

ARA ASSET MANAGEMENT LIMITED



**RESULTS FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2010**



## 1. AWARDS & ACCOLADES

# AWARDS & ACCOLADES



## Awards won by the ARA Group ...



- **Asia's "200 Best Under a Billion" 2010, Forbes Asia**
- **Thomson Reuters Extel Asia IR Survey 2010**
  - CEO (Property & REITs – Asia), 2<sup>nd</sup> – Mr. John Lim, Group CEO
  - CFO (Property & REITs – Asia), 2<sup>nd</sup> – Ms. Cheryl Seow, Group Finance Director
- **IR Magazine South East Asia Awards**
  - Certificate of Excellence, 2009
  - Best Investor Relations for an IPO, 2008



- **Securities Investors Association of Singapore Investors' Choice Awards**
  - Runner Up – Most Transparent Company Award (REITs), 2005, 2006, 2008, 2009, 2010
- **International GALAXY Awards**
  - Gold Award – Annual Report, 2010



- **Hong Kong Institute of Directors, Directors of the Year Awards 2010**
  - Mr. Chiu Kwok Hung, Justin, Chairman
- **International Annual Report Competition Awards**
  - Gold Award – Printing and Production, 2010
  - Honors Award – Illustration, 2010
  - Honors Award – Non Traditional Annual Report, 2010
  - Honors Award – Overall Annual Report REIT, 2009
  - Bronze Award – Printing and Production, 2009
- **International GALAXY Awards**
  - Bronze Award – Annual Report, 2010
- **Annual International Mercury Awards**
  - Bronze Award – Interim Report 2010
- **The Community Chest of Hong Kong**
  - Platinum Award – Corporate & Employee Contribution Programme, 2010/2011

# AWARDS & ACCOLADES



*... a sterling recognition of ARA's commitment to excellence & corporate governance*



- **International GALAXY Awards**
  - Bronze Award – Annual Report, 2010
  - Honors Award – Annual Report Design, 2010
  - Gold Award – Annual Report Design, 2009
  - Silver Award – Annual Report, 2009
  - Honors Award – Annual Report, 2008
- **Mercury Excellence Award**
  - Bronze Winner – Overall Presentation of Annual Report 2009, 2010
- **Vision Awards**
  - Honors Award – Excellence in Development of Annual Report, 2009



- **Securities Investors Association of Singapore Investors' Choice Awards**
  - Most Transparent Company Award (Runner-Up) - New Issues Category, 2010



- **Singapore Experience Awards**
  - Best Business Venue Experience – 2006, 2009, 2010
  - Most Innovative Marketing Initiative – 2006, 2009
- **World Travel Awards**
  - Asia's Leading Meetings and Conference Centre, 2006 – 2010
- **TTG Travel Awards**
  - Best Convention and Exhibition Centre, 2007 – 2010
- **The Meetings and Incentive Travel Award**
  - Silver Award – Best Overseas Conference Centre, 2010
- **CEI Asia Industry Awards**
  - Best Convention and Exhibition Centre, Runner-up, 2010
  - Best MICE Sales Team, Runner-up, 2010
- **Patron of the Arts Awards**
  - Distinguished Patron of the Arts, 2008 - 2010



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## 2. BUSINESS OVERVIEW

# BUSINESS SEGMENTS



## ARA ASSET MANAGEMENT LIMITED

Business Segments	REITs	Private Real Estate Funds	Real Estate Management Services	Corporate Finance Advisory Services
Revenue - Recurrent (Primary Basis)	<b>Base Fees</b> (Gross Property Value)	<b>Portfolio Management Fees</b> (Committed Capital / Gross Property Value)	<b>Property Management Fees</b> (Property Gross Revenue)	
	<b>Performance / Variable Fees</b> (Net Property Income)		<b>Convention &amp; Exhibition Service Fees</b> (Gross Revenue)	
Revenue - One-off (Primary Basis)	<b>Acquisition / Divestment Fees</b> (Gross Property Value)	<b>Performance Fees</b> (IRR above Hurdle)	<b>Consultancy Fees</b> (Project Value)	<b>Advisory Fees</b> (Purchase Value)
		<b>Return on Seed Capital</b>		

