



ARA ASSET MANAGEMENT LIMITED
亚腾资产管理有限公司

RESULTS FOR THE QUARTER ENDED
30 SEPTEMBER 2014

DEFINING STRATEGIES FOR EXCELLENCE



YTD2014 Highlights

YTD2014 HIGHLIGHTS

Solid business model delivers growing financial performance



Financial Highlights		YTDFY14	YTDFY13	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	92,940	84,030	11%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	19,479	2,910	569%
Finance income ⁽³⁾	(S\$'000)	15,925	9,617	66%
Other income ⁽⁴⁾	(S\$'000)	2,480	71	n.m.
Total Revenue	(S\$'000)	130,824	96,628	35%
Results from operating activities	(S\$'000)	78,182	59,255	32%
Share of Profit of Associates	(S\$'000)	3,151	3,007	5%
Net Profit attributable to equity holders of the Company (S\$'000)		69,350	52,120	33%
EPS ⁽⁵⁾	(S cents)	8.21	6.17	33%

Higher net profit driven by:

- Higher revenue from recurrent management fees, acquisition, divestment and performance fees, finance income and other income
- New contributions from the two privately-held Korean Real Estate Investment Trusts, MIP, CIP and SDF I
- Performance fee of S\$16.06 million receivable from ARA Harmony Fund in having achieved an IRR of 27.4% over the initial five-year term of the fund

Notes:

- (1) Recurrent management fees from REITs, private real estate funds and real estate management services
- (2) Primarily REIT acquisition/divestment fees and project management and consultancy fees
- (3) Comprises mainly distribution income from financial assets and net gains on fair valuation/disposal of financial assets
- (4) Includes negative goodwill arising from the acquisition of ARA Korea Limited amounting to S\$2.1 million
- (5) Based on net profit attributable to equity holders of the Company, and the issued share capital of 845,151,093 shares as at 30 September 2014

YTD2014 HIGHLIGHTS

Stellar Outperformance by ARA Harmony Fund



Award-winning Suntec Singapore Convention & Exhibition Centre

- Significant uplift in the property value from S\$235 million at fund inception to an average valuation¹ of S\$663.25 million as at 30 September 2014
- Achieved an internal rate of return ("IRR") of 27.4% with an equity multiple of 3.15 times² over the initial five-year term
- Performance fee of S\$16.06 million receivable



Notes:

- (1) Refers to the average of the independent valuations carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd
- (2) Before performance fees

Group balance sheet as at 30 September 2014

	S\$'000		S\$'000
Plant and equipment	1,743	Loan and borrowings	38,581
Intangible asset	1,115	Other payables	795
Associates	4,625	Deferred tax liabilities	131
Financial assets	258,787		
Deferred tax asset	654		
Other receivables	5,996		
Non-current assets	<u>272,920</u>	Non-current liabilities	<u>39,507</u>
Financial assets	32,784	Trade and other payables	29,064
Trade and other receivables	52,156	Loan and borrowings	19,545
Cash and cash equivalents	51,733	Current tax payable	10,135
Current assets	<u>136,673</u>	Current liabilities	<u>58,744</u>
		Total liabilities	<u>98,251</u>
		Shareholders' equity	<u>311,342</u>
Total assets	<u>409,593</u>	Total liabilities & shareholders' equity	<u>409,593</u>

Resilience and Growth

A RESILIENT PORTFOLIO OF FUNDS & SERVICES

Diversified funds management platforms and complementary services



REITs	FORTUNE REIT	SUNTEC Real Estate Investment Trust	PROSPERITY REIT	AmFIRST	CACHE LOGISTICS TRUST	HUI XIAN REIT	ARA-NPS REITs
Listing Venue	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST	SEHK	Private REITs
Listing Year	2003	2004	2005	2006	2010	2011	2007; 2010 ⁽¹⁾
Focus	Suburban retail properties in Hong Kong	Prime office & retail properties in Singapore and Australia	Office & industrial/ office properties in Hong Kong	Commercial properties in Malaysia	Logistics properties in the Asia Pacific region	Commercial properties in China	Office properties in South Korea
Property Value ⁽²⁾	HK\$30,880m	S\$8,399m	HK\$9,609m	RM1,302m	S\$1,034m	RMB 37,040m	KRW 613,950m

