



ARA Asset Management Limited

Results for the Full Year ended
31 December 2015

SETTING SIGHTS ON NEW HEIGHTS

CORPORATE PROFILE



ARA Asset Management Limited (“ARA” or the “Company” and together with its subsidiaries, the “Group”) is a premier integrated real estate fund manager in Asia, founded on its core values of *Integrity*, *Excellence*, *Respect* and *Teamwork*.

Established in 2002, ARA is driven by a vision to be the best-of-class investment manager, offering bespoke solutions and enduring value to its investors and partners. Over the years, ARA has distinguished itself with its strong track record, extensive business network, local operational expertise and steadfast fiduciary commitment.

ARA has built a diverse suite of real estate investment trusts (“REITs”) and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region. Complemented by its in-house real estate management services and corporate finance advisory services, ARA creates value in every stage of the asset life cycle.

ARA is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) since November 2007. Today, it has over 1,200 professionals in 15 cities managing total assets of approximately S\$30 billion.



FY2015 Highlights



FY2015 HIGHLIGHTS

Business expansion initiatives to drive future growth



Notes:

(1) Based on exchange rates as at 31 December 2015 and after accounting for divestments

FY2015 HIGHLIGHTS

Business expansion initiatives to drive future growth



REITs: UNLOCKING VALUE WHILST SEEKING GROWTH AND DIVERSIFICATION

- ✓ Launched ARA's third privately-held Korean REIT (ARA ShinYoung REIT) and the successful completion of its first investment in a residential development project in Seoul with a total development cost of approximately KRW43 billion
- ✓ Suntec REIT acquired three floors of strata office space at Suntec Tower Two at a purchase consideration of S\$101.6 million
- ✓ Cache Logistics Trust acquired six Australian properties for a total purchase value of approximately A\$163.8 million
- ✓ 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 divested Park Mall for S\$411.8 million in conjunction with its 30.0 per cent interest in a joint venture to redevelop Park Mall
- ✓ Suntec REIT completed its S\$410 million asset enhancement initiative; Fortune REIT completed its asset enhancement initiative at Belvedere Square; Cache completed development of DHL Supply Chain Advanced Regional Centre

ARA PRIVATE FUNDS: SECURED NEW CAPITAL AND NEW 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
- ✓ Successfully raised capital commitments for ARA Harmony Fund III which has invested in a RM1.7 billion portfolio of commercial properties in Malaysia
- ✓ Successfully established ARA Harmony Fund V for the redevelopment of Park Mall into a commercial development comprising two office blocks and an ancillary retail component
- ✓ Received additional capital commitment of US\$317.6 million for ARA China Investment Partners
- ✓ 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

FY2015 HIGHLIGHTS

ARA Rights Issue approximately 129% subscribed



Key Terms of ARA's Renounceable Underwritten Rights Issue launched on 11 November 2015

Reference Market Price	: 1.42
Rights Ratio	: 18 for 100
Rights Issue Price	: S\$1.00
Rights Shares	: 152,127,196
Gross Proceeds	: Approximately S\$152.1 million

In pursuit of growth opportunities

- *Strategic Investments and/or seed capital for the existing and new funds which it manages*

