



ARA ASSET MANAGEMENT LIMITED

亚腾资产管理有限公司

**RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED
31 DECEMBER 2014**

DEFINING STRATEGIES FOR EXCELLENCE



FY2014 Highlights

FY2014 HIGHLIGHTS

Another year of strong financial outperformance



Financial Highlights		FY14	FY13	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	125,517	114,003	10%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	24,593	14,671	68%
Finance income ⁽³⁾	(S\$'000)	20,393	11,583	76%
Other income ⁽⁴⁾	(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 Company	(S\$'000)	87,510	74,250	18%
EPS ⁽⁵⁾	(S cents)	10.35	8.79	18%

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\$16.1 million received from ARA Harmony Fund in having achieved an IRR of over 27% 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

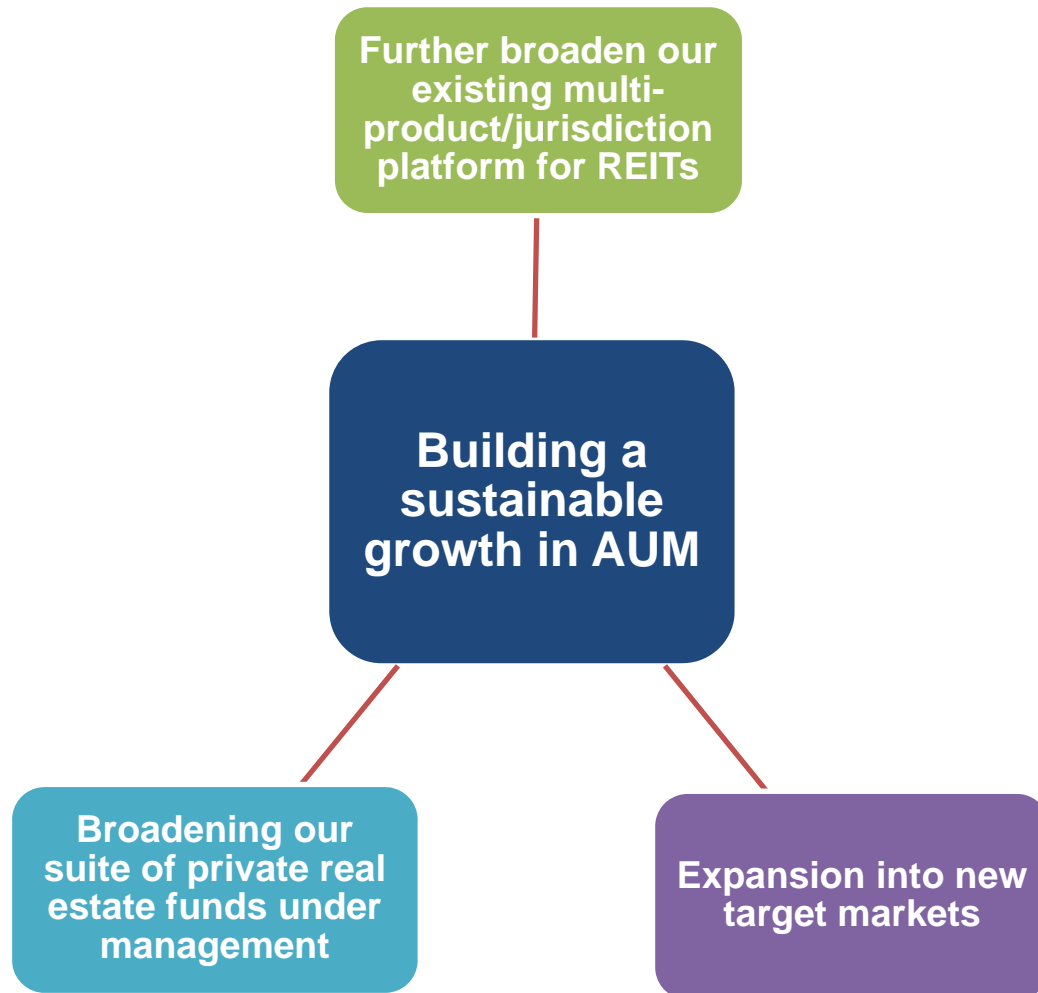
(3) Comprises mainly distribution income from financial assets and net gains on fair valuation/disposal of financial assets

