



ARA Asset Management Limited

Results for the Nine Months ended
30 September 2015

SETTING SIGHTS ON NEW HEIGHTS



YTD2015 Highlights



YTD2015 HIGHLIGHTS

Business expansion initiatives to drive future growth



Further broaden our existing multi-product/jurisdiction platform for REITs

Building a sustainable growth in AUM

Broadening our suite of private real estate funds under management

Expansion into new target markets

UNLOCKING VALUE WHILST SEEKING GROWTH IN NEW FUNDS

• REITs:

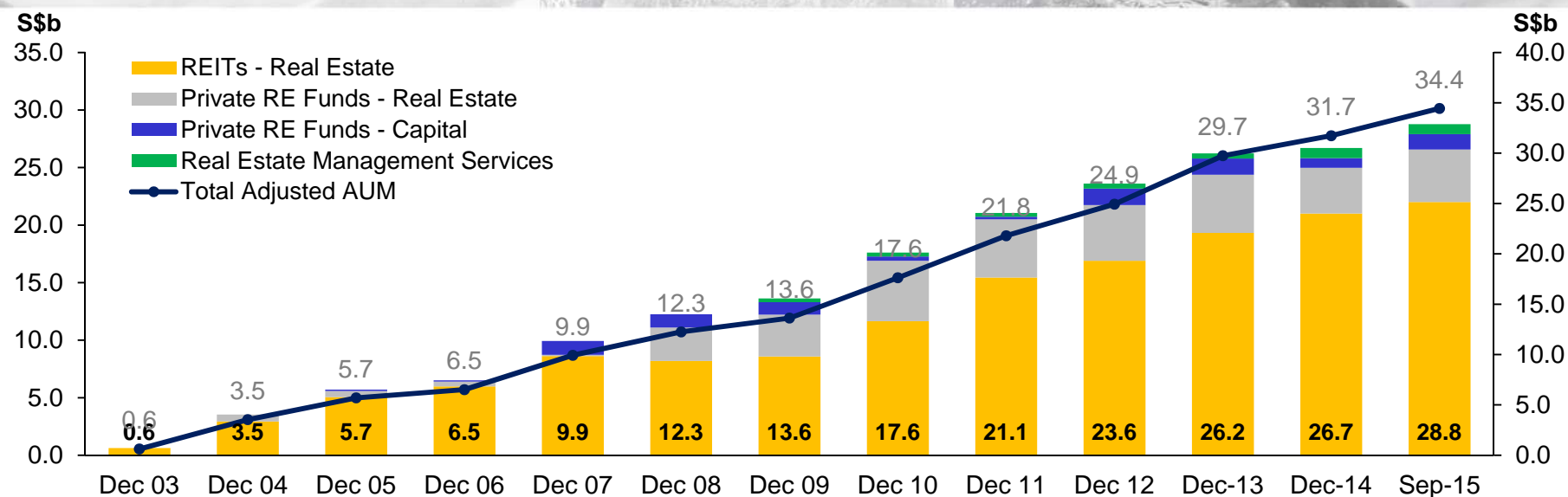
- ✓ Fortune REIT divested Nob Hill Square for HK\$648 million at 2.9% yield; Cache Logistics Trust divested Kim Heng Warehouse for S\$9.7 million at a 9% premium over the original acquisition price
- ✓ Suntec REIT announced its proposed sale of Park Mall in conjunction with its 30.0 per cent interest 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
- ✓ Launched ARA's third privately-held Korean REIT (named ARA ShinYoung Residential Development Real Estate Investment Company) and the successful completion of its first investment in a residential development project in Seoul with a total development cost of approximately KRW43 billion
- ✓ Cache Logistics Trust announced the proposed acquisition of a warehouse in Australia for A\$27 million, its fourth acquisition in Australia after its maiden acquisition of three distribution warehouses earlier in the year

• ARA Private Funds:

- ✓ Successfully raised US\$325 million in capital commitments for Peninsula Investment Partners, L.P., a new private real estate fund with a mandate to invest in real estate assets across Asia, including Australia, Singapore, Hong Kong, China and Japan. A closed-end fund with an initial term of 10 years which may be extended along with the option to upsize its capital commitment, it creates a scalable platform to build up a larger fund size over time
- ✓ Successfully raised capital commitments for ARA Harmony Fund III which has invested in a RM1.7 billion portfolio of commercial properties in Malaysia. Straits Real Estate Pte. Ltd., is one of the major co-investors in the fund
- ✓ Additional capital commitments of US\$317.6 million for ARA China Investment Partners with effect from 1 July 2015
- ✓ Established the Australian platform, further strengthening our presence in the Asia Pacific to 15 cities across Singapore, Hong Kong, China, South Korea, Malaysia and Australia