De-leverage and boost Group balance sheet

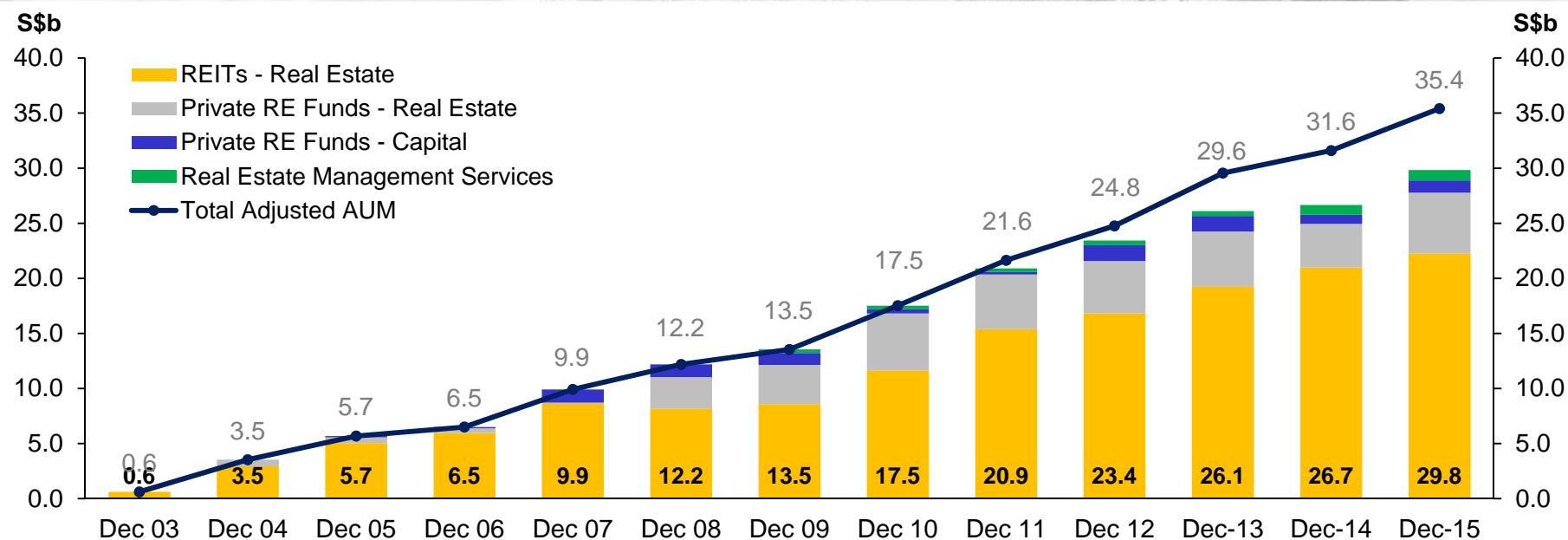
- *Repay Shareholder Loan from The Straits Trading Company Limited; repayment of short term debts pending deployment of proceeds*

Greater alignment of interest with investors

- *Co-investment alongside investors reflecting strong commitment towards furthering the growth of ARA's two key fund platforms, being REITs and private real estate funds under management*

GROWTH IN GROUP AUM NET OF DIVESTMENTS

Group AUM as at 31 December 2015 rose to S\$29.8 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)	Dec 2015	Dec 2014	Change
REITs – Real Estate ⁽²⁾	22.2	21.0	6.0%
Private Real Estate Funds – Real Estate	5.5	4.0	39.6%
Private Real Estate Funds – Capital ⁽³⁾	1.1	0.8	32.0%
Real Estate Management Services ⁽⁴⁾	0.9	0.9	7.3%
Total	29.8	26.7	11.9%

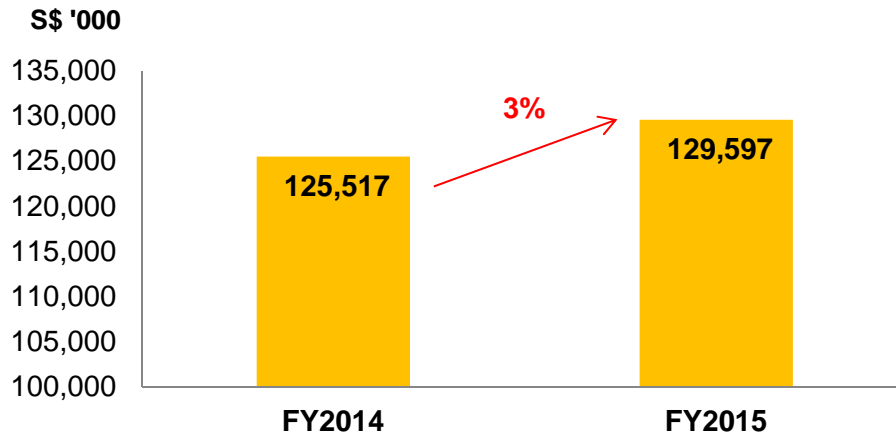
Notes:

