Amounts due from related corporations relate mainly to advances to subsidiaries and amounts paid on behalf by related corporations.*
- (i) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, ARA Managers (Silver) Pte. Ltd. and ARA Fund Management (Silver) Limited. As at 30 September 2011, ARA Fund Management (Silver) Limited and ARA Managers (Silver) Pte Ltd have respectively completed its members' voluntary winding-up proceedings and made an application to be struck off from the Register of the Accounting and Corporate Regulatory Authority of Singapore.*
- (j) *Financial liabilities as at 30 September 2011 relate to finance lease liabilities for the purchase of certain plant and equipment.*
- (k) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff related benefits to employees and other payables. The increase in trade and other payables is primarily due to higher provision of staff related benefits in relation to the services rendered by the Group's employees for the period ended 30 September 2011, in line with the Group's continuing business expansion.*

**Financial Results Announcement
For the quarter ended 30 September 2011**

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

	30/9/11		31/12/10	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	120	-	18,971	-
Amount repayable after one year	298	-	387	-
	418	-	19,358	-

Footnotes:

- (a) *The decrease in total borrowings is primarily due to the full repayment of a RM44.9 million loan facility from AmInvestment Bank Berhad in 2Q2011.*
- (b) *Included in total borrowings is an amount of S\$0.4 million (31 December 2010: S\$0.5 million) relating to finance lease liabilities for the purchase of certain plant and equipment.*
- (c) *As at 30 September 2011, 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 2010: Nil);*
 - (ii) *an unutilised revolving credit facility of RM16.0 million secured on the Group's strategic stake in AmFIRST REIT (31 December 2010: Nil);*
 - (iii) *unutilised unsecured overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2010: S\$6.0 million and HK\$3.0 million);*
 - (iv) *an unutilised unsecured revolving credit facility of S\$1.2 million (31 December 2010: S\$0.8 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 30 September 2011
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

	3Q2011 S\$'000	3Q2010 S\$'000	YTD 3Q2011 S\$'000	YTD 3Q2010 S\$'000
Operating activities				
Profit for the period	25,704	13,253	55,931	38,273
Adjustments for:				
Management fees received / receivable in units of REITs	(11,293)	(9,256)	(32,859)	(26,212)
Amortisation of intangible asset	218	217	654	435
Depreciation	139	113	393	347
Share of profit of associates	(926)	(144)	(1,811)	(330)
Interest income	(460)	(179)	(809)	(544)
Loss/(gain) on fair valuation / disposal of held-for-trading securities	5,571	(864)	4,468	(1,370)
Gain on disposal of subsidiary	-	(203)	-	(203)
Gain on disposal of plant and equipment	-	(24)	-	(24)
Distribution income	(3,163)	(1,483)	(7,077)	(5,096)
Finance cost	47	222	400	612
Income tax expense	791	1,768	4,797	4,887
Operating profit before working capital changes	16,628	3,420	24,087	10,775
Changes in working capital:				
Trade and other receivables	(2,932)	368	825	(592)
Trade and other payables	8,852	1,917	1,905	(2,213)
Cash generated from operating activities	22,548	5,705	26,817	7,970
Proceeds from sale of units in REITs	3,399	9,342	23,750	25,478
Income tax paid	(3,018)	(2,000)	(7,911)	(4,915)
Distribution income received	3,163	1,483	7,077	5,096
Cash flows from operating activities	26,092	14,530	49,733	33,629
Investing activities:				
Proceeds from sale of available-for-sale securities	-	-	12,390	-
Proceeds from investment in Mezzanine loan	8,000	-	8,000	-
Dividend received from associate	-	-	286	-
Interest received	460	179	809	544
Contribution from non-controlling interests	-	-	-	400
Proceeds from disposal of plant and equipment	-	25	6	25
Purchase of plant and equipment	(41)	(70)	(373)	(135)
Disposal of subsidiary, net of cash disposed	-	23	-	23
Investment in associate	-	-	(243)	-
Purchase of available-for-sale securities				
- quoted	-	-	-	(10,476)
- unquoted	-	(9,580)	(972)	(14,889)
Cash flows from/(used in) investing activities	8,419	(9,423)	19,903	(24,508)
Financing activities:				
Repayment of revolving credit facility	-	-	(18,851)	-
Payment of finance lease liabilities	(23)	(9)	(89)	(28)
Interest paid	(47)	(222)	(400)	(612)
Dividend paid	(17,671)	(16,064)	(35,581)	(30,616)
Cash flows used in financing activities	(17,741)	(16,295)	(54,921)	(31,256)
Net increase/(decrease) in cash & cash equivalents	16,770	(11,188)	14,715	(22,135)
Cash and cash equivalents at beginning of period	40,053	35,216	42,327	46,148
Effect of exchange rate fluctuations on cash held	266	(294)	47	(279)
Cash and cash equivalents at end of period	57,089	23,734	57,089	23,734

**Financial Results Announcement
For the quarter ended 30 September 2011**

Footnotes:

- (a) As at 30 September 2011, the Group had utilised S\$59.3 million of the net IPO proceeds raised of S\$75.5 million as follows:-

	As at	
	30/9/11 S\$'000	31/12/10 S\$'000
Seed capital investment in the ADF	24,100	23,100
Strategic stake in REIT	27,200	27,200
Investment in mezzanine loan ⁽¹⁾	8,000	8,000
	59,300	58,300

(1) This investment was made in relation to the establishment of the ARA Harmony Fund.

