



# ARA Asset Management Limited

Results for the Half Year ended 30 June 2015

SETTING SIGHTS ON NEW HEIGHTS

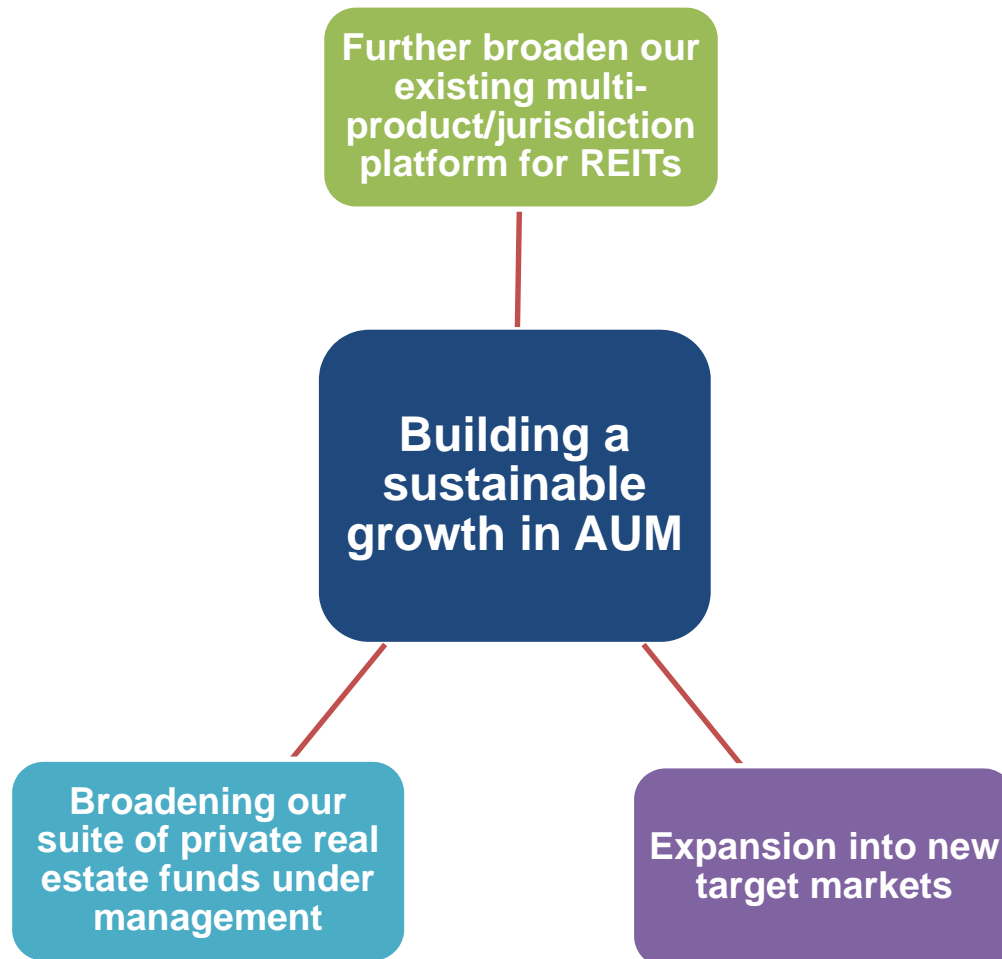


## 1H2015 Highlights



# 2Q2015 HIGHLIGHTS

*Business expansion initiatives to drive future growth*



## UNLOCKING VALUE; GROWTH OF NEW PRIVATE FUNDS

- **REITs :**
  - ✓ Fortune REIT divested Nob Hill Square for HK\$648 million at 2.9% yield
  - ✓ Cache Logistics Trust divested Kim Heng Warehouse for S\$9.7 million at a 9% premium over the original acquisition price.
  - ✓ 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. ARA is to be the strategic advisor, asset manager and property manager to the joint venture.
- **ARA Private Funds:**
  - ✓ Successfully raised capital commitments for ARA Harmony Fund III invested in a MYR1,700 million portfolio of commercial properties in Malaysia. Straits Real Estate Pte. Ltd., is one of the major investors in the fund
  - ✓ Additional capital commitments of approximately US\$300 million for ARA China Investment Partners with effect from 1 July 2015