(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 31 December 2014

FY2014 HIGHLIGHTS

Business expansion initiatives to drive future growth



Achieved through:

- Expansion of the REITs platform with the acquisition of ARA Korea Limited, thereby establishing our South Korean platform
- Establishment of a new Asia-focused development fund the SDF I
- Announced in January 2015, the establishment of the Australian platform, seeking investment and capital raising opportunities to support the future growth of new funds over time and strengthen our presence in the Asia Pacific region.

FY2014 HIGHLIGHTS

Asset-light business model with robust balance sheet



Group balance sheet as at 31 December 2014

	S\$'000		S\$'000
Plant and equipment	1,766	Loan and borrowings	163
Intangible asset	1,055	Other payables	1,192
Subsidiaries	-	Deferred tax liabilities	124
Associates	6,006		
Financial assets	265,842		
Deferred tax asset	745		
Other receivables	5,871		
Non-current assets	<u>281,285</u>	Non-current liabilities	<u>1,479</u>
Financial assets	38,454	Trade and other payables	32,719
Trade and other receivables	43,467	Loan and borrowings	34,194
Cash and cash equivalents	64,430	Current tax payable	11,110
Current assets	<u>146,351</u>	Current liabilities	<u>78,023</u>
		Total liabilities	<u>79,502</u>
		Shareholders' equity	<u>348,134</u>
Total assets	<u>427,636</u>	Total liabilities & shareholders' equity	<u>427,636</u>










A grayscale background image of a Go board with several Go stones. The stones are arranged on the board, and the board itself is a light color with dark lines. The stones are dark and have white Japanese characters on them. The image is slightly blurred and has a soft focus.

Resilience and Growth

A RESILIENT PORTFOLIO OF FUNDS & SERVICES

Diversified funds management platforms and complementary services



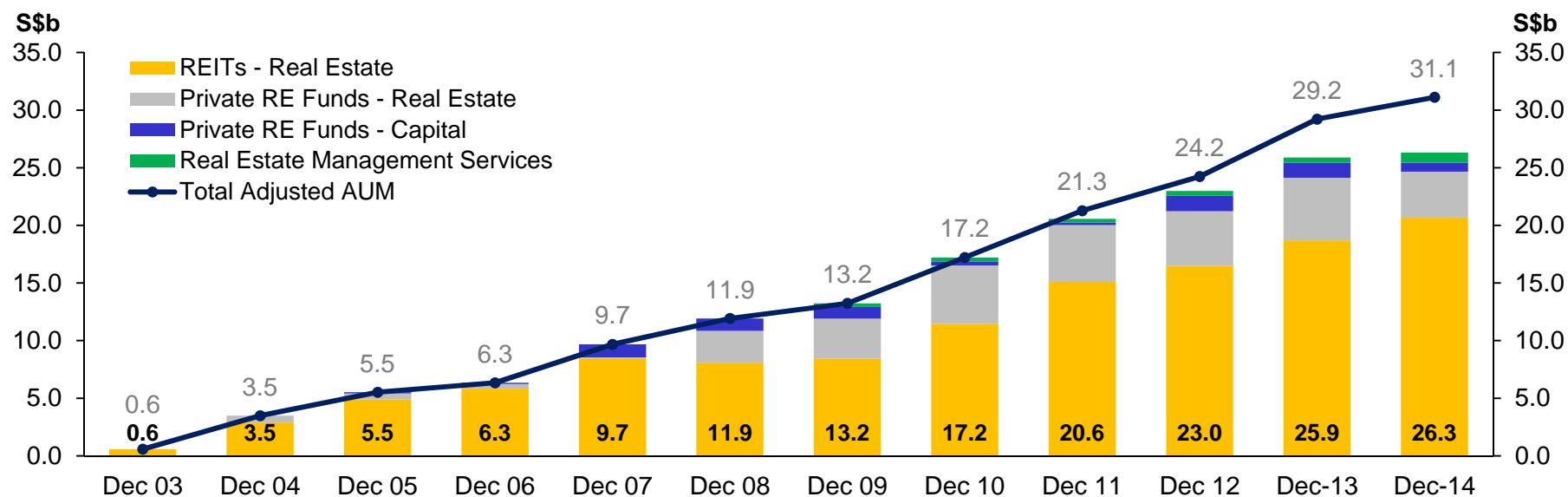
REITs	 FORTUNE REIT 富商產業信託	 SUNTEC Real Estate Investment Trust	 PROSPERITY REIT 富商產業信託	 AmFIRST Real Estate Investment Trust	 CACHE LOGISTICS TRUST	 HUI XIAN REIT 匯賢產業信託	ARA-NPS REITs
Listing Venue	SGX-ST & SEHK	SGX-ST	SEHK	Bursa	SGX-ST	SEHK	Private REITs
Listing Year	2003	2004	2005	2006	2010	2011	2007; 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\$32,720m	S\$8,674m	HK\$9,609m	RM1,302m	S\$1,120m	RMB37,040m	KRW627,800m
Private Real Estate Funds	<i>ADF</i> ARA Asia Dragon Fund	<i>ADF II</i> ARA Asia Dragon Fund II	<i>HARMONY</i> ARA Harmony Fund	<i>CIP</i> ARA China Investment Partners	<i>MIP</i> Morningside Investment Partners	<i>SIP</i> Straits Investment Partners	<i>SDF I</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\$436m (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 Services		
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 31 December 2014 where applicable