- (1) Based on exchange rates as at 31 December 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

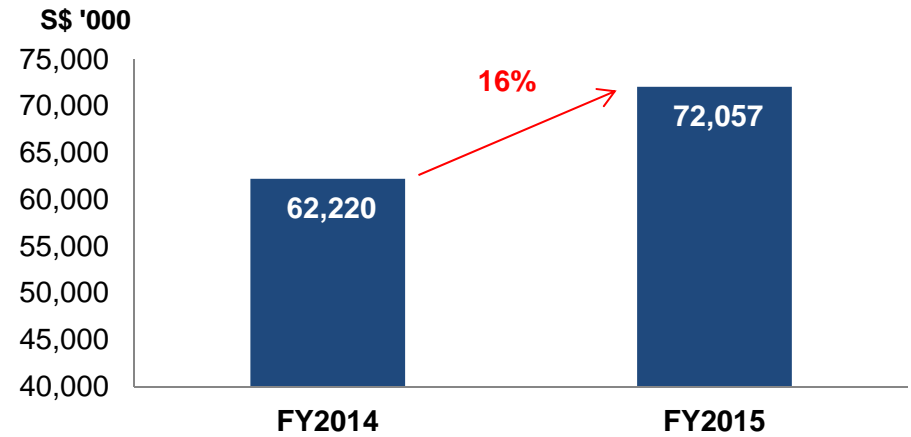
FY2015 HIGHLIGHTS



Continued growth in recurrent management fees; 16% growth in adjusted net profit

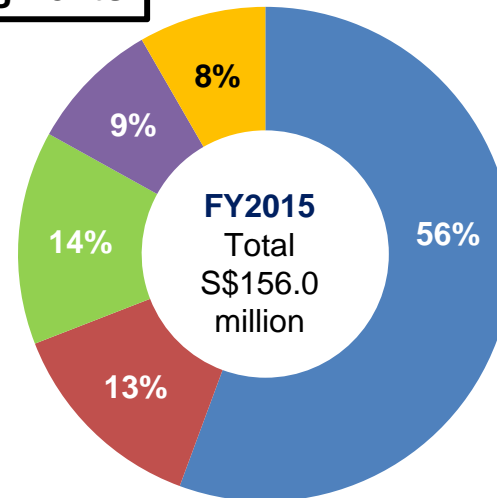
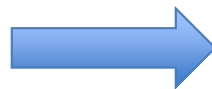
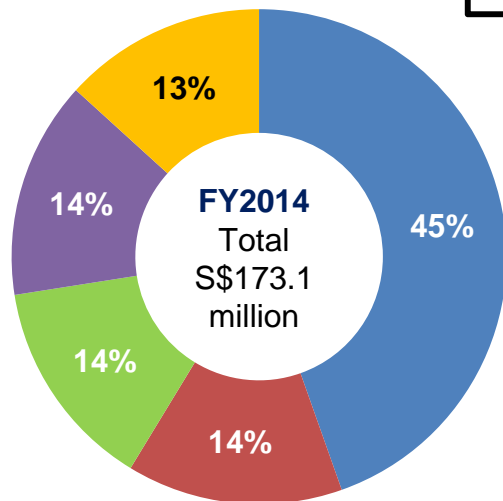


■ Recurrent Management Fees



■ Adjusted Net Profit

Total revenue by segments



- REIT management fees
- Portfolio management fees
- Real estate management services
- Acquisition, divestment and performance fees
- Finance income and other income

FY2015 HIGHLIGHTS

Strong growth in REIT management fees; 16% growth in adjusted net profit



Financial Highlights		FY2015	FY2014	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	129,597	125,517	3%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	13,453	24,593	-45%
Finance income ⁽³⁾	(S\$'000)	12,367	20,393	-39%
Other income	(S\$'000)	610	2,555	-76%
Total Revenue	(S\$'000)	156,027	173,058	-10%
Results from operating activities	(S\$'000)	87,983	99,312	-11%
Share of Profit of Associates	(S\$'000)	7,465	4,305	73%
Net Profit attributable to equity holders of the Company	(S\$'000)	78,058	87,510	-11%
Adjusted Net Profit attributable to equity holders of the Company⁽⁴⁾	(S\$'000)	72,057	62,220	16%