# 1H2015 HIGHLIGHTS

*Strong growth in REIT management fees; 10% growth in adjusted net profit*



Financial Highlights		1H2015	1H2014	Change
<b>Revenue</b>				
Management fees <sup>(1)</sup>	(S\$'000)	61,776	60,984	1%
Acquisition, divestment and performance fees <sup>(2)</sup>	(S\$'000)	7,529	3,216	134%
Finance income <sup>(3)</sup>	(S\$'000)	4,877	12,190	-60%
Other income	(S\$'000)	146	2,220	-93%
<b>Total Revenue</b>	<b>(S\$'000)</b>	<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</b>	<b>(S\$'000)</b>	<b>35,412</b>	<b>38,664</b>	<b>-8%</b>
<b>Adjusted Net Profit attributable to equity holders of the Company<sup>(4)</sup></b>	<b>(S\$'000)</b>	<b>34,111</b>	<b>31,093</b>	<b>10%</b>
EPS <sup>(5)</sup>	(S cents)	4.19	4.57	-8%

- REIT management fees up 13% year-on-year to S\$42.2 million driven by improved asset performance and fee contributions from new acquisitions. Total recurrent management fees higher at S\$61.8 million
- 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
- Higher acquisition, divestment and performance fees arising mainly from the respective acquisitions and divestments made by Fortune REIT and Cache Logistics Trust; higher share of profits of associates mainly due to the acquisition fees and higher income contribution from Hui Xian Asset Management Limited, in addition to higher income contribution from Cache Property Management Pte. Ltd.
- 10% growth in adjusted net profit after taking into account one-off adjustments

Notes:

- (1) Recurrent management fees from REIT, ARA Private Funds and real estate management services divisions
- (2) Primarily REIT acquisition/divestment fees and project management and consultancy fees
- (3) Comprises mainly distribution income, interest income, net gain on fair valuation / disposal of financial assets and net foreign exchange gain.
- (4) 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
- (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 June 2015

# 1H2015 BALANCE SHEET

*Asset-light business model with robust balance sheet*



## Group balance sheet as at 30 June 2015

	S\$'000		S\$'000
Plant and equipment	1,743	Loan and borrowings	60,141
Intangible assets	1,029	Other payables	1,449
Associates	10,170	Deferred tax liabilities	124
Financial assets	354,177		
Deferred tax asset	717		
Other receivables	5,701		
<b>Non-current assets</b>	<b><u>373,537</u></b>	<b>Non-current liabilities</b>	<b><u>61,714</u></b>
Financial assets	24,812	Trade and other payables	21,040
Trade and other receivables	35,868	Loan and borrowings	50,545
Cash and cash equivalents	61,434	Current tax payable	12,152
<b>Current assets</b>	<b><u>122,114</u></b>	<b>Current liabilities</b>	<b><u>83,737</u></b>
		<b>Total liabilities</b>	<b><u>145,451</u></b>
		<b>Shareholders' equity</b>	<b><u>350,200</u></b>
<b>Total assets</b>	<b><u>495,651</u></b>	<b>Total liabilities &amp; shareholders' equity</b>	<b><u>495,651</u></b>