GROWTH IN GROUP AUM NET OF DIVESTMENTS

Group AUM as at 30 September 2015 rose to S\$28.8 billion



- Total Adjusted AUM reflects the annual Group AUM before accounting for the effect of divestments
- Approximately S\$5.6 billion of ADF I assets divested to date

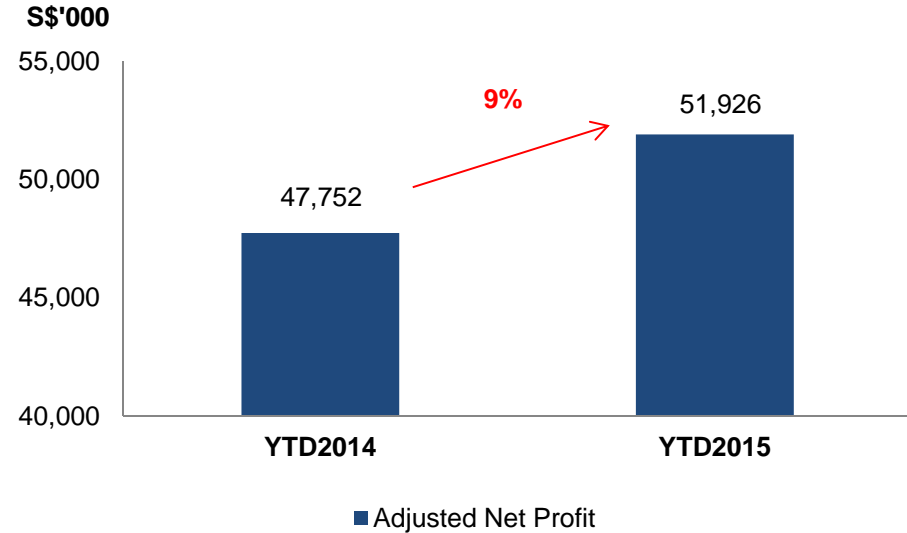
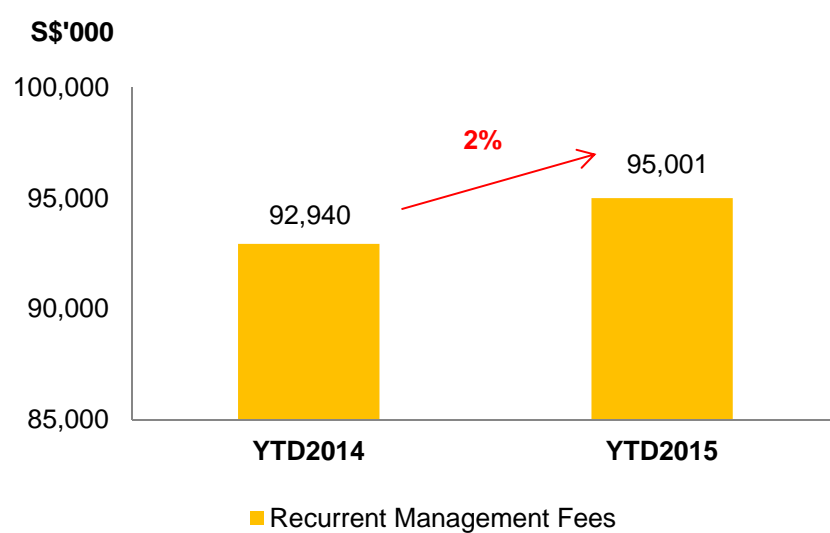
Assets Under Management ⁽¹⁾ (S\$b)	Sep 2015	Dec 2014	Change
REITs – Real Estate ⁽²⁾	22.0	21.0	4.7%
Private Real Estate Funds – Real Estate	4.6	4.0	15.1%
Private Real Estate Funds – Capital ⁽³⁾	1.3	0.8	57.2%
Real Estate Management Services ⁽⁴⁾	0.9	0.9	-
Total	28.8	26.7	7.8%

Notes:

- (1) Based on exchange rates as at 30 September 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

YTD2015 HIGHLIGHTS

Continued growth in recurrent management fees; 9% growth in adjusted net profit



- Recurrent management fees comprise management fees received from the REIT, ARA Private Funds and real estate management services divisions
 - growth in recurrent management fees mainly led by the REIT division
- Adjusted net profit refers to net profit excluding one-off adjustments arising from:
 - gain / (loss) on fair valuation / disposal of financial assets;
 - acquisition, divestment and performance fees;
 - bargain purchase arising from acquisition;
 - impairment on available for sale financial assets;
 - gain / (loss) on disposal of investments; and
 - performance-based bonuses