- REIT management fees up 12% year-on-year to S\$86.8 million driven by improved asset performance and fee contributions from new acquisitions. Total recurrent management fees higher at S\$129.6 million
- Establishment of Peninsula Investment Partners, L.P., ARA Harmony Fund III and ARA Harmony Fund V under ARA Private Funds; higher portfolio management fees received from the various funds under management notwithstanding 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 FY2014; excluding this, overall fees increased by 58%, boosted mainly by the respective acquisitions and divestments made by Suntec REIT, 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.
- 16% 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

FY2015 BALANCE SHEET

Robust balance sheet



Group balance sheet as at 31 December 2015

	S\$'000		S\$'000
Plant and equipment	2,105	Loan and borrowings	14,118
Intangible assets	1,147	Other payables	1,832
Associates and joint venture	16,191	Deferred tax liabilities	115
Financial assets	397,294		
Deferred tax assets	712		
Other receivables	5,566		
Non-current assets	<u>423,015</u>	Non-current liabilities	<u>16,065</u>
Financial assets	33,509	Trade and other payables	25,001
Trade and other receivables	47,827	Loan and borrowings	45
Cash and cash equivalents	76,742	Current tax payable	12,374
Current assets	<u>158,078</u>	Current liabilities	<u>37,420</u>
		Total liabilities	<u>53,485</u>
		Shareholders' equity	<u>527,608</u>
Total assets	<u>581,093</u>	Total liabilities & shareholders' equity	<u>581,093</u>

Seed Capital Investment

The fair value gains arising from ARA's seed capital investments into its private real estate funds under management from inception to date which are not recorded in the income statement but accounted for in the statement of comprehensive income amounted to approximately US\$21.7 million as at 31 December 2015. These gains reflect the underlying performance of the funds, excluding the impact of foreign exchange.

This amount has not been crystallised and there is no guarantee that such amount will be realised at the end of the fund life of each respective fund. Past performance of the funds is not indicative of the future prospects and returns.

ARA intends to hold these seed capital investments in its private real estate funds under management over the long term. The fair values of the respective funds may increase or decrease depending on various factors, risks and assumptions.

Building Sustainable Growth



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 豐富產業信託	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		
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\$35,918m	S\$8,846m	HK\$10,419m	RM1,332m	S\$1,308m	RMB41,704m	KRW624,500m	KRW43,000m		
Private Real Estate Funds	<i>ADF</i> ARA Asia Dragon Fund	<i>ADF II</i> ARA Asia Dragon Fund II	<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>HARMONY II</i> ARA Harmony Fund II	<i>HARMONY III</i> ARA Harmony Fund III	<i>HARMONY V</i> ARA Harmony Fund V	<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	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	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	Private real estate fund established for the redevt of Park Mall	Mandated to invest in real estate devts primarily in Southeast Asia and Australia
Fund Size	US\$1,133m (Committed Capital)	US\$441m (Committed Capital)	US\$821m ⁽³⁾ (Committed Capital)	US\$240m (Committed Capital)	US\$325m (Committed Capital)	S\$340m (GAV)	S\$668m (GAV)	RM1,773m (GAV)	S\$384m (Committed Capital)	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				⁽¹⁾ Two closed-end privately-held REITs with finite term of 10 years ⁽²⁾ Based on publicly-announced valuations as at 31 December 2015 ⁽³⁾ Received capital commitment 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