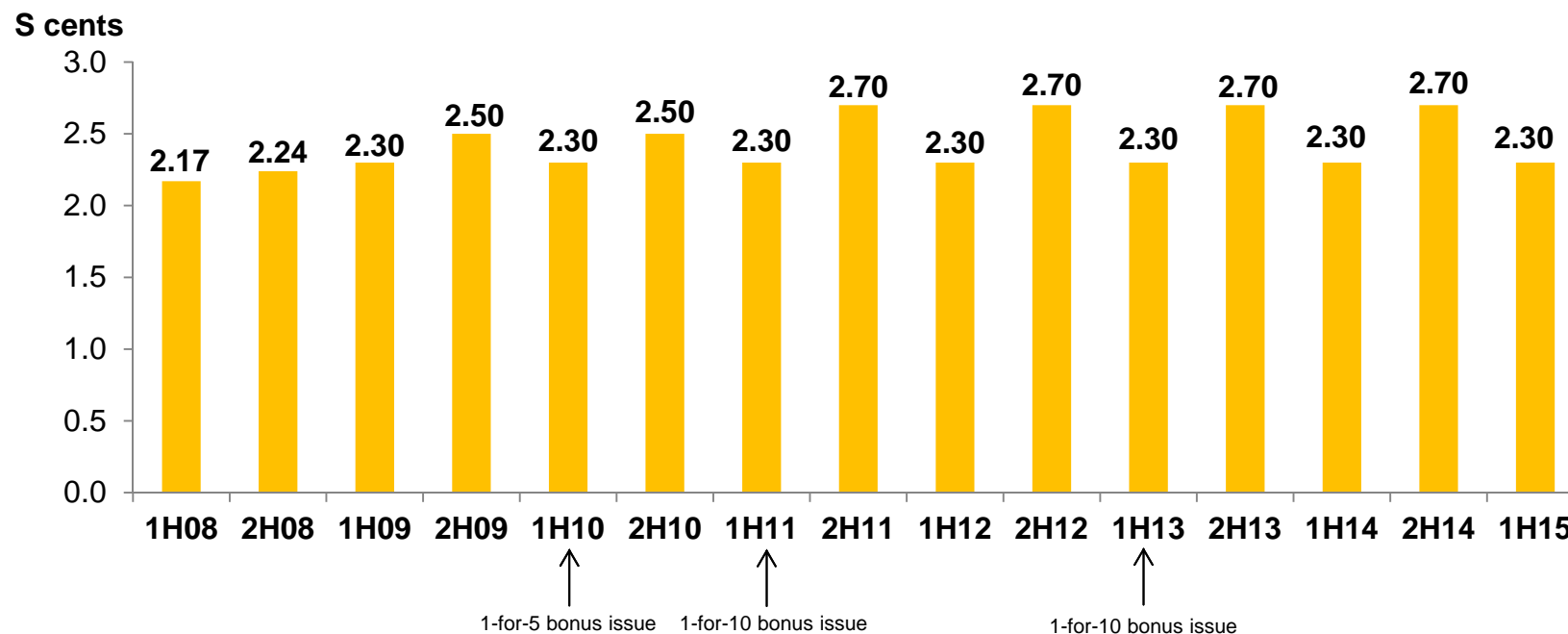


# REWARDING SHAREHOLDERS

*Interim dividend of S\$0.023 per share*



**Sustainable dividend payout of 5.0 Singapore Cents per share annually  
barring any unforeseen circumstances**



## Interim Dividend

FY2015 Interim Dividend	(S Cents)	2.30
1H2015 EPS	(S Cents)	4.19
Payout Ratio	(%)	54.9%

## Timeline

Ex-dividend date	14 Aug 2015
Books closure date	18 Aug 2015
Payment date	28 Aug 2015



# Building Sustainable Growth



SETTING SIGHTS ON NEW HEIGHTS

# A RESILIENT PORTFOLIO OF FUNDS & SERVICES

*Diversified funds management platforms and complementary services*



REITs	FORTUNE REIT 豐富產業信託	SUNTEC Real Estate Investment Trust	PROSPERITY REIT 泓富產業信託	AmFIRST Real Estate Investment Trust	CACHE LOGISTICS TRUST	HUI XIAN REIT 匯賢產業信託	ARA-NPS REITs
<b>Listing Venue</b>	SGX-ST & HKEx	SGX-ST	HKEx	Bursa	SGX-ST	HKEx	Private REITs
<b>Listing Year</b>	2003	2004	2005	2006	2010	2011	2007; 2010 <sup>(1)</sup>
<b>Focus</b>	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
<b>Property Value<sup>(2)</sup></b>	HK\$35,238m	S\$8,674m	HK\$9,890m	RM1,332m	S\$1,219m	RMB41,704m	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
<b>Description</b>	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
<b>Fund Size</b>	US\$1,133m (Committed Capital)	US\$441m (Committed Capital)	S\$661.5m (Gross Asset Value)	US\$503m <sup>(3)</sup> (Committed Capital)	US\$240m (Committed Capital)	S\$344m (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
<b>Description</b>	Property management services provider		Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities				