# FUNDS & SERVICES



## Diversified & complementary fund platforms & services

REITs	 FORTUNE REIT 豐富產業信託	 SUNTEC Real Estate Investment Trust	 PROSPERITY REIT 福富產業信託	 AmFIRST AmFirst Investment	 CACHE LOGISTICS TRUST
<b>Listing Venue</b>	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST
<b>Focus</b>	Suburban retail properties in Hong Kong	Prime office & retail properties in Singapore	Office & industrial/ office properties in Hong Kong	Commercial properties in Malaysia	Logistics properties in the Asia Pacific region
<b>Property Value<sup>(1)</sup></b>	HK\$13,300m	S\$7,044m	HK\$5,529m	RM1,009m	S\$744m
Private Real Estate Funds	 <b>ADF</b> ARA Asia Dragon Fund		<i>ARA Harmony Fund</i>		<b>APN</b>   Property Group
<b>Description</b>	Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia		Single-asset private real estate fund which owns the Suntec Singapore Int'l Convention & Exhibition Centre		Strategic alliance with Australian specialist real estate investment manager, APN Property Group <sup>(2)</sup> for private funds investing primarily in Australian real estate
<b>Fund Size</b>	US\$1.1b (committed capital)		S\$288m (gross asset value)		-
Real Estate Management Services	 <b>APM</b> (A Member of the ARA Group)		 Suntec SINGAPORE International Convention & Exhibition Centre		
<b>Description</b>	Property management services provider		Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities		

Notes:

- (1) Property values as of last publicly-announced valuation
- (2) ARA currently holds a 14.1% interest in APN Property Group

# REGIONAL PRESENCE



## *Established regional network*



- Established regional network spanning 11 cities in the Asia-Pacific, including 6 cities in the PRC Mainland