GROWTH IN GROUP AUM NET OF DIVESTMENTS

Group AUM as at 31 December 2014 stood at S\$26.3 billion



- Total Adjusted AUM reflects the annual Group AUM before accounting for the effect of divestments
- Approximately S\$4.8 billion of ADF I assets divested to date
- Growth in AUM for the year of over S\$2 billion partially offset by divestments made, achieving S\$26.3 billion

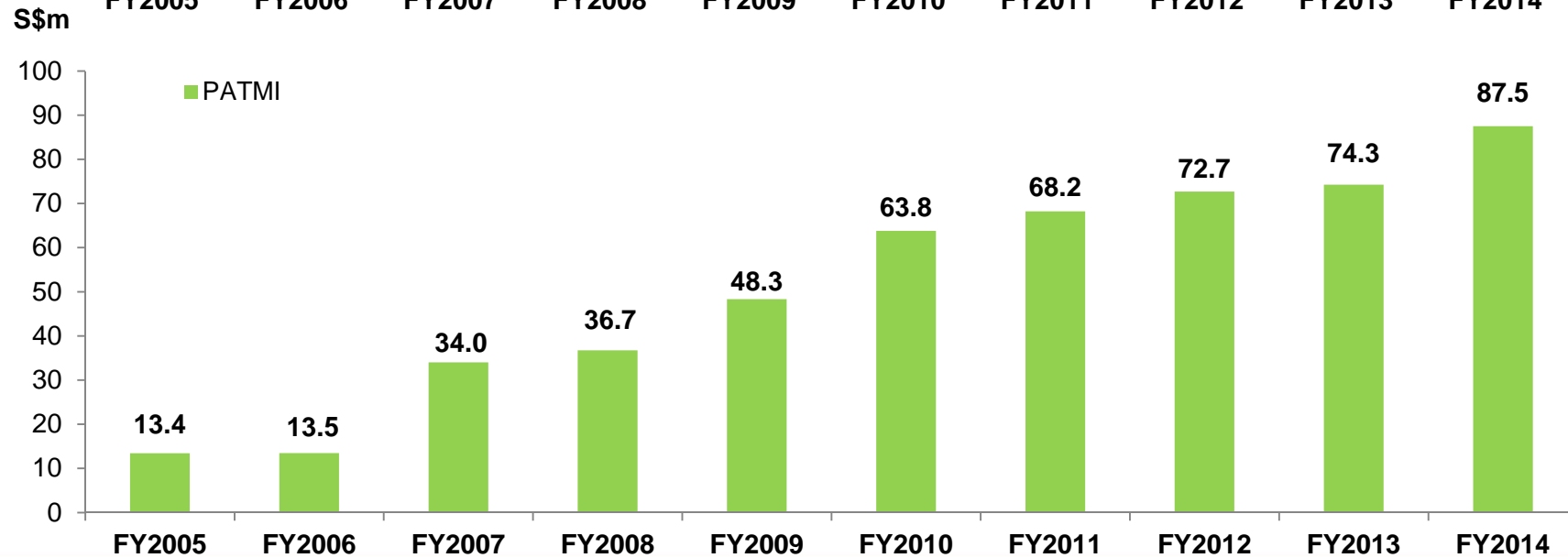
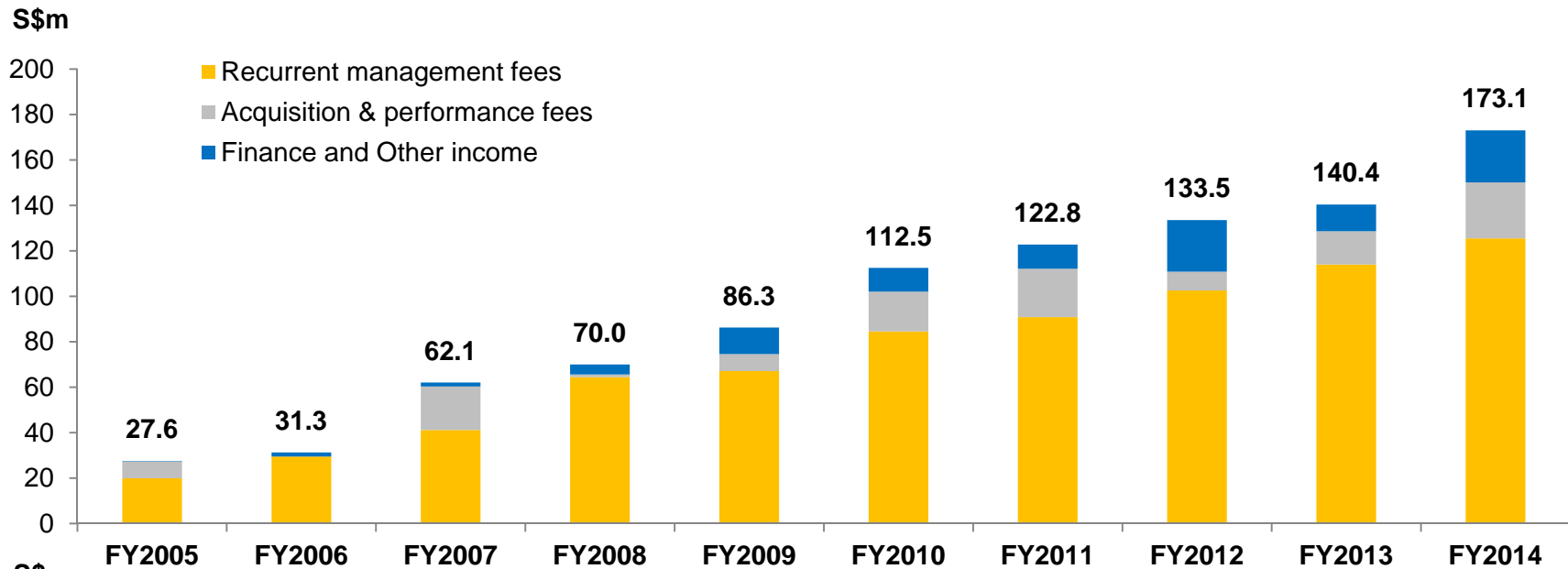
Assets Under Management ⁽¹⁾ (S\$bn)	Dec 2014	Dec 2013	Change
REITs – Real Estate ⁽²⁾	20.7	18.7	10.6%
Private Real Estate Funds – Real Estate	4.0	5.4	(26.6%)
Private Real Estate Funds – Capital ⁽³⁾	0.8	1.3	(40.3%)
Real Estate Management Services ⁽⁴⁾	0.9	0.4	97.9%
Total	26.3	25.9	1.7%