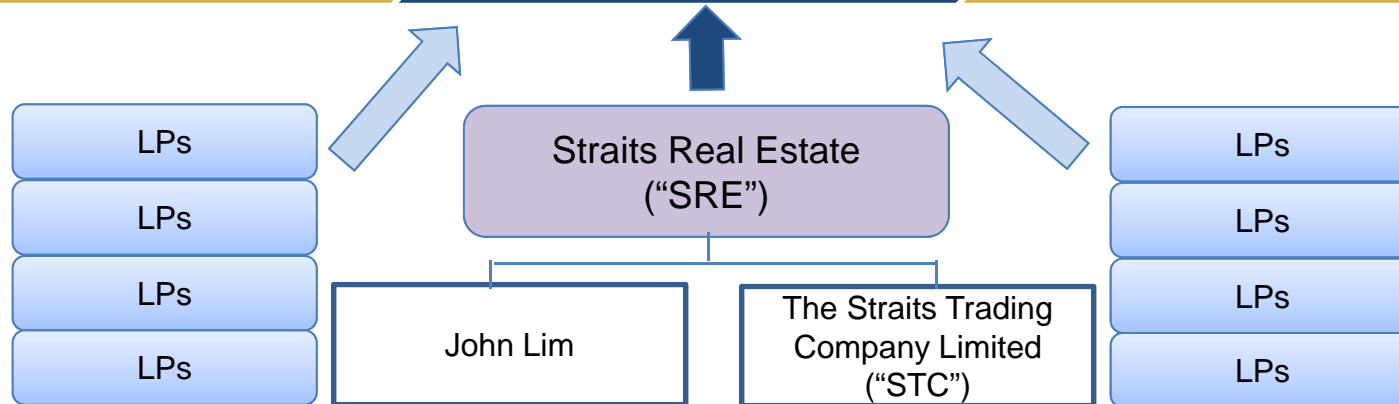
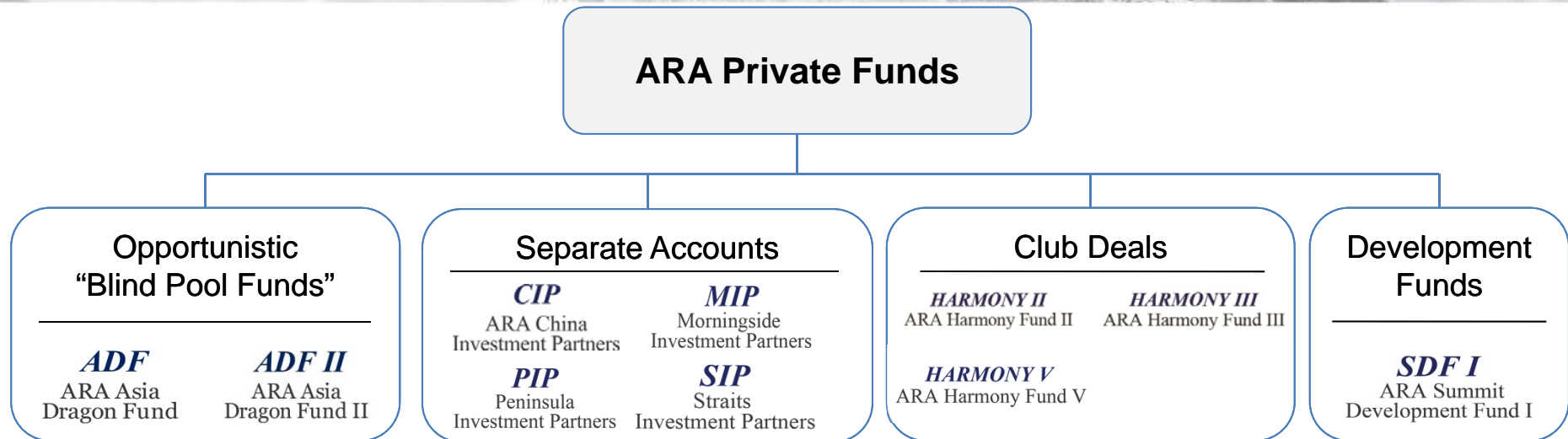
Strategic Focus