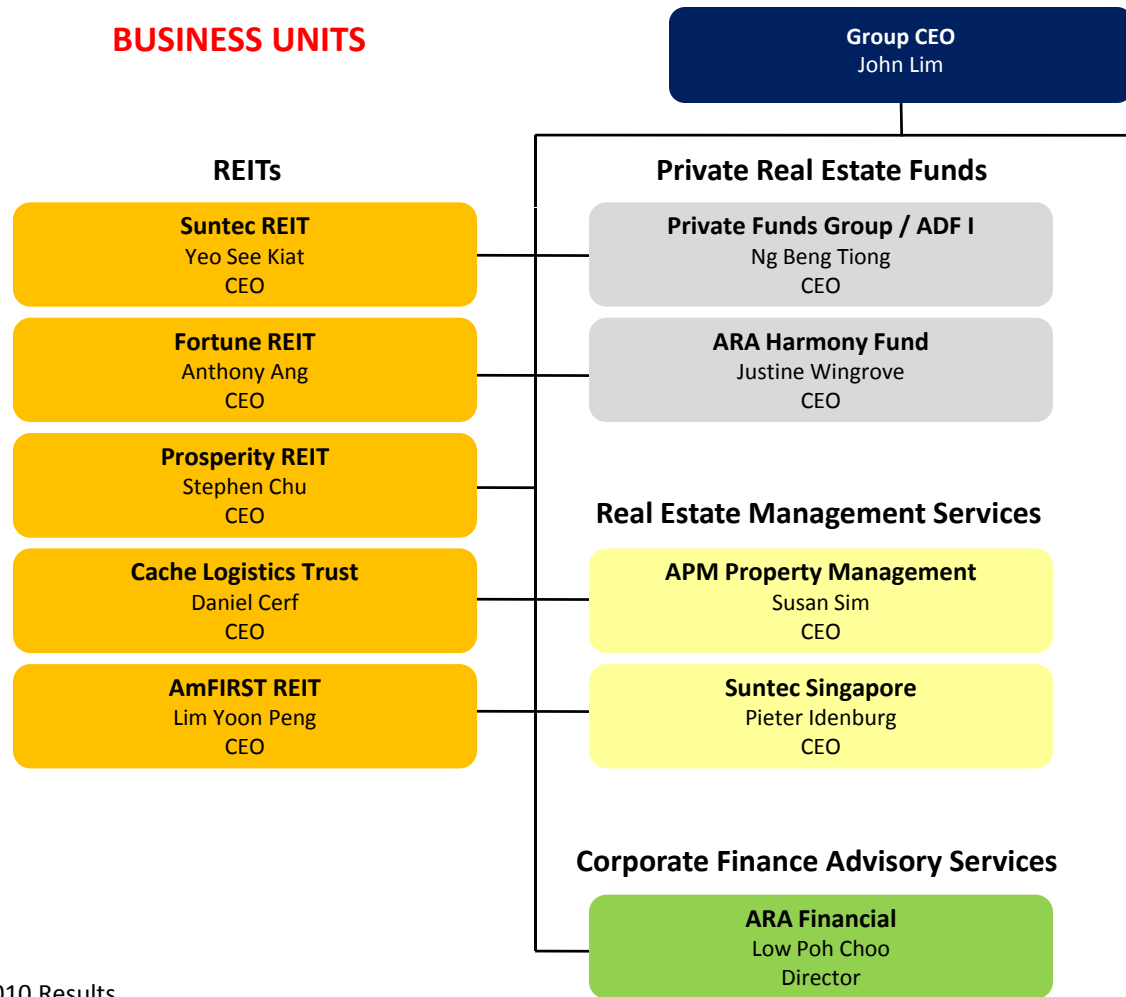


# MANAGEMENT TEAM



*Experienced team with a proven track record*

## BUSINESS UNITS



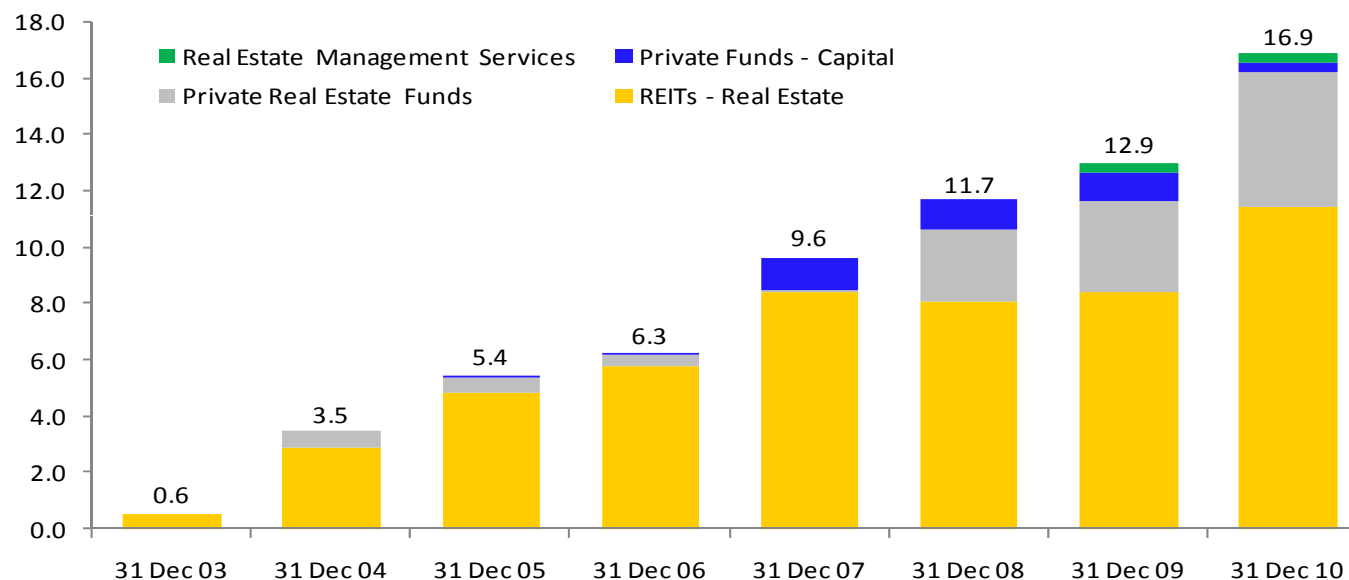
## CORPORATE DIVISIONS



# ASSETS UNDER MANAGEMENT



**S\$16.9 billion (US\$13.1 billion) as at 31 Dec 2010**



Assets Under Management <sup>(1)</sup> (S\$ billion)	31 Dec 2010	31 Dec 2009	Change
REITs – Real Estate <sup>(2)</sup>	11.4	8.4	3.0
Private Real Estate Funds – Real Estate	4.8	3.3	1.5
Private Real Estate Funds – Capital	0.4	1.0	(0.6)
Real Estate Management Services <sup>(3)</sup>	0.3	0.3	-
<b>Total</b>	<b>16.9</b>	<b>12.9</b>	<b>4.0</b>