Notes:

1. Based on exchange rates as at 31 December 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

REVENUE AND NET PROFIT TRACK RECORD

Strong track record of revenue and net profit growth

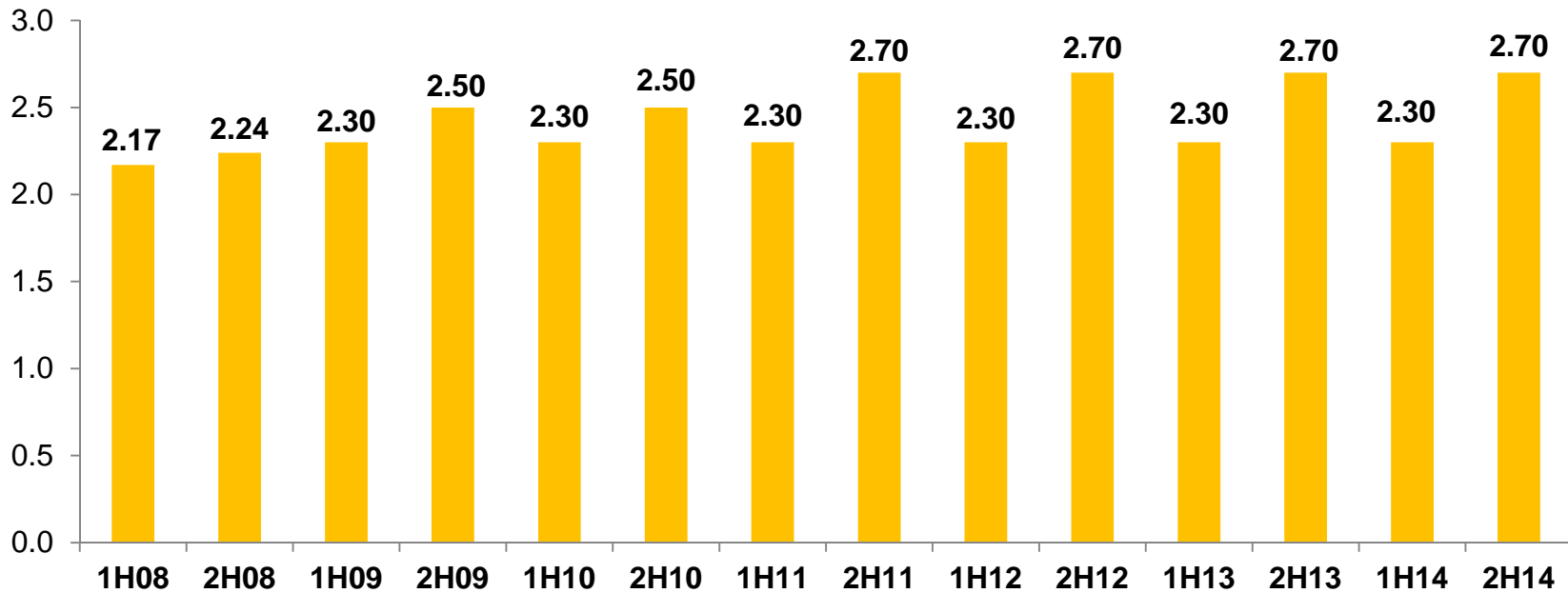


DIVIDENDS

Rewarding shareholders



S cents



Sustainable dividend policy

5.0 Singapore Cents per share annually, barring any unforeseen circumstances

- Interim dividend – 2.3 Singapore Cents per share
- Proposed Final dividend – 2.7 Singapore Cents per share