- (b) Cash flows from operating activities increased to S\$49.7 million in YTD 3Q2011 from S\$33.6 million in YTD 3Q2010 primarily due to promote fees of S\$18.5 million received in relation to the ARA Harmony Fund. This was partially offset by lower proceeds received from the sale of certain REIT units received by the Group as part payment for REIT management fees.
- (c) Net cash inflow from investing activities was S\$19.9 million in YTD 3Q2011 as compared to a net cash outflow of S\$24.5 million in YTD 3Q2010. The net cash inflow from investing activities in YTD 3Q2011 was primarily due to (i) net proceeds received from the partial sale of AmFIRST REIT units in April 2011 and (ii) proceeds received in relation to the Group's participation in a mezzanine loan to the ARA Harmony Fund to part finance its acquisition of Suntec Singapore offset by the cash outflow of seed capital investment in ADF. The net cash outflow for investing activities in YTD 3Q2010 comprised mainly of the acquisition of a strategic stake in Cache during its IPO in April 2010, a strategic investment in APN Property Group and seed capital investment in the ADF pursuant to capital calls from the fund during YTD 3Q2010.
- (d) Net cash outflow for financing activities increased to S\$54.9 million in YTD 3Q2011 from S\$31.3 million in YTD 3Q2010. This was primarily due to (i) the repayment of the RM44.9 million loan facility (equivalent to S\$18.9 million) in 2Q2011 and (ii) higher dividend paid subsequent to the Company's enlarged share base after the 1-for-10 bonus issue in June 2011.

**Financial Results Announcement
For the quarter ended 30 September 2011**

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
<u>The Company</u>				
At 1 January 2010	1,164	75,413	17,647	94,224
Total comprehensive income for the period				
- Loss for the period	-	-	(325)	(325)
At 31 March 2010	1,164	75,413	17,322	93,899
Total comprehensive income for the period				
- Profit for the period	-	-	21,422	21,422
Transactions with owners, recorded directly in equity				
- Issue of Bonus shares	233	(261)	-	(28)
Final tax-exempt dividend paid of S\$0.025 per share	-	-	(14,552)	(14,552)
At 30 June 2010	1,397	75,152	24,192	100,741
Total comprehensive income for the period				
- Profit for the period	-	-	7,225	7,225
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(16,064)	(16,064)
At 30 September 2010	1,397	75,152	15,353	91,902
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
Total comprehensive income for the period				
- Profit for the period	-	-	13,989	13,989
Transactions with owners, recorded directly in equity				
- Issue of Bonus shares	140	(140)	-	-
Final tax-exempt dividend paid of S\$0.025 per share	-	-	(17,462)	(17,462)
At 30 June 2011	1,537	75,012	30,989	107,538
Total comprehensive income for the period				
- Profit for the period	-	-	10,645	10,645
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(17,671)	(17,671)
At 30 September 2011	1,537	75,012	23,963	100,512