(1) Two closed-end privately-held REITs with finite term of 10 years

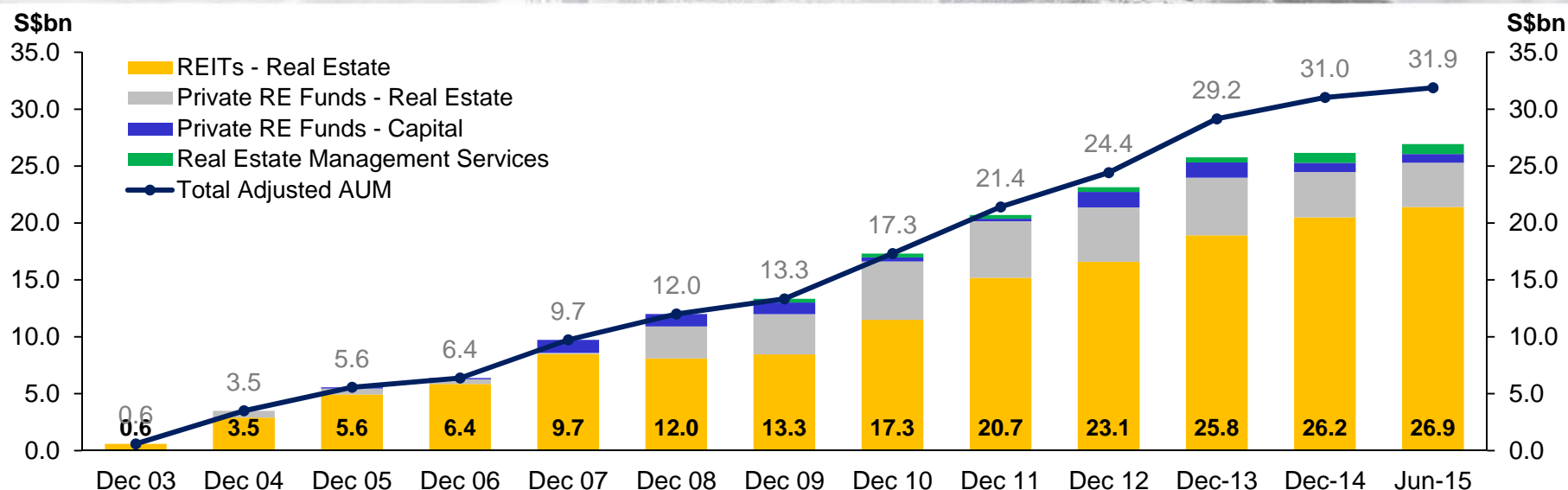
(2) Based on publicly-announced valuations as at 30 June 2015

(3) Received additional capital commitments of approximately US\$300 million with effect from 1 July 2015



# GROWTH IN GROUP AUM NET OF DIVESTMENTS

Group AUM as at 30 June 2015 grew to S\$26.9 billion



- Total Adjusted AUM reflects the annual Group AUM before accounting for the effect of divestments by ADF I
- Approximately S\$5.0 billion of ADF I assets divested to date

Assets Under Management <sup>(1)</sup> (S\$bn)	Jun 2015	Dec 2014	Change
REITs – Real Estate <sup>(2)</sup>	21.4	20.5	4.4%
Private Real Estate Funds – Real Estate	3.9	4.0	(2.5%)
Private Real Estate Funds – Capital <sup>(3)</sup>	0.7	0.8	(3.8%)
Real Estate Management Services <sup>(4)</sup>	0.9	0.9	-
<b>Total</b>	<b>26.9</b>	<b>26.2</b>	<b>3.0%</b>

Notes:

1. Based on exchange rates as at 30 June 2015
2. Comprises gross property value of REITs managed by subsidiaries & associated companies
3. Unutilised capital commitments including capital committed for projects pending completion
4. Revenue base for real estate management services fee computation and gross property value of other properties under management