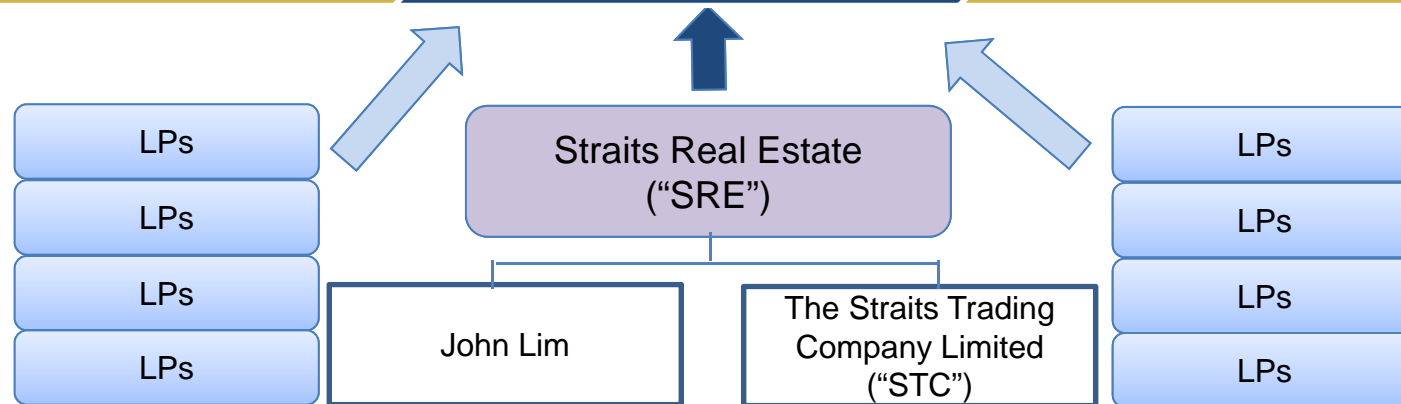
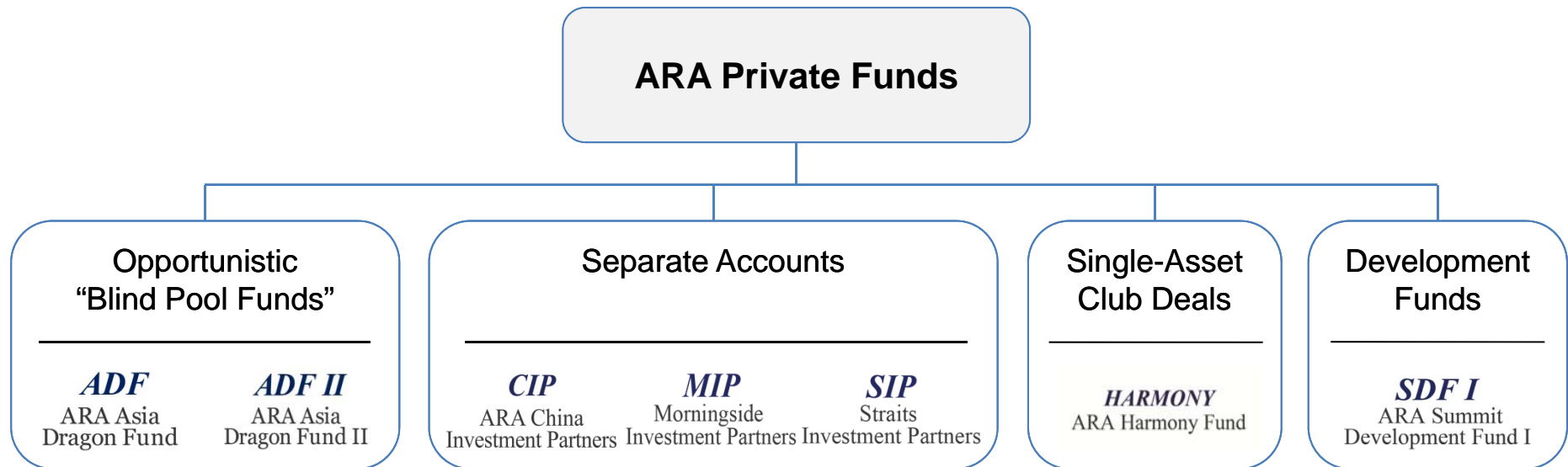


