



PRESS RELEASE

ARA POSTS 1H2014 NET PROFIT OF S\$38.7 MILLION TOTAL ASSETS UNDER MANAGEMENT (“AUM”) OF S\$25.8 BILLION

- Recurrent management fees up 9% to S\$61.0 million
- Net profit up 20% to S\$38.7 million

1H2014 Results Highlights

		1H2014	1H2013	% Change
Revenue				
Management fees	(S\$'000)	60,984	56,155	9%
Acquisition, divestment and performance fees	(S\$'000)	3,216	2,292	40%
Finance income	(S\$'000)	12,190	5,640	116%
Other income	(S\$'000)	2,220	43	n.m.
Total Revenue	(S\$'000)	78,610	64,130	23%
Results from operating activities	(S\$'000)	44,989	36,650	23%
Share of Profit of Associates	(S\$'000)	1,949	1,938	1%
Net Profit attributable to equity holders of the Company	(S\$'000)	38,664	32,111	20%
EPS ¹	(S cents)	4.57	3.80	20%

4 August 2014 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$78.6 million and net profit of S\$38.7 million for the six months ended 30 June 2014 (“1H2014”).

Recurrent management fees for 1H2014 grew 9% year-on-year to approximately S\$61.0 million, due to higher REIT management fees received as a result of the improved asset performance post the various asset enhancement initiatives undertaken, as well as the fees arising from the acquisitions made by the various REITs in FY2013 and 1H2014, all of which have resulted in the higher property valuations and recurrent revenue of the REIT portfolios under management. Compared to the same period last year, the Group has in 1H2014 received REIT management fees from the two privately-held Korean Real Estate Investment Trusts, namely ARA-NPS Real Estate Investment Company, and ARA-NPS REIT No. 2, as well

¹ Based on net profit attributable to equity holders of the Company, and the issued share capital of 845,151,093 shares as at 30 June 2014.

as portfolio management fees from the Morningside Investment Partners, LLC (“MIP”) and Straits Investment Partners (“SIP”). Fees were also higher from the ARA Harmony Fund and ARA China Investment Partners, LLC (“CIP”). These were partially offset by the reduced fees from the ARA Asia Dragon Fund (“ADF”), which has entered into its divestment phase since 2012.

The acquisition, divestment and performance fees recorded for 1H2014 increased 40% to approximately S\$3.2 million from S\$2.3 million in the corresponding period last year. This increase was primarily due to acquisition fees received in 1H2014 relating to Prosperity REIT’s acquisition of 9 Chong Yip Street in January 2014 and Suntec REIT’s progress payments during the quarter for its acquisition of 177 Pacific Highway.

Finance income and other income for 1H2014 were higher at approximately S\$12.2 million and S\$2.2 million respectively, mainly due to a net gain on fair valuation/disposal of financial assets amounting to approximately S\$4.8 million, in addition to an increase in distribution income of approximately S\$1.8 million, which is attributed to a higher distribution of profits by the ADF subsequent to the divestment of properties under its portfolio as well as higher distribution income received from the various REITs held by the Group.

An interim dividend of S\$0.023 per share has been declared for the financial period from 1 January 2014 to 30 June 2014, payable on 22 August 2014.

Commenting on ARA’s results, ARA Group CEO, Mr. John Lim said: “The Group continues to deliver a steady financial performance overall. We will continue to drive the growth in recurrent management fees through our existing REITs and private funds and in the establishment of new products.”

In April 2014, ARA completed the acquisition of Macquarie Real Estate Korea Limited (since renamed as ARA Korea Limited), a real estate management company based in Seoul. With this, ARA currently manages two privately-held Korean Real Estate Investment Trusts invested in office properties with a combined value of approximately S\$750 million as at 30 June 2014. The Group is working towards expanding this platform over time.

Subsequently in May 2014, ARA launched the ARA Summit Development Fund I, L.P., mandated to invest in real estate development projects and projects with value enhancement potential in Australia and South East Asia. With this, ARA has expanded its suite of private real estate funds under ARA Private Funds to range from development-focused products to

core investment products, and would extend ARA Private Fund's geographical reach in Asia to include Australia.

With these, the Group's AUM increased to approximately S\$25.8 billion as at 30 June 2014.

Mr. John Lim commented on the new development fund: "We are pleased to launch this new Asia-focused development fund that would broaden our funds management platform and provide another engine of growth in AUM for ARA."

Mr. Lim added, "We will be partnering reputable developers with a good local track record in property development to deliver the targeted returns for investors. Akin to the ADF series, there are potential opportunities in creating a series of successor funds to the SDF I in the future."

– End of Release –

About ARA Asset Management Limited

ARA 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. The Group also manages two privately-held REITs in South Korea;
- (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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