# EXPANDING PARTNERSHIPS

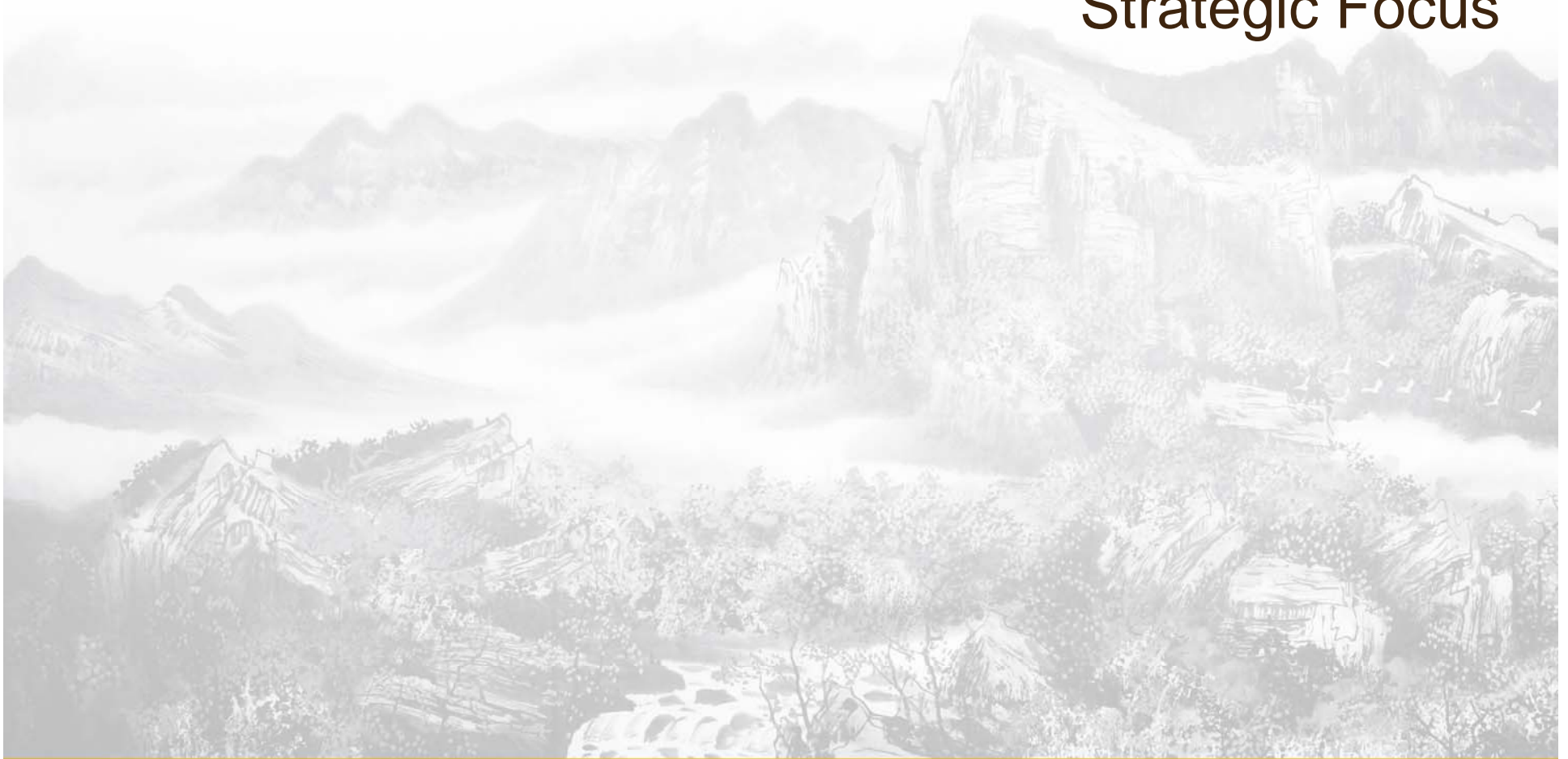
*Forging ahead with strong partnerships*