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

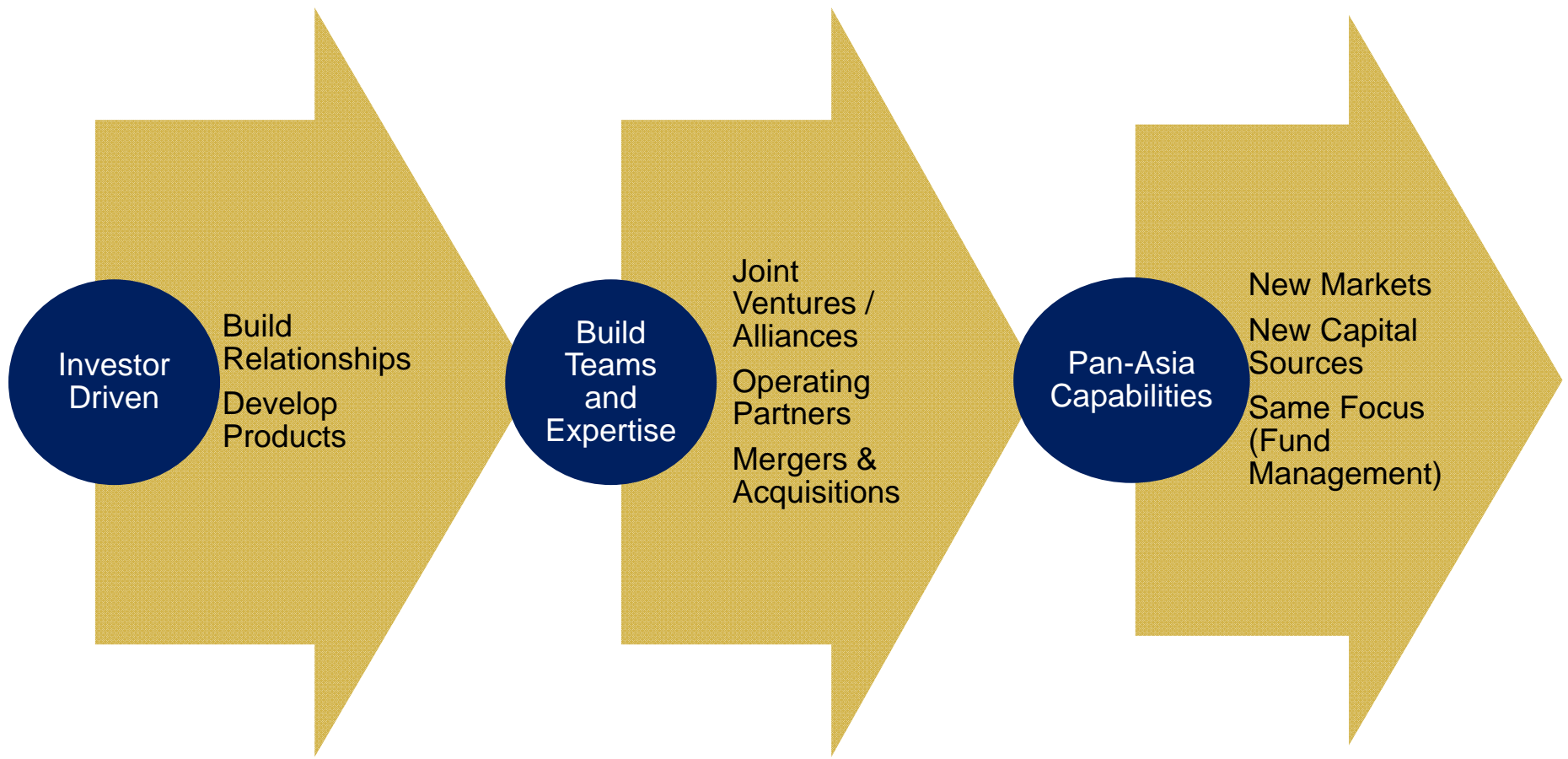
ARA GROUP INVESTMENT OFFICE

Driving the Group's expansion



KEY INITIATIVES

Maintain focus and build on successes



ESTABLISHED REGIONAL NETWORK

Expanding regional footprint across Asia



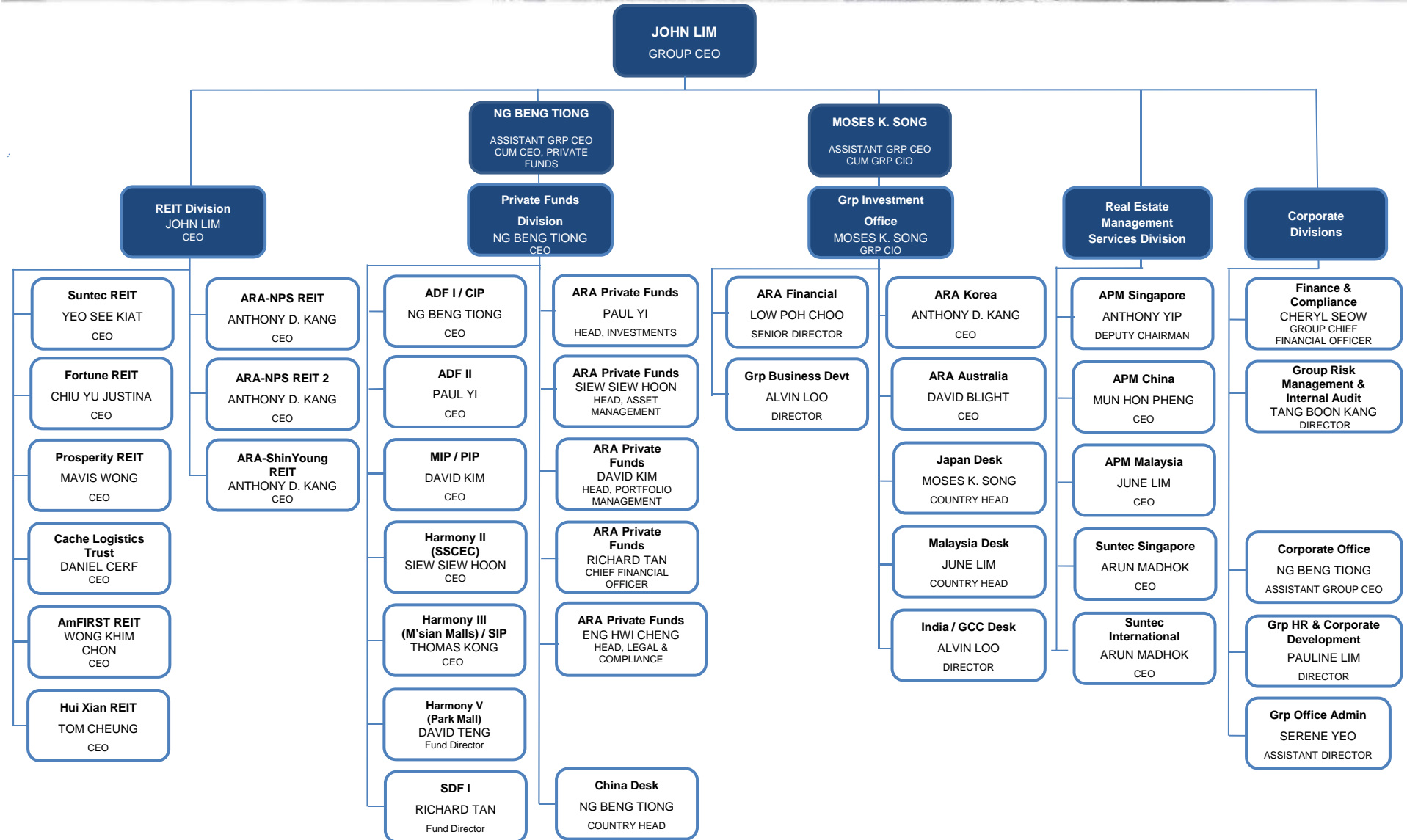
- Established regional network spanning 15 cities in the Asia-Pacific including 6 cities in Mainland China
- Established presence in Melbourne, Australia
- Network now extends across Singapore, Hong Kong, China, South Korea, Malaysia and Australia
- Staff strength of approximately 1,209⁽¹⁾

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





Thank You

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.

Contact

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

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

Global Headquarters:

6 Temasek Boulevard
Suntec Tower Four, #16-02
Singapore 038986

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

Website: www.ara-asia.com