

## PRESS RELEASE

### ARA POSTS 1H2013 NET PROFIT OF S\$32.1 MILLION

- Recurrent management fees up 18% to S\$56.2 million
- Recurrent net profit up 17% to S\$27.0 million

#### 1H2013 Results Highlights

		1H2013	1H2012	% Change
Revenue				
Management fees	(S\$'000)	56,155	47,782	18%
Acquisition, divestment and performance fees	(S\$'000)	2,292	4,663	(51%)
Finance income	(S\$'000)	5,640	10,343	(45%)
Other income	(S\$'000)	43	635	(93%)
Total Revenue	(S\$'000)	64,130	63,423	1%
Operating Profit (Pre-Tax)	(S\$'000)	36,650	39,769	(8%)
Share of Profit of Associates	(S\$'000)	1,938	2,168	(11%)
Net Profit	(S\$'000)	32,111	35,384	(9%)
Net Profit (Excluding unrealised M-T-M <sup>1</sup> gains/losses)	(S\$'000)	35,427	29,673	19%
Recurrent Net Profit <sup>2</sup>	(S\$'000)	27,000	23,044	17%
EPS <sup>3</sup>	(S cents)	3.80	4.19	(9%)
AUM <sup>4</sup>	(S\$ billion)	23.5	22.0	7%

**5 August 2013** – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$64.1 million and net profit of S\$32.1 million for the 6 months ended 30 June 2013 (“1H2013”).

Recurrent management fees for 1H2013 grew 18% year-on-year to S\$56.2 million on the back of higher REIT management fees, higher portfolio management fees from the Group’s Private Funds division and higher real estate management fees. REIT management fees increased due to improved asset performance driven by asset enhancement initiatives resulting in higher property valuations of the REIT portfolios under management. The Group’s portfolio

<sup>1</sup> M-T-M refers to “Marked-to-Market”, adjusted for the effects of tax

<sup>2</sup> Recurrent Net Profit refers to Net Profit excluding acquisition, divestment and performance fees, finance income and finance costs, adjusted for the effects of tax

<sup>3</sup> Based on the issued share capital of 845,151,093 shares as at 30 June 2013

<sup>4</sup> Based on exchange rates as at 30 June 2013

management fees increased on the back of contributions from the ARA Asia Dragon Fund II from March 2012 and the ARA China Investment Partners (“**CIP**”) from June 2012 . Real estate management fees increased primarily from increased leasing activities from the “re-making of Suntec City” project. The Group received acquisition fees arising from the acquisition of an investment property (Precise Two) in April 2013 by Cache Logistics Trust and fees in relation to project and property management services provided by APM Property Management Pte. Ltd. and its related corporations.

Excluding unrealised marked-to-market gains/losses, the Group would have achieved an adjusted net profit of S\$35.4 million for 1H2013, 19% higher year-on-year. If we further exclude the one-off acquisition, divestment and performance fees, finance income and finance costs, the Group would have achieved recurrent net profit of S\$27.0 million, 17% higher year-on-year.

Commenting on ARA’s results, ARA Group CEO, Mr. John Lim said: “Our resilient business model continues to deliver solid and steadily improving performance with recurrent management fees and recurrent net profit increasing by 18% and 17% year-on-year, respectively.”

ARA’s Private Funds division has secured additional capital commitments from the California Public Employees’ Retirement System (“**CalPERS**”) for the CIP platform, raising the total committed capital of CIP from US\$500 million to US\$830 million, of which around US\$300 million has been deployed.

Mr. Lim elaborated: “We appreciate the continued strong endorsement from CalPERS. Our Private Funds division has grown from strength to strength, and it will continue to attract global institutional capital. While the global economy remains vulnerable to slower growth as re-balancing adjustments continue, we remain confident in Asia’s economic fundamentals and longer term growth prospects. Asian real estate, accordingly, stands to benefit. Current market conditions will present interesting investment opportunities, which we intend to take full advantage of.”

We are also pleased that ARA was recently ranked 33rd out of 664 listed companies in Singapore in the 2013 Governance and Transparency Index (“GTI”) survey. The annual survey assesses the areas of board matters, remuneration, accountability & audit, transparency and investor relations. It is independently conducted by the National University of Singapore Business School’s Centre for Governance, Institutions and Organisations.

The Directors have declared a tax-exempt (one-tier) interim dividend of 2.30 Singapore cents per ordinary share for the financial period from 1 January 2013 to 30 June 2013. With the increased share capital base of the Company following the 1-for-10 bonus share issue in March 2013, the interim dividend represents a 10% increase in payout compared to 1H2012. Since listing, the Company has given out bonus shares equivalent to 45% of initial share capital at the time of listing.

**– End of Release –**

#### **About ARA Asset Management Limited**

ARA, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

- (a) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore International Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

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