	Straits Trading Company	CK Hutchison	CalPERS	Teachers Retirement System of Texas	New York State Common Retirement Fund	CWT	AmInvestment Group Berhad	Citic Bank	NPS South Korea
Description	Leading Singapore-based investment holding company with Asia-wide business interests and investments.	Leading multi-national conglomerate. One of the largest real estate developers in Hong Kong and Asia.	Largest US public pension fund by assets.	Among top ten largest US pension funds by assets.	Among top ten largest US pension funds by assets.	Largest listed logistics company in Southeast Asia.	One of Malaysia's premier financial services group.	Leading China-focused international investment bank.	4 <sup>th</sup> largest public pension fund in the world. Largest investor in South Korea.
Relationship	Strategic partner. Provides capital support and access to extensive Asia business network.	One of ARA's founding shareholders. Provides access to extensive portfolio of real estate properties and extensive Asia business network.	Anchor investor in ARA Asia Dragon Fund I and II. Separate account investor in ARA China Investment Partners.	Anchor investor in ARA Asia Dragon Fund I and II.	Separate account investor in Morningside Investment Partners.	Joint venture partner of ARA in the manager of Cache Logistics Trust listed in Singapore.	Joint venture partner of ARA in the manager of AmFIRST REIT listed in Malaysia.	Joint venture partner of ARA in the manager of Hui Xian REIT listed in Hong Kong.	Sole investor in 2 private REITs managed by ARA.



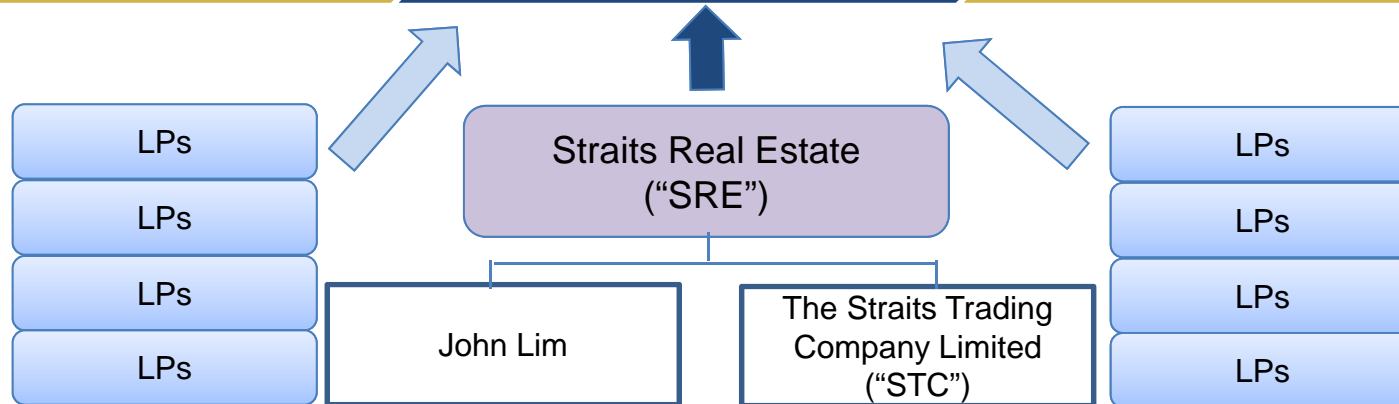
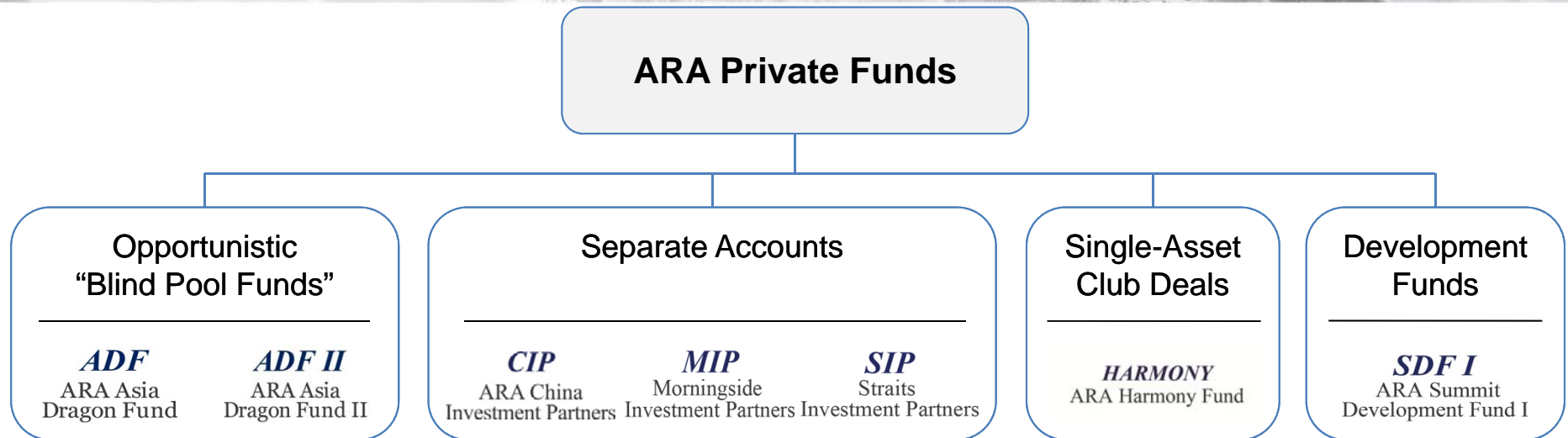
## Strategic Focus



