



## PRESS RELEASE

### ARA POSTS 1H2015 NET PROFIT OF S\$35.4 MILLION S\$27 BILLION TOTAL ASSETS UNDER MANAGEMENT (“AUM”)

- Recurrent management fees continue to grow to S\$61.8 million
- REIT management fees up 13% year-on-year
- Adjusted net profit up 10% to S\$34.1 million

#### 1H2015 Results Highlights

		1H2015	1H2014	% Change
Revenue				
Management fees	(S\$'000)	61,776	60,984	1%
Acquisition, divestment and performance fees	(S\$'000)	7,529	3,216	134%
Finance income	(S\$'000)	4,877	12,190	-60%
Other income	(S\$'000)	146	2,220	-93%
<b>Total Revenue</b>	(S\$'000)	<b>74,328</b>	<b>78,610</b>	<b>-5%</b>
Results from operating activities	(S\$'000)	37,907	44,989	-16%
Share of Profit of Associates	(S\$'000)	5,588	1,949	187%
<b>Net Profit attributable to equity holders of the Company<sup>1</sup></b>	(S\$'000)	<b>35,412</b>	<b>38,664</b>	<b>-8%</b>
<b>Adjusted Net Profit attributable to equity holders of the Company<sup>2</sup></b>	(S\$'000)	<b>34,111</b>	<b>31,093</b>	<b>10%</b>
EPS <sup>1</sup>	(S cents)	4.19	4.57	-8%

**6 August 2015** – ARA Asset Management Limited (“ARA” or the “Group”) wishes to report total revenues of S\$74.3 million and net profit of S\$35.4 million for the half year ended 30 June 2015 (“1H2015”). The Group’s adjusted net profit<sup>2</sup> after taking into account one-off adjustments grew 10% year-on-year at S\$34.1 million for 1H2015.

Recurrent management fees for 1H2015 increased to approximately S\$61.8 million. REIT management fees grew 13% year-on-year, along with higher portfolio management fees received from the various funds under ARA Private Funds in mitigation of reduced fees from the ARA Asia Dragon Fund (“ADF I”) which has entered into its divestment phase since 2012.

<sup>1</sup> Based on the issued share capital of 845,151,093 shares as at 30 June 2015

<sup>2</sup> Adjusted for (i) gain / (loss) on fair valuation / disposal of financial assets; (ii) acquisition, divestment and performance fees; (iii) bargain purchase arising from acquisition; (iv) impairment on available for sale financial assets; (v) gain / (loss) on disposal of investments and (vi) performance-based bonuses

The Group had received higher acquisition, divestment and performance fees of S\$7.5 million arising mainly from the respective acquisitions and divestments made by Fortune REIT and Cache Logistics Trust during the period. Share of profits of associates increased significantly to S\$5.6 million in 1H2015 year-on-year mainly due to the acquisition fees and higher income contribution recorded by Hui Xian Asset Management Limited, in addition to higher income contribution from Cache Property Management Pte. Ltd.

Net profit was lower at S\$35.4 million in 1H2015 compared to S\$38.7 million in 1H2014. However, the adjusted net profit after taking into account one-off adjustments was higher at S\$34.1 million in 1H2015, a growth of 10% compared to 1H2014.

As at 30 June 2015, the Group's total AUM stood at S\$26.9 billion (approximately US\$20.0 billion).

On 2 July 2015, the Monetary Authority of Singapore ("**MAS**") announced its finalised positions in response to the consultation feedback on strengthening the S-REIT market. The key measures, the majority of which are expected to be implemented on 1 January 2016, are intended to accord REIT unitholders better protection and greater accountability through strengthened corporate governance while providing REIT Managers increased operational flexibility.

ARA Group CEO Mr John Lim said: "Over the last decade, the S-REIT market has grown tremendously through the collaborative efforts of all S-REIT players and with the sustained regulatory support received from the MAS. Operating within a rigorous regulatory framework has laid a solid foundation for the growth of the sector and we look forward to the implementation of the prudent enhancements which will support the future development of the sector."

Reviewing the quarter's developments, Mr Lim said: "The second quarter was an active one for both our REIT and ARA Private Funds divisions. Both Fortune REIT and Cache Logistics Trust had successfully unlocked value in their respective divestments. Suntec REIT announced its proposed sale of Park Mall in conjunction with its 30.0 per cent interest in a joint venture to redevelop Park Mall into a commercial development whereby ARA is to be the strategic advisor, asset manager and property manager to the joint venture."

In early July 2015, the ARA China Investment Partners received additional capital commitments of approximately US\$300 million, boosting its overall committed capital to over US\$800 million.

Mr Lim added: “For ARA Private Funds, we had raised capital commitments for our new ARA Harmony Fund III, with its acquisition of a portfolio of retail-focused income-producing commercial properties in Malaysia worth MYR1,700 million from the ADF I. I’m pleased to report that Straits Real Estate Pte. Ltd., the co-investment vehicle established by The Straits Trading Company Limited (“**STC**”) and me is one of the major investors in the fund with a 40% stake, and that the acquisition is expected to be completed today.”

– 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 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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