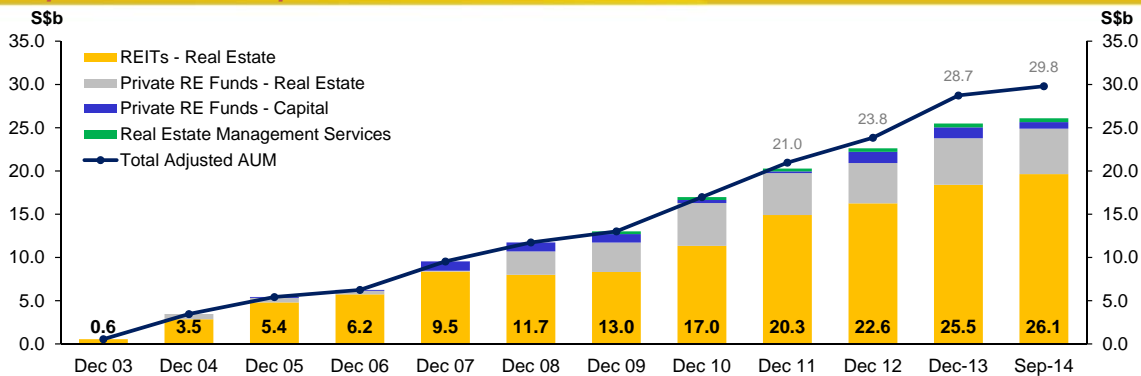
Private Real Estate Funds	ADF ARA Asia Dragon Fund	ADF II ARA Asia Dragon Fund II	HARMONY ARA Harmony Fund	CIP ARA China Investment Partners	MIP Morningside Investment Partners	SIP Straits Investment Partners	SDF I ARA Summit Development Fund I
Description	Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia	2nd 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 Convention & Exhibition Centre	Core-plus private real estate fund investing in high quality office and commercial properties in key cities in China	Value-add private real estate fund investing in high quality office and commercial properties primarily in Singapore and Hong Kong	Separate account to manage the real estate portfolio belonging to The Straits Trading Company Limited	Mandated to invest in real estate developments primarily in Southeast Asia and Australia
Fund Size	US\$1,133m (Committed Capital)	US\$441m (Committed Capital)	S\$661.5m (Gross Asset Value)	US\$503m (Committed Capital)	US\$240m (Committed Capital)	S\$850m (Gross Asset Value)	US\$80m (Committed Capital)

Real Estate Mgmt Svcs	APM (A Member of the ARA Group)	Suntec SINGAPORE Convention & Exhibition Centre	Suntec INTERNATIONAL Convention & Exhibition Centre
Description	Property management services provider	Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities	

(1) Two closed-end REITs with finite term of 10 years
 (2) Property values as of last publicly-announced valuation and based on exchange rates as at 30 September 2014 where applicable

GROWTH IN GROUP AUM NET OF DIVESTMENTS

Group AUM as at 30 September 2014 stood at S\$26.1 billion



- Total Adjusted AUM reflects the annual Group AUM before accounting for the effect of divestments
- Approximately S\$3.7 billion of ADF I assets divested to date
- Growth in AUM year-to-date of over S\$1 billion partially offset by divestments made, achieving S\$26.1 billion