Notes:

(1) Based on exchange rates as at 31 Dec 2010

(2) Comprises gross property value of REITs managed by subsidiaries & associated companies

(3) Revenue base for real estate management services fee computation

# SUNTEC REIT – MBFC ACQUISITION



## *Acquisition of an iconic asset in Singapore*



### Transaction overview

- On 9 Dec 2010, Suntec REIT completed the purchase of a one-third interest in:
  - Marina Bay Financial Centre Tower 1, a 33-storey office tower with approximately 620,765 sf of NLA;
  - Marina Bay Financial Centre Tower 2, a 50-storey office tower with approximately 1,031,903 sf of NLA;
  - Marina Bay Link Mall with approximately 94,464 sf of retail NLA
  - 695 car park lots (collectively, “**MBFC**”)for a consideration of approximately S\$1.5 billion
- Strategic addition to Suntec REIT’s existing portfolio of prime commercial development located in the heart of Marina Bay. Suntec REIT’s AUM now in excess of S\$7.0 billion
- Acquisition will contribute materially to ARA’s income for FY2011 and beyond



### 3. FINANCIAL RESULTS

# FINANCIAL HIGHLIGHTS



**Revenue tops S\$100m, record net profit**

		FY2010	FY2009	Change (%)
<b>Revenue</b>				
<b>Management fees<sup>(1)</sup></b>	(S\$'000)	84,630	67,102	26%
<b>Acquisition and performance fees<sup>(2)</sup></b>	(S\$'000)	17,499	7,494	134%
<b>Other income<sup>(3)</sup></b>	(S\$'000)	10,382	11,683	(11%)
<b>Total Revenue</b>	(S\$'000)	112,511	86,279	30%
<b>Net Profit</b>	(S\$'000)	63,812	48,339	32%
<b>EPS<sup>(4)</sup></b>	(S cents)	9.13	6.92	32%
<b>Net Margin</b>	(%)	57%	56%	1% pt

Notes:

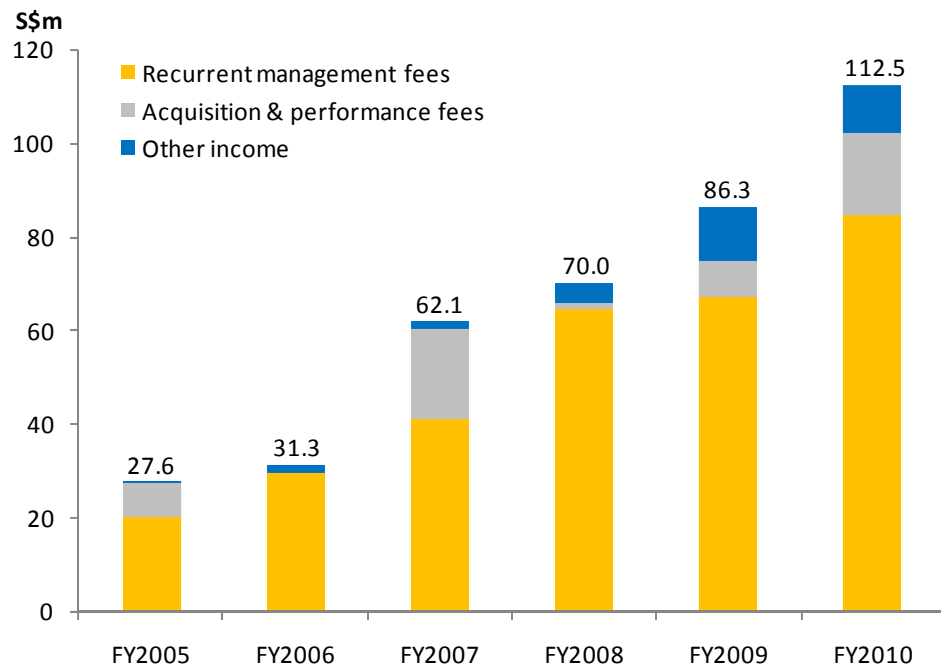
- (1) Recurrent management fees from REITs, private real estate funds and real estate management services
- (2) Primarily REIT acquisition fees and private fund arrangement/performance fees
- (3) Comprises mainly distribution income from financial assets and gain on disposal/fair valuation of held-for-trading securities received as part payment of REIT management fees
- (4) Based on 698,471,997 shares in issue following the 1-for-5 bonus issue on 10 May 2010