Building Sustainable Growth

PURSUING GROWTH IN THE PRIVATE FUNDS PLATFORM



Greater flexibility and capabilities in seeding new funds and products

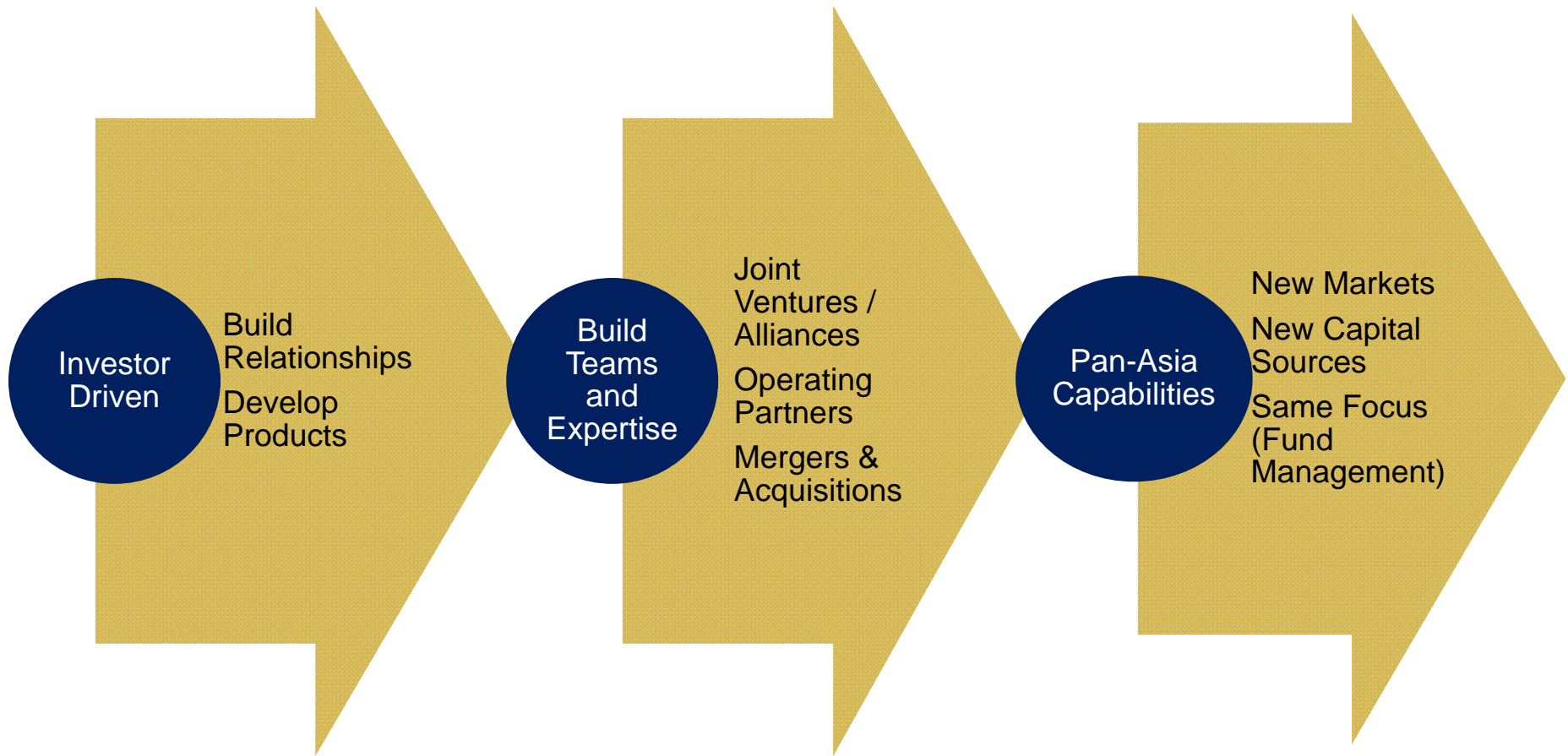


SRE as another strong source of capital to support the future growth of ARA Private Funds over time