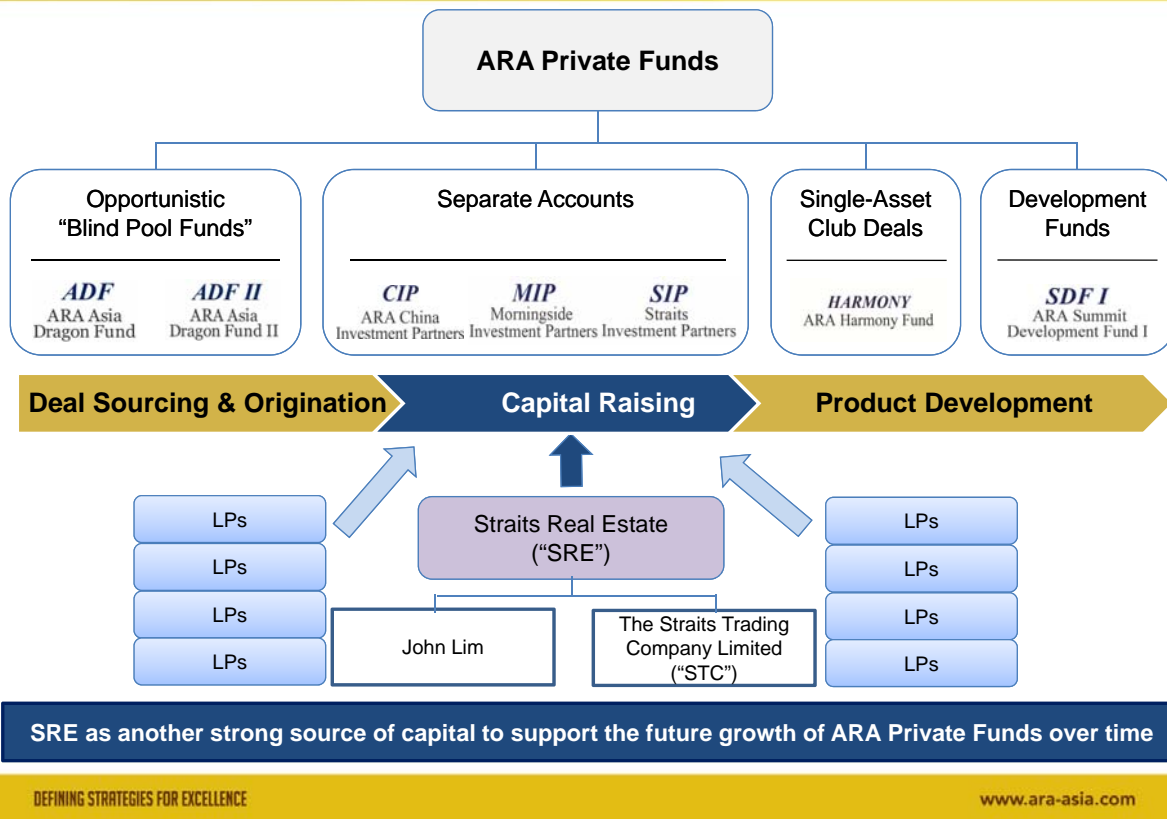
Assets Under Management ⁽¹⁾ (S\$b)	Sep 2014	Dec 2013	Change
REITs – Real Estate ⁽²⁾	19.6	18.4	6.7%
Private Real Estate Funds – Real Estate	5.3	5.4	(2.3%)
Private Real Estate Funds – Capital ⁽³⁾	0.8	1.3	(40.3%)
Real Estate Management Services ⁽⁴⁾	0.4	0.4	0.0%
Total	26.1	25.5	2.4%

Notes:

1. Based on exchange rates as at 30 September 2014
2. Comprises gross property value of REITs managed by subsidiaries & associated companies
3. Excludes capital committed for projects pending completion
4. Revenue base for real estate management services fee computation

PURSuing GROWTH IN THE PRIVATE FUNDS PLATFORM **ARA**

Greater flexibility and capabilities in seeding new funds and products

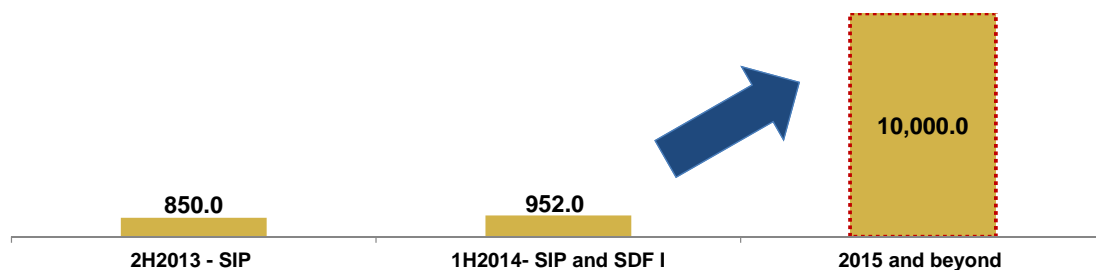


HIGHLIGHTS OF STRATEGIC PARTNERSHIP **ARA**

Embarking on third leg of growth for ARA

- Strategic alliance with STC established in November 2013
- SIP was set up to manage STC's entire investment property portfolio (ex-hospitality assets), worth S\$850.0 million as at 30 September 2014
- SDF I was launched in 1H2014, increasing AUM by US\$80 million
- SRE with a capital commitment of S\$950.0 million, is projected to support up to S\$10.0 billion of new ARA private funds over time