SETTING SIGHTS ON NEW HEIGHTS

# BUILDING 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**

# ARA GROUP INVESTMENT OFFICE

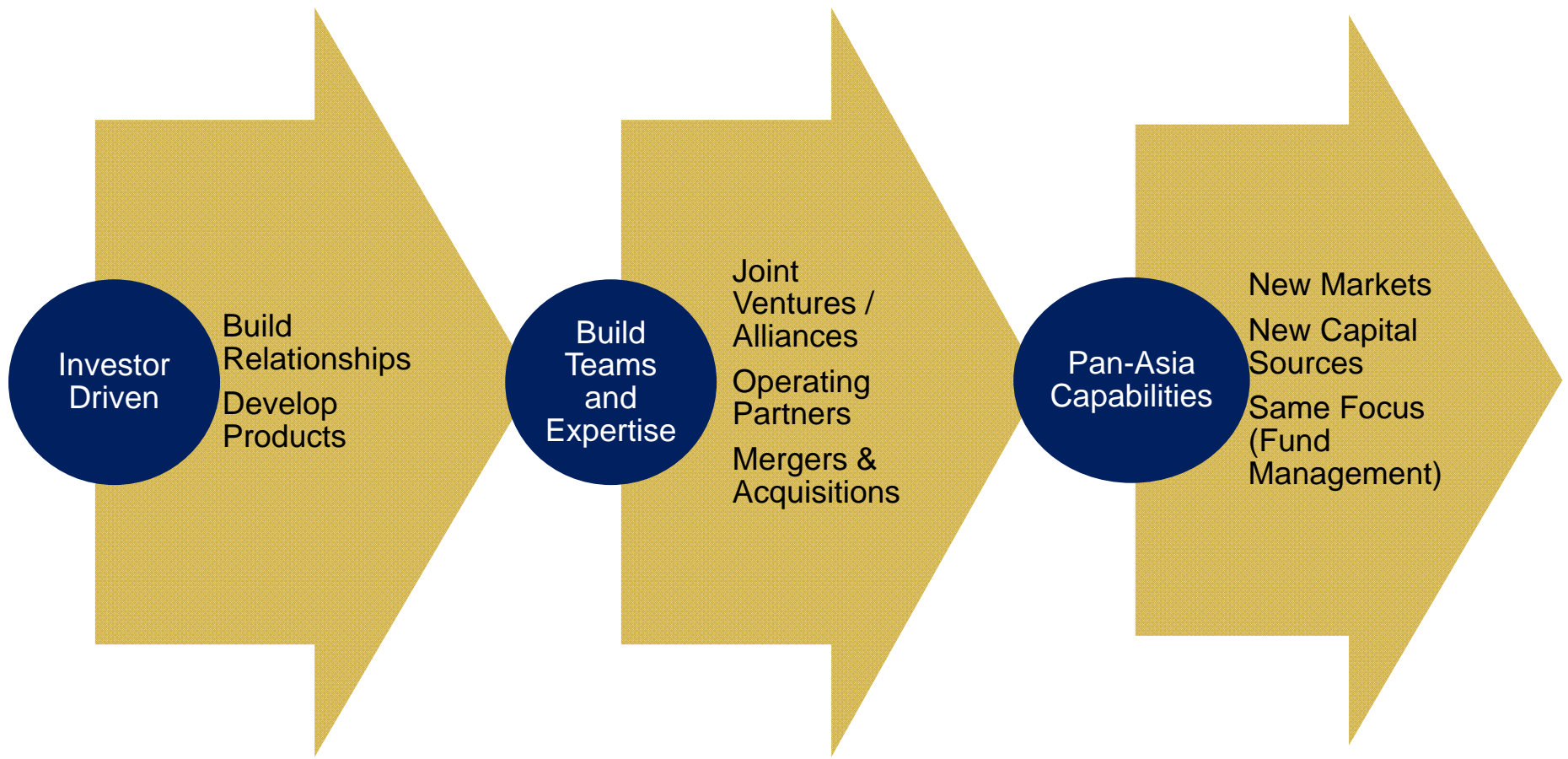
*Driving the Group's expansion*





# KEY INITIATIVES

*Maintain focus and build on successes*



# ESTABLISHED REGIONAL NETWORK

*Expanding regional footprint across Asia*



- Established regional network spanning 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 1,116<sup>(1)</sup>

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*



**JOHN LIM**  
GROUP CEO

**NG BENG TIONG**  
ASSISTANT GROUP CEO  
CUM CEO, PRIVATE FUNDS

**MOSES K. SONG**  
ASSISTANT GROUP CEO  
CUM GROUP CIO

**REIT Division**  
JOHN LIM  
CEO

**Private Funds Division**  
NG BENG TIONG  
CEO

**Group Investment Office**  
MOSES K. SONG  
GROUP CIO

**Real Estate Management Services Division**

**Corporate Divisions**

**Suntec REIT**  
YEO SEE KIAT  
CEO

**ADF I**  
NG BENG TIONG  
CEO

**ARA Private Funds**  
PAUL YI  
HEAD, INVESTMENTS

**China Desk**  
MUN HON PHENG  
COUNTRY HEAD

**ARA Financial**  
LOW POH CHOO  
SENIOR DIRECTOR

**ARA Korea**  
ANTHONY D. KANG  
CEO

**APM Singapore**  
ANTHONY YIP  
DEPUTY CHAIRMAN

**Finance & Compliance**  
CHERYL SEOW  
GROUP CHIEF FINANCIAL OFFICER

**Fortune REIT**  
CHIU YU JUSTINA  
CEO

**ADF II**  
PAUL YI  
CEO

**ARA Private Funds**  
SIEW SIEW HOON  
HEAD, ASSET MANAGEMENT

**Group Business Development**  
ALVIN LOO  