**Financial Results Announcement
For the quarter ended 30 September 2011**

	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
The Group							
At 1 January 2010	76,577	2,766	(626)	49,310	128,027	(371)	127,656
Total other comprehensive income	-	1,394	106	-	1,500	-	1,500
Profit for the period	-	-	-	12,455	12,455	(160)	12,295
Total comprehensive income for the period	-	1,394	106	12,455	13,955	(160)	13,795
<i>Transactions with owners, recorded directly in equity</i>							
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-
- Contribution from non-controlling interest	-	-	-	-	-	400	400
Total transactions with owners	-	-	-	-	-	400	400
At 31 March 2010	76,577	4,160	(520)	61,765	141,982	(131)	141,851
Total other comprehensive income	-	1,641	53	-	1,694	-	1,694
Profit for the period	-	-	-	12,623	12,623	102	12,725
Total comprehensive income for the period	-	1,641	53	12,623	14,317	102	14,419
<i>Transactions with owners, recorded directly in equity</i>							
Expenses on issue of bonus shares	(28)	-	-	-	(28)	-	(28)
Total transactions with owners	(28)	-	-	-	(28)	-	(28)
Final tax-exempt dividend paid of S\$0.025 per share	-	-	-	(14,552)	(14,552)	-	(14,552)
At 30 June 2010	76,549	5,801	(467)	59,836	141,719	(29)	141,690
Total other comprehensive income	-	8,254	(1,647)	-	6,607	-	6,607
Profit for the period	-	-	-	12,981	12,981	272	13,253
Total comprehensive income for the period	-	8,254	(1,647)	12,981	19,588	272	19,860
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	(16,064)	(16,064)	-	(16,064)
At 30 September 2010	76,549	14,055	(2,114)	56,753	145,243	243	145,486
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
Total other comprehensive income	-	(4,576)	(1,015)	-	(5,591)	-	(5,591)
Profit for the period	-	-	-	14,744	14,744	340	15,084
Total comprehensive income for the period	-	(4,576)	(1,015)	14,744	9,153	340	9,493
<i>Transactions with owners, recorded directly in equity</i>							
Waiver of loan to subsidiary	-	-	-	-	-	231	231
Total transactions with owners	-	-	-	-	-	231	231
Dividend paid to non-controlling interest	-	-	-	-	-	(448)	(448)
Final tax-exempt dividend paid of S\$0.025 per share	-	-	-	(17,462)	(17,462)	-	(17,462)
At 30 June 2011	76,549	12,424	(4,879)	94,614	178,708	1,077	179,785
Total other comprehensive income	-	(13,627)	1,077	-	(12,550)	-	(12,550)
Profit for the period	-	-	-	25,365	25,365	339	25,704
Total comprehensive income for the period	-	(13,627)	1,077	25,365	12,815	339	13,154
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	(17,671)	(17,671)	-	(17,671)
At 30 September 2011	76,549	(1,203)	(3,802)	102,308	173,852	1,416	175,268

Notes:

- Included in the share capital is a share premium account of S\$75.0 million as at 30 September 2011 (30 September 2010: S\$75.2 million).
- Other reserves comprised foreign currency translation reserves and hedging reserves.

**Financial Results Announcement
For the quarter ended 30 September 2011**

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 8 August 2011.

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

	30/9/11	As at 31/12/10
Total number of issued shares	768,319,189	698,471,997

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 nine-month period ended 30 September 2011 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 2010.

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 30 September 2011
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)			YTD	YTD	
	3Q2011	3Q2010	3Q2011	3Q2010	
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	3.30	1.86	7.15	5.45
(ii)	Adjusted for the number of ordinary shares in issue after the Bonus Issue	3.30	1.69	7.15	4.95

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 30 September 2011 and 30 September 2010 and the issued share capital of 768,319,189 and 698,471,997 shares as at 30 September 2011 and 30 September 2010 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 30 September 2011 and 30 September 2010 and the issued share capital of 768,319,189 shares after the bonus issue.

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		
	30/9/11	31/12/10	30/9/11	31/12/10	
Net asset value per ordinary share					
(i)	Based on the number of ordinary shares in issue as at the end of the financial period	22.63	24.75	13.08	15.19
(ii)	Adjusted for the number of ordinary shares in issue after the Bonus Issue	22.63	22.50	13.08	13.81
Net tangible assets per ordinary share					
(i)	Based on the number of ordinary shares in issue as at the end of the financial period	22.61	24.64	13.08	15.19
(ii)	Adjusted for the number of ordinary shares in issue after the Bonus Issue	22.61	22.40	13.08	13.81

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 (2010: 698,471,997 shares). The adjusted 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 after the bonus issue.

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 (2010: 698,471,997 shares). The adjusted net tangible assets per share for the relevant period is calculated based on the NAV of the Group, excluding non-controlling interests and intangible assets, and the issued share capital of 768,319,189 shares after the bonus issue.

Financial Results Announcement
For the quarter ended 30 September 2011

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

	3Q2011 S\$'000	3Q2010 S\$'000	Change %	YTD 3Q2011 S\$'000	YTD 3Q2010 S\$'000	Change %
Total Revenue	44,956	24,533	83%	96,163	70,824	36%
Management fees	23,138	21,655	7%	67,799	62,443	9%
Acquisition and performance fees	17,869	126	n.m.	20,368	1,094	n.m.
Other income	3,949	2,752	43%	7,996	7,287	10%
Net profit ⁽¹⁾	25,365	12,981	95%	54,936	38,059	44%

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

3Q2011 vs 3Q2010

Recurrent management fee income increased by 7% to S\$23.1 million in 3Q2011 from S\$21.7 million in 3Q2010. This was primarily due to management fee contribution from a one-third interest in the MBFC Property which was acquired by Suntec REIT on 9 December 2010 and higher management fees arising from an increase in the valuation of the property portfolios of the REITs under management.

The Group received performance fees of S\$16.6 million in 3Q2011 in relation to the ARA Harmony Fund and acquisition fees of S\$1.3 million for the acquisition of a 51% interest in Harmony Partners Investments Limited by Suntec REIT on 18 August 2011.