Growth in AUM Post STC Strategic Alliance (S\$m)



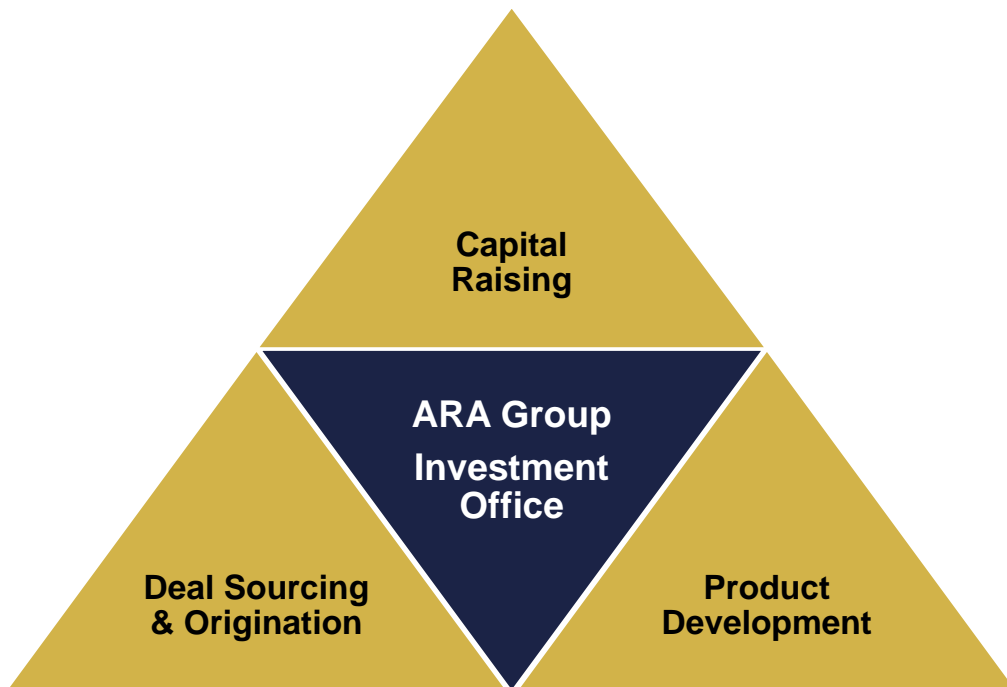
Harnessing immense potential of the key initiatives underpinning the Strategic Alliance

