

## PRESS RELEASE

### ARA POSTS YTD 3Q2013 NET PROFIT OF S\$52.1 MILLION

- Recurrent management fees up 13% to S\$84.0 million
- Recurrent net profit up 16% to S\$43.2 million

#### YTD 3Q2013 Results Highlights

		YTD 3Q2013	YTD 3Q2012	% Change
Revenue				
Management fees	(S\$'000)	84,030	74,059	13%
Acquisition, divestment and performance fees	(S\$'000)	2,910	6,709	(57%)
Finance income	(S\$'000)	9,617	15,136	(36%)
Other income	(S\$'000)	71	666	(89%)
Total Revenue	(S\$'000)	96,628	96,570	0%
Operating Profit (Pre-Tax)	(S\$'000)	59,255	62,276	(5%)
Share of Profit of Associates	(S\$'000)	3,007	3,265	(8%)
Net Profit	(S\$'000)	52,120	55,018	(5%)
Net Profit (Excluding unrealised M-T-M <sup>1</sup> gains/losses)	(S\$'000)	56,811	47,338	20%
Recurrent Net Profit <sup>2</sup>	(S\$'000)	43,202	37,295	16%
EPS <sup>3</sup>	(S cents)	6.17	6.51	(5%)
AUM <sup>4</sup>	(S\$ billion)	23.4	21.9	7%

**12 November 2013** – ARA Asset Management Limited (“**ARA**” or the “**Group**”) is pleased to report total revenue of S\$96.6 million and net profit of S\$52.1 million for the 9 months ended 30 September 2013 (“**YTD 3Q2013**”).

Recurrent management fees for YTD 3Q2013 grew 13% year-on-year to S\$84.0 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 September 2013

<sup>4</sup> Based on exchange rates as at 30 September 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 from June 2012 as well as the higher valuation of the property in the ARA Harmony Fund following its asset enhancement works. Real estate management fees increased primarily from increased leasing activities for the retail space in the newly revamped Suntec City.

During YTD 3Q2013, the Group received acquisition fees arising from the acquisition of an investment property (Precise Two) in April 2013 by Cache Logistics Trust and performance fees in relation to project 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\$56.8 million for YTD3Q2013, 20% higher year-on-year. If we further exclude the acquisition, divestment and performance fees, finance income and finance costs, the Group would have achieved recurrent net profit of S\$43.2 million, 16% higher year-on-year.

Commenting on ARA's results, ARA Group CEO, Mr. John Lim said: "We are pleased to have achieved a good set of results with strong quality of earnings marked by a 13% increase in recurrent management fees and 16% increase in recurrent net profit year-on-year respectively. We continue to build on our resilient business model to continue delivering solid and steadily improving performance."

In October 2013, Fortune REIT announced the completion of the acquisition of The Kingswood Ginza Property for HK\$5,849 million. The acquisition will boost the Group's acquisition, divestment and performance fees for FY2013 as well as increase the Group's Assets under Management and recurrent management fees going forward.

ARA also announced that it has established a strategic alliance with The Straits Trading Company Limited ("**Straits Trading**"), signifying the start of an expanded long-term partnership between Straits Trading, Cheung Kong (Holdings) Limited and Mr. John Lim.

Commenting on these developments, Mr. Lim said: "As we continue to grow our Assets under Management, the establishment of the strategic partnership with Straits Trading presents exciting opportunities that we will seek to capitalize on. We are honored that Straits Trading has recognized ARA's track record and achievements, and placed confidence in the quality of the ARA team as we continue to strive to deliver."

**– 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.

For more information, please contact:

Cheryl Seow  
Senior Director, Group Finance  
[cherylseow@ara.com.hk](mailto:cherylseow@ara.com.hk)

Tel: (65) 6835 9232  
Fax: (65) 6835 9672

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