Other income increased to S\$3.9 million in 3Q2011 from S\$2.8 million in 3Q2010, mainly due to higher distribution income of S\$3.2 million received in 3Q2011 (3Q2010: S\$1.5 million), of which S\$1.3 million was dividend received from the ADF.

As a result of the above, net profit for 3Q2011 rose 95% to S\$25.4 million from S\$13.0 million in 3Q2010.

YTD 3Q2011 vs YTD 3Q2010

Recurrent management fee income increased by 9% to S\$67.8 million in YTD 3Q2011 from S\$62.4 million in YTD 3Q2010. This was primarily due to (i) management fee contribution from a one-third interest in the MBFC Property which was acquired by Suntec REIT on 9 December 2010, (ii) management fees received from Cache which was listed on the SGX-ST on 12 April 2010, and (iii) higher management fees arising from an increase in the valuation of the property portfolios of the REITs under management.

Acquisition and performance fees of S\$20.4 million received in YTD 3Q2011 comprised primarily of (i) performance fees of S\$18.5 million in relation to the ARA Harmony Fund received in January and August 2011, (ii) acquisition fees of S\$1.8 million received in relation to (i) the acquisition of a 51% interest in Harmony Partners Investments Limited by Suntec REIT and (ii) the acquisitions of 4 properties by Cache during YTD 3Q2011. The S\$1.1 million of acquisition and performance fees received in YTD 3Q2010 were primarily performance fees in relation to the ARA Harmony Fund which were received in February 2010.

Other income comprised primarily of distribution income, interest income, net gain on fair valuation / disposal of marketable securities and net foreign exchange gain. Other income increased to S\$8.0 million in YTD 3Q2011 from S\$7.3 million in YTD 3Q2010. This was primarily due to the dividend income received from the ADF and distribution income from Cache in YTD 3Q2011 amounting to S\$2.3 million (YTD 3Q2010: Nil). In YTD 3Q2010, the Group recorded a S\$1.4 million net gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management fees and a S\$0.2 million gain (YTD 3Q2011: Nil) on divestment of interests in ARA Strategic Capital I Pte Ltd on 31 August 2010. No such gains were recognised in YTD 3Q2011.

**Financial Results Announcement
For the quarter ended 30 September 2011**

The Group recorded higher operating expenses of S\$36.8 million in YTD 3Q2011 primarily due to staff-related expenses, in line with the Group's continuing business expansion as well as fair valuation of marketable securities of approximately S\$4.5 million in YTD 3Q2011.

Net profit for YTD 3Q2011 rose 44% to S\$54.9 million from S\$38.1 million in YTD 3Q2010.

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 worsening European sovereign debt crisis and the threat of a US recession have led to steep declines in global equity markets. In Asia, growth appears to be slowing down as tightening measures in China take effect and economies such as Singapore and Hong Kong face headwinds from the deteriorating global economic outlook. Nevertheless, with resilient management fee income streams from multiple and diversified platforms and a strong balance sheet, the Group remains well-positioned to ride out the current market turbulence and capitalize on opportunities that may arise to continue its growth.

REITs

Suntec REIT has announced the divestment of Chijmes at a consideration of S\$177 million and the asset enhancement initiative for Suntec City Mall and the Convention Centre in October 2011. In August 2011, Cache acquired 22 Loyang Lane, a four-storey logistics warehouse in Singapore. In Malaysia, AmFIRST REIT announced the proposed acquisition of 2 office properties in Cyberjaya for RM133 million. The Group continues to seek to grow its REIT platform organically via active asset management and value-adding acquisitions, even as it looks to develop and list new REITs focused on new market sectors and/or geographies.

Private Real Estate Funds

The ARA Harmony Fund achieved an excellent return of 64.8% for investors during the quarter. The ADF II, with a first closing of firm commitments of US\$300 million in July 2011, continues to accept subscriptions for capital commitments.

As at 30 September 2011, the Group's total assets under management stood at S\$19.3 billion (approximately US\$14.9 billion).

Outlook for the financial year ending 31 December 2011

Barring unforeseen circumstances, the Directors expect the Group's net profit in FY2011 to exceed that achieved in FY2010.

**Financial Results Announcement
For the quarter ended 30 September 2011**

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 28 April 2011.

Name of interested person	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)	
	3Q2011 S\$'000	YTD 3Q2011 S\$'000	3Q2011 S\$'000	YTD 3Q2011 S\$'000
Fortune REIT	-	-	2,679	7,724
	-	-	2,679	7,724

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 Results Announcement
For the quarter ended 30 September 2011**

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 30 September 2011 and for the nine 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
9 November 2011

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

9 November 2011

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 30 September 2011, and the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the nine-month period ended 30 September 2011 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