YTD2015 HIGHLIGHTS

Strong growth in REIT management fees; 9% growth in adjusted net profit



Financial Highlights		YTD2015	YTD2014	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	95,001	92,940	2%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	8,680	19,479	-55%
Finance income ⁽³⁾	(S\$'000)	8,662	15,925	-46%
Other income	(S\$'000)	220	2,480	-91%
Total Revenue	(S\$'000)	112,563	130,824	-14%
Results from operating activities	(S\$'000)	58,347	78,182	-25%
Share of Profit of Associates	(S\$'000)	6,307	3,151	100%
Net Profit attributable to equity holders of the Company	(S\$'000)	52,495	69,350	-24%
Adjusted Net Profit attributable to equity holders of the Company⁽⁴⁾	(S\$'000)	51,926	47,752	9%

- REIT management fees up 13% year-on-year to S\$64.3 million driven by improved asset performance and fee contributions from new acquisitions. Total recurrent management fees higher at S\$95.0 million
- Establishment of ARA Harmony Fund III and Peninsula Investment Partners, L.P. under ARA Private Funds; 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
- Lower acquisition, divestment and performance fees due to one-off S\$16.1 million performance fee received from the ARA Harmony Fund II in 3Q2014; excluding this, overall fees were higher, arising mainly from the respective acquisitions and divestments made by Fortune REIT and Cache Logistics Trust
- Higher share of profit 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.
- 9% 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

YTD2015 BALANCE SHEET

Asset-light business model with robust balance sheet



Group balance sheet as at 30 September 2015

	S\$'000		S\$'000
Plant and equipment	1,909	Loan and borrowings	60,266
Intangible assets	992	Other payables	1,580
Associates	9,184	Deferred tax liabilities	125
Financial assets	373,177		
Deferred tax asset	685		
Other receivables	5,781		
Non-current assets	<u>391,728</u>	Non-current liabilities	<u>61,971</u>
Financial assets	25,293	Trade and other payables	23,268
Trade and other receivables	44,547	Loan and borrowings	77,445
Cash and cash equivalents	42,261	Current tax payable	11,381
Current assets	<u>112,101</u>	Current liabilities	<u>112,094</u>
		Total liabilities	<u>174,065</u>
		Shareholders' equity	<u>329,764</u>
Total assets	<u>503,829</u>	Total liabilities & shareholders' equity	<u>503,829</u>



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	ARA-ShinYoung Private Real Estate Investment Trust Private REIT	
Listing Venue	SGX-ST & HKEx	SGX-ST	HKEx	Bursa	SGX-ST	HKEx	Private REITs	Private REIT	
Listing Year	2003	2004	2005	2006	2010	2011	2007; 2010 ⁽¹⁾	2015	
Focus	Suburban retail properties in Hong Kong	Prime office & retail properties in S'pore & Aust	Office & ind/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	Residential properties in South Korea	
Property Value⁽²⁾	HK\$35,238m	S\$8,674m	HK\$10,258m	RM1,332m	S\$1,245m	RMB41,704m	KRW627,800m	KRW43,000m	
Private Real Estate Funds	<i>ADF</i> ARA Asia Dragon Fund	<i>ADF II</i> ARA Asia Dragon Fund II	<i>HARMONY II</i> ARA Harmony Fund II	<i>HARMONY III</i> ARA Harmony Fund III	<i>CIP</i> ARA China Investment Partners	<i>MIP</i> Morningside Investment Partners	<i>PIP</i> Peninsula 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 & 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	Private real estate fund which owns a portfolio of retail properties in Malaysia	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	Core-plus private real estate fund investing in real estate assets across Asia including Australia, Singapore, Hong Kong, China and Japan	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)	RM1,700m (Gross Asset Value)	US\$821m ⁽³⁾ (Committed Capital)	US\$240m (Committed Capital)	US\$325m (Committed Capital)	S\$339m (Gross Asset Value)	US\$80m (Committed Capital)
Real Estate Mgmt Services	APM (A Member of the ARA Group)				Suntec SINGAPORE Convention & Exhibition Centre		Suntec INTERNATIONAL Convention & Exhibition Services		Notes:
Description	Property management services provider		Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities			<ol style="list-style-type: none"> (1) Two closed-end privately-held REITs with finite term of 10 years (2) Based on publicly-announced valuations as at 30 September 2015 (3) Received capital commitments of US\$317.6 million with effect from 1 July 2015 			