Building Sustainable Growth



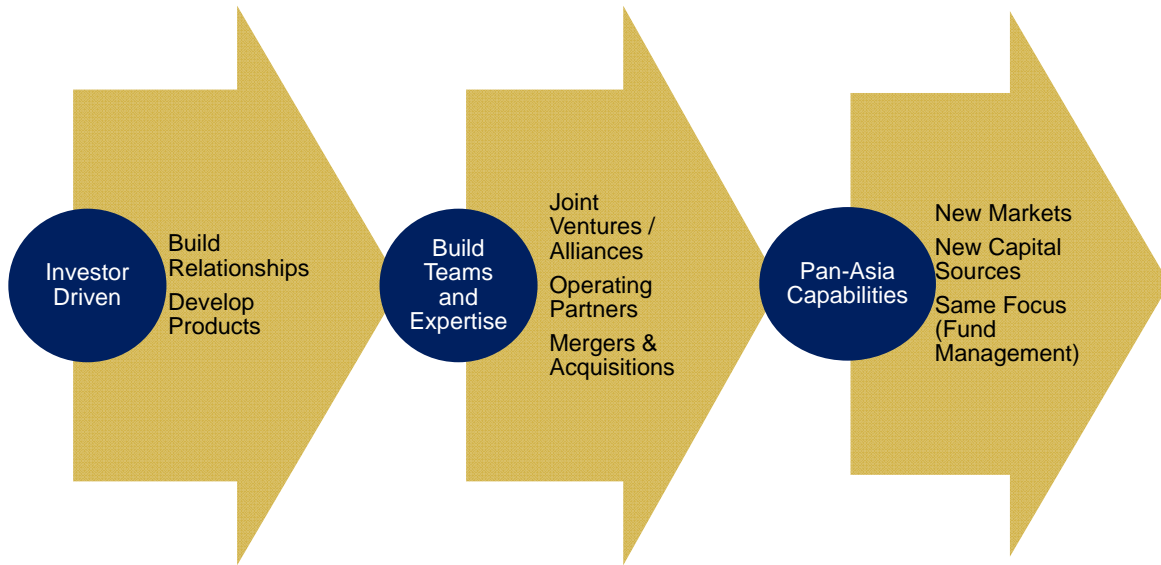
ARA GROUP INVESTMENT OFFICE

Driving the Group's expansion



KEY INITIATIVES

Maintain focus and build on successes



ESTABLISHED REGIONAL NETWORK

Expanding regional footprint across Asia



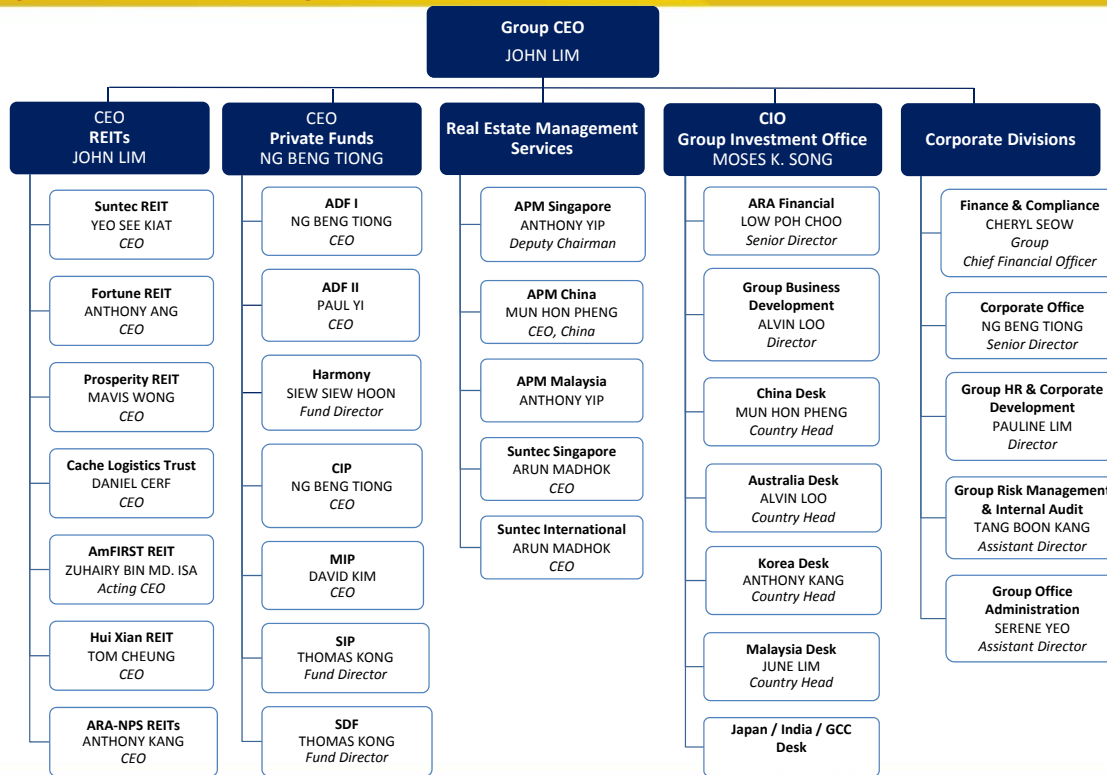
- Established regional network spanning 14 cities in the Asia-Pacific, including 6 cities in the China Mainland
- Network now extends across Singapore, Hong Kong, China, South Korea, Malaysia and Australia
- Staff strength of approximately 1,126⁽¹⁾

Notes:

(1) Inclusive of real estate management services business division and employees in joint-venture entities of the Group and various funds under management

MANAGEMENT TEAM

Experienced team with a proven track record



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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