



PRESS RELEASE

ARA POSTS FY2014 NET PROFIT OF S\$87.5 MILLION TOTAL ASSETS UNDER MANAGEMENT (“AUM”) OF S\$26.3 BILLION

- Recurrent management fees up 10% to S\$125.5 million
- Net profit up 18% to S\$87.5 million
- Assistant Group CEOs to drive the Group’s growth strategies in target markets

FY2014 Results Highlights

		FY2014	FY2013	% Change
Revenue				
Management fees	(S\$'000)	125,517	114,003	10%
Acquisition, divestment and performance fees	(S\$'000)	24,593	14,671	68%
Finance income	(S\$'000)	20,393	11,583	76%
Other income	(S\$'000)	2,555	139	n.m.
Total Revenue	(S\$'000)	173,058	140,396	23%
Results from operating activities	(S\$'000)	99,312	84,493	18%
Share of Profit of Associates	(S\$'000)	4,305	3,913	10%
Net Profit attributable to equity holders of the Company¹	(S\$'000)	87,510	74,250	18%
EPS ¹	(S cents)	10.35	8.79	18%

16 February 2015 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenues of S\$173.1 million and net profit of S\$87.5 million for the financial year ended 31 December 2014 (“FY2014”).

Recurrent management fees for FY2014 grew 10% year-on-year to approximately S\$125.5 million. This was attributable mainly to higher REIT management fees arising from the improved asset performance post the various asset enhancement initiatives undertaken which have underpinned the higher property valuations, as well as fees arising from the acquisitions made by the various REITs in FY2013 and FY2014. In addition, REIT management fees from the two privately-held Korean Real Estate Investment Trusts subsequent to the acquisition of ARA Korea Limited in April 2014 contributed to the increase.

¹ Based on net profit attributable to equity holders of the Company, and the issued share capital of 845,151,093 shares as at 31 December 2014.

Higher portfolio management fees from the private funds division were received from the Morningside Investment Partners, LLC (“MIP”), the ARA China Investment Partners, LLC (“CIP”), the ARA Harmony Fund and the new ARA Summit Development Fund I, L.P. (“SDF I”), established in May 2014. The Group had however, received lower fees from the ARA Asia Dragon Fund (“ADF I”), which has entered into its divestment phase since 2012.

The S\$16.1 million performance fee from the ARA Harmony Fund in having achieved an IRR of over 27% had culminated in the strong acquisition, divestment and performance fees recorded for FY2014. During the year, the Group had also received divestment fees of S\$4.5 million in relation to the divestment of certain properties held under the Straits Investment Partners portfolio as well as acquisition fees received in relation to Prosperity REIT’s acquisition of 9 Chong Yip Street in January 2014 and Suntec REIT’s year-to-date progress payments arising from its acquisition and development of 177 Pacific Highway.

Finance income and other income for FY2014 increased to approximately S\$20.4 million and S\$2.6 million respectively. The increase in finance income was mainly due to a net gain on fair valuation/disposal of financial assets, whilst other income comprises mainly negative goodwill arising from the acquisition of ARA Korea Limited.

Net profit for FY2014 was therefore up 18% to S\$87.5 million.

The Group’s AUM increased to approximately S\$26.3 billion as at 31 December 2014, as the Group had achieved a AUM growth of approximately S\$2 billion for the year, which was partially offset by the divestment of assets within the ADF I portfolio.

In January 2015, ARA announced the establishment of its Australian platform. With this, the Group’s presence in the Asia Pacific region is further strengthened, in a regional network that spans 15 cities across six countries, namely Singapore, Hong Kong, China, South Korea, Malaysia and Australia.

ARA Group CEO, Mr. John Lim said: “We are pleased to have achieved another year of strong outperformance, achieving double-digit growth in our recurrent management fees and net profit. I’m excited to be able to establish our footprint in South Korea and Australia, being two of our identified target markets, and we are working to grow these fund platforms over time by tapping the investment and capital raising opportunities available.”

The Group will maintain its focus on the pursuit of further growth in ARA Private Funds, in tandem with the planned expansion of the new South Korea and Australia platforms.

Mr. Ng Beng Tiong and Mr. Moses K. Song have been promoted to Assistant Group CEO with effect from 1 January 2015, and will drive the Group's strategies to achieve the next leg of growth for ARA.

Mr. Ng Beng Tiong, Assistant Group CEO cum CEO of ARA Private Funds, helms the Group's private funds division, in addition to leading the growth of the Group's business and operations in China; Mr. Moses K. Song, Assistant Group CEO cum Group Chief Investment Officer, heads the Group Investment Office division, in addition to leading the growth of the Group's business and operations in Australia and South Korea.

– 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.

For more information, please contact:

Cheryl Seow
Group Chief Financial Officer
Group Finance
cherylseow@ara.com.hk

Marilyn Tan
Assistant Director
Corporate Finance
marilyntan@ara.com.hk

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

This announcement 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 any of the forward-looking statements in this announcement, which are based on the current view of management on future events.