KEY INITIATIVES

Maintain focus and build on successes



ESTABLISHED REGIONAL NETWORK

Expanding regional footprint across Asia



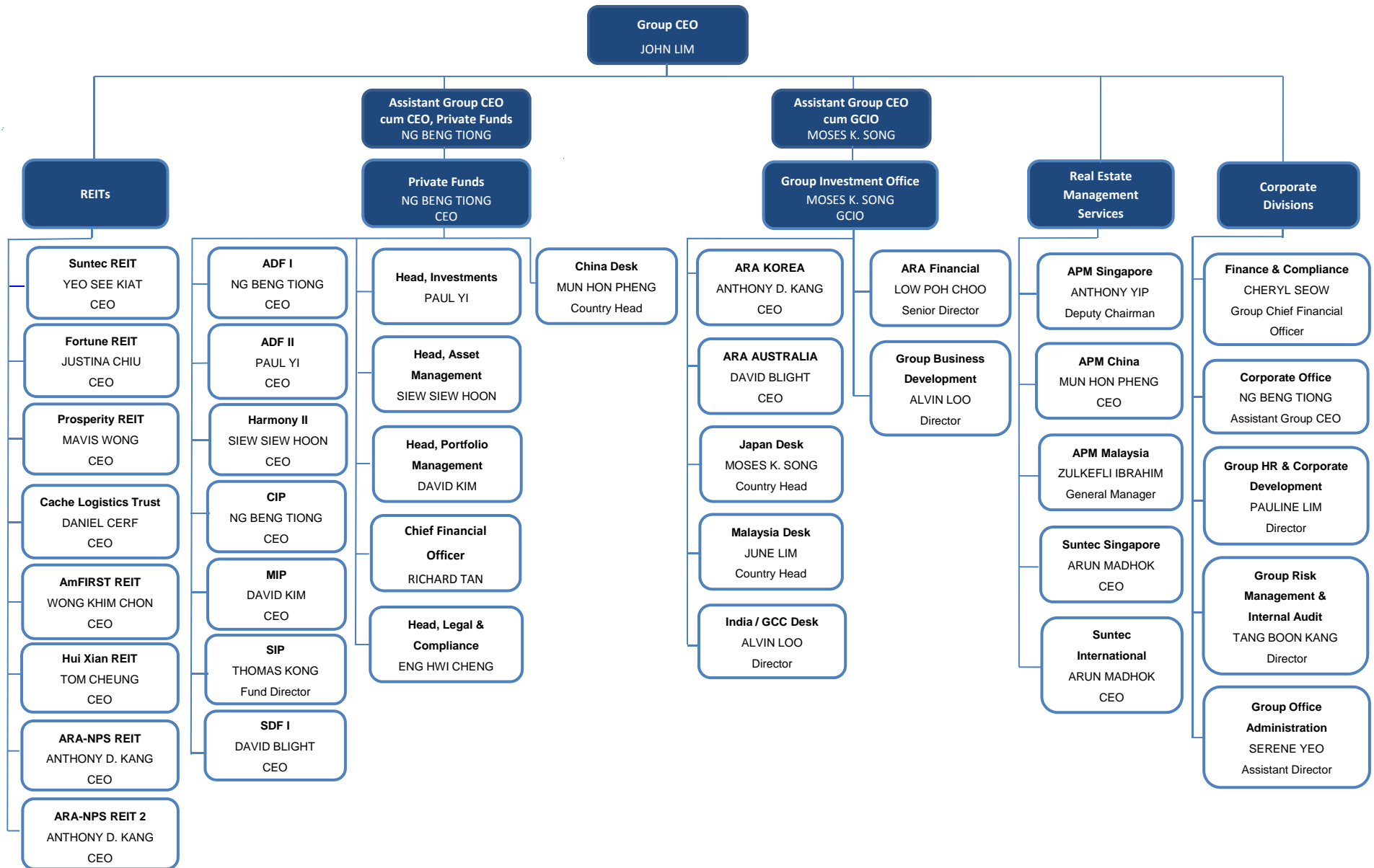
- Established regional network spanning 15 cities in the Asia-Pacific including 6 cities in the China Mainland
- Established presence in Melbourne, Australia
- Network now extends across Singapore, Hong Kong, China, South Korea, Malaysia and Australia
- Staff strength of approximately 1,118⁽¹⁾

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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