DIRECTOR

**ARA Australia**  
DAVID BLIGHT  
CEO

**APM China**  
MUN HON PHENG  
CEO

**Group Risk Management & Internal Audit**  
TANG BOON KANG  
DIRECTOR

**Prosperity REIT**  
MAVIS WONG  
CEO

**Harmony II**  
SIEW SIEW HOON  
CEO

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HEAD, PORTFOLIO MANAGEMENT

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COUNTRY HEAD

**APM Malaysia**  
JUNE LIM  
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**Corporate Office**  
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ASSISTANT GROUP CEO

**Cache Logistics Trust**  
DANIEL CERF  
CEO

**Harmony III**  
THOMAS KONG  
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**Suntec Singapore**  
ARUN MADHOK  
CEO

**Group HR & Corporate Development**  
PAULINE LIM  
DIRECTOR

**AmFIRST REIT**  
WONG KHIM CHON  
CEO

**CIP**  
NG BENG TIONG  
CEO

**ARA Private Funds**  
ENG HWI CHENG  
HEAD, LEGAL & COMPLIANCE

**India / GCC Desk**  
ALVIN LOO  
DIRECTOR

**Suntec International**  
ARUN MADHOK  
CEO

**Group Office Administration**  
SERENE YEO  
ASSISTANT DIRECTOR

**Hui Xian REIT**  
TOM CHEUNG  
CEO

**MIP**  
DAVID KIM  
CEO

**ARA-NPS REIT**  
ANTHONY D. KANG  
CEO

**SIP**  
THOMAS KONG  
CEO

**ARA-NPS REIT 2**  
ANTHONY D. KANG  
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**SDF I**  
DAVID BLIGHT  
CEO



**Thank You**

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