EXPANDING PARTNERSHIPS

Forging ahead with strong partnerships



	Straits Trading Company	Cheung Kong Property Holdings	CaIPERS	Teachers Retirement System of Texas	New York State Common Retirement Fund	CWT	AmInvestment Group Berhad	Citic Bank	NPS South Korea	Anchor Investor of PIP
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 th largest public pension fund in the world; largest investor in South Korea	Premier Asian-based sovereign wealth fund
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	Separate account investor in Peninsula Investment Partners



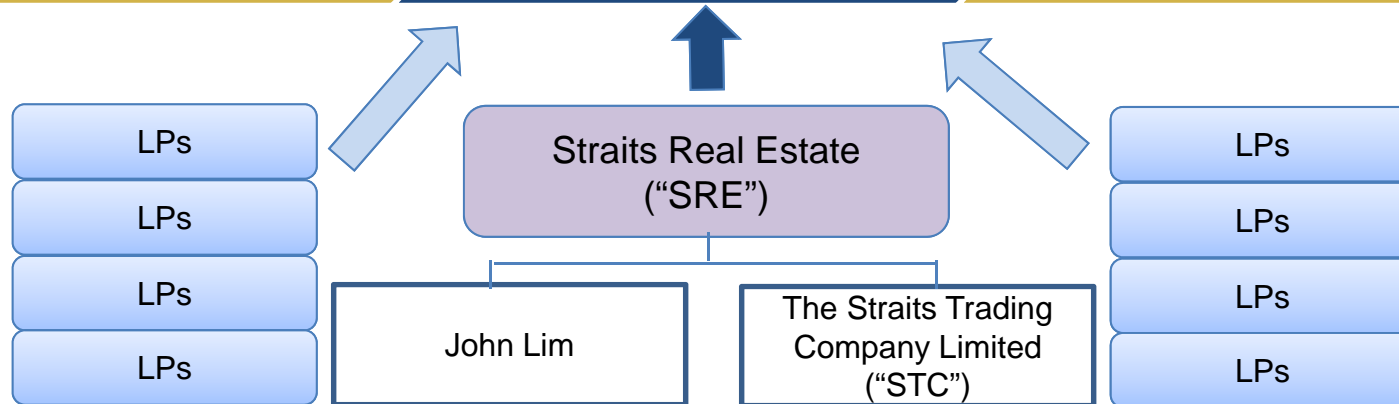
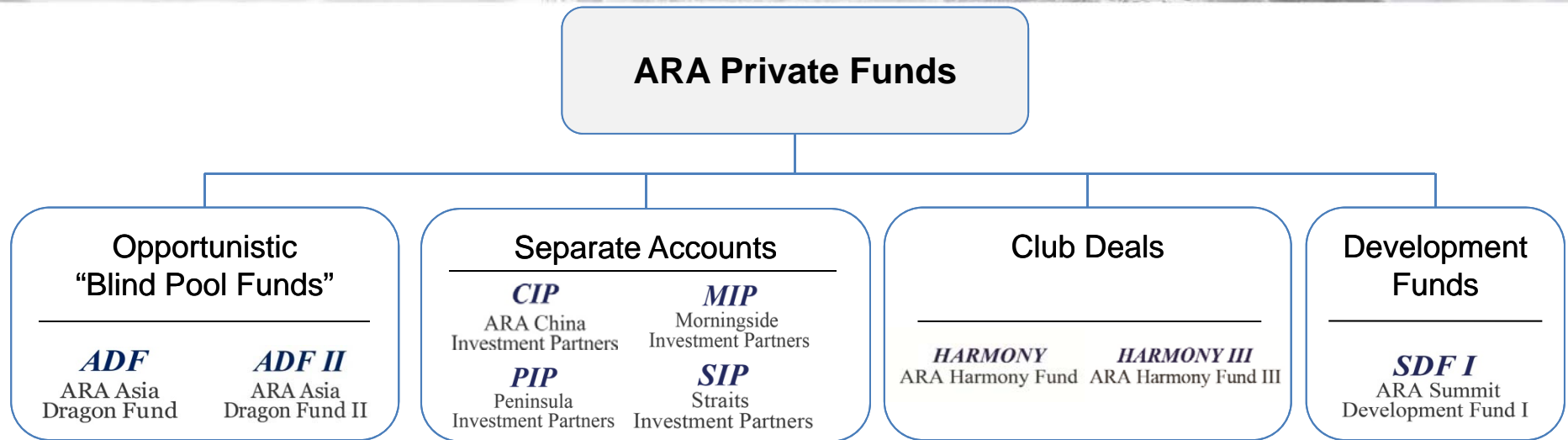
Strategic Focus



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