# REVENUE & NET PROFIT

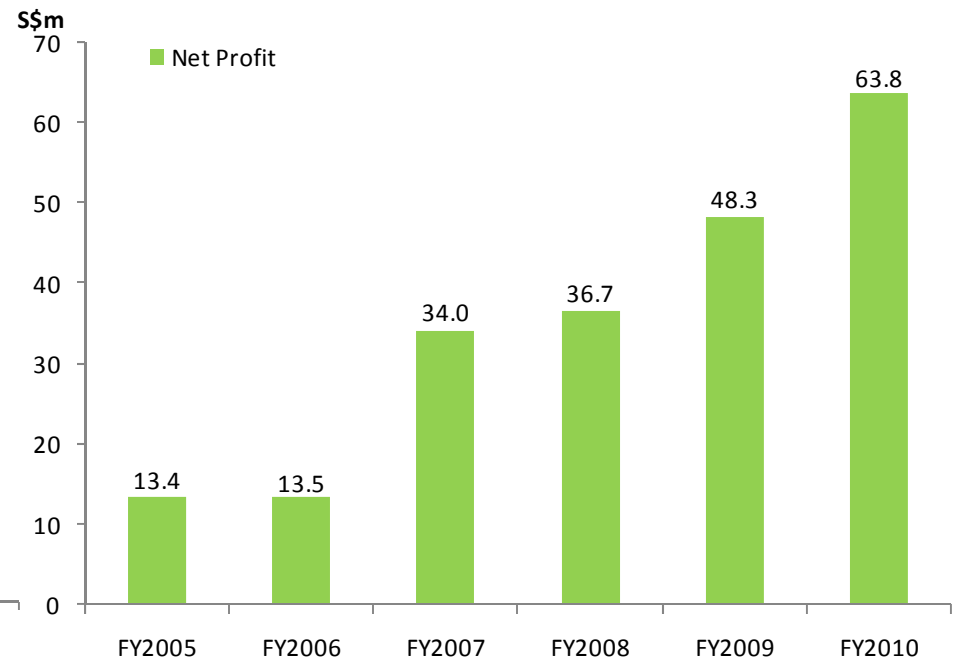


*Consistent track record of revenue and profit growth*

**Revenue – Historical**



**Net Profit - Historical**



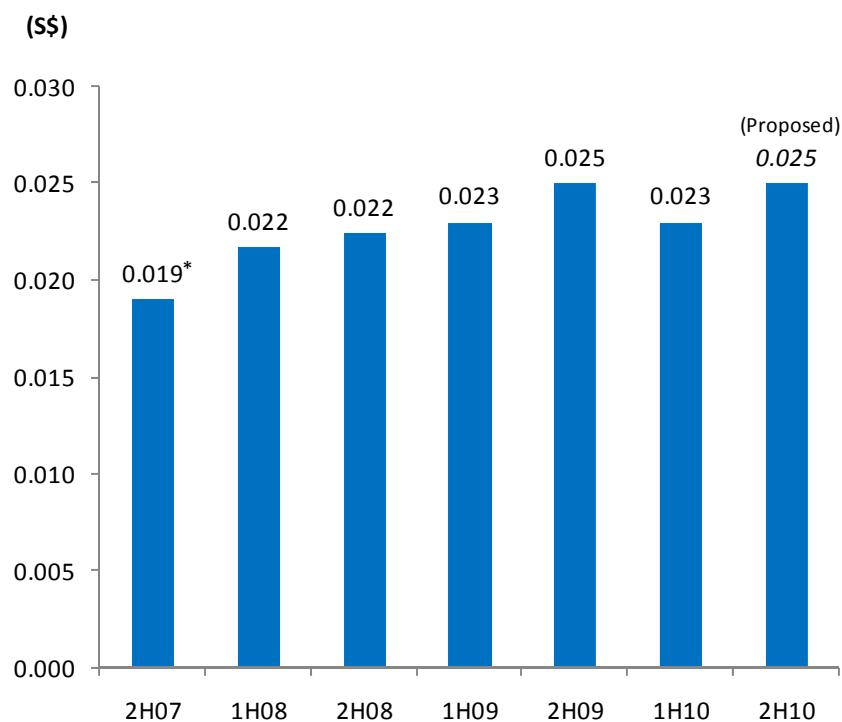
# DIVIDEND HISTORY



**Proposed final dividend of S\$0.025 per share, S\$0.048 per share for FY2010**

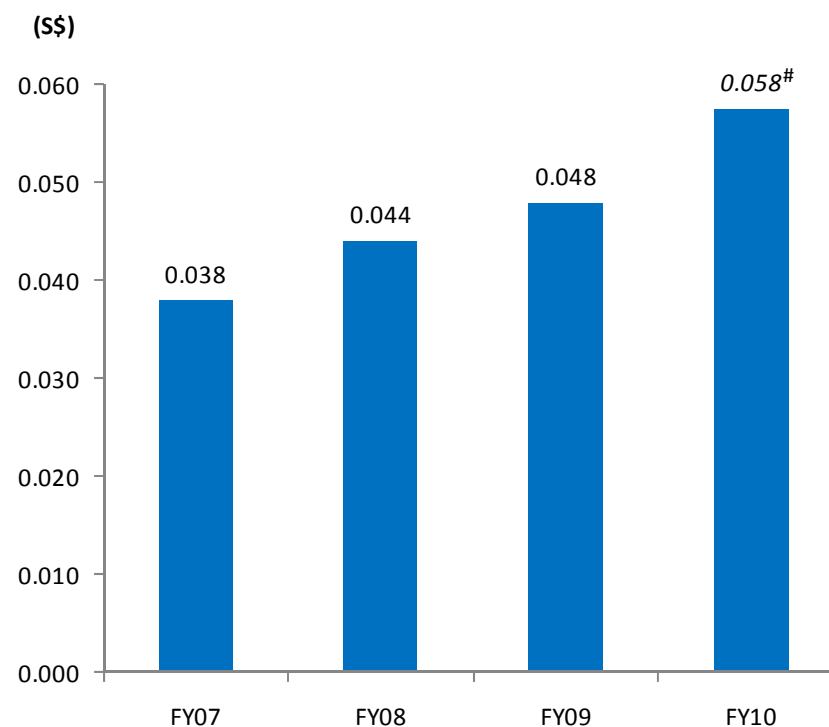
Subject to shareholder approval at AGM to be held on 28 April 2011

**DPS (Period)**



\* - pro-rated

**DPS (FY)**



# - inclusive of proposed final dividend, adjusted for bonus issue in May 2010

# BALANCE SHEET



## Robust balance sheet

Group balance sheet as at 31 Dec 2010		S\$'000		S\$'000
<b>Non-current assets</b>			<b>Non-current liabilities</b>	
Plant and equipment		1,498	Financial liabilities	387
Tenancy deposits		495	Deferred tax liabilities	142
Associates		1,060		
Financial assets		125,658		
Other receivables		8,000		
Intangible asset		798		
		<b>137,509</b>		<b>529</b>
<b>Current assets</b>			<b>Current liabilities</b>	
Financial assets		15,299	Trade and other payables	20,200
Derivative assets		119	Financial liabilities	18,971
Trade and other receivables		26,372	Current tax payable	8,408
Cash and cash equivalents		42,327		
		<b>84,117</b>		<b>47,579</b>
			<b>Total liabilities</b>	<b>48,108</b>
			<b>Shareholders' equity</b>	<b>173,518</b>
<b>Total assets</b>		<b>221,626</b>	<b>Total liabilities &amp; Shareholders' equity</b>	<b>221,626</b>





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## 4. STRATEGY

# STRATEGY



## *Poised for the next phase of growth*

### REITs

- Work with various partners to launch new REITs in new sectors and geographies
- Existing REITs to continue to focus on asset enhancements and acquisitions

### Private Real Estate Funds

- Place out remaining committed capital of ADF I in 1H2011
- Launch ADF II by 1H2011

### Real Estate Management Services

- Support REITs and private real estate funds and increase properties under management
- Leverage on the Suntec brand to expand geographical reach of convention services

# DISCLAIMER



These slides 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 these slides, which are based on the current view of management on future events. Information from external sources in these slides has not been independently verified by us nor have the external sources quoted consented to the inclusion of the information.

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