



PRESS RELEASE

ARA POSTS 1Q2016 NET PROFIT OF S\$19.4 MILLION S\$29 BILLION¹ TOTAL ASSETS UNDER MANAGEMENT (“AUM”)

- Recurrent management fees up 14% year-on year
- Growth across in all three business segments - REITs, ARA Private Funds and Real estate management services
- Adjusted net profit² up 10% for first quarter of 2016 (“1Q2016”)

1Q2016 Results Highlights

		1Q2016	1Q2015	% Change
Revenue				
Management fees	(S\$'000)	34,295	30,110	14%
Acquisition, divestment and performance fees	(S\$'000)	1,799	5,380	-67%
Finance income	(S\$'000)	5,040	2,079	142%
Other income	(S\$'000)	290	127	128%
Total revenue	(S\$'000)	41,424	37,696	10%
Results from operating activities	(S\$'000)	22,555	20,110	12%
Share of profit of associates and joint venture	(S\$'000)	1,262	3,235	-61%
Net profit attributable to equity holders of the Company	(S\$'000)	19,354	18,970	2%
Adjusted net profit attributable to equity holders of the Company²	(S\$'000)	18,980	17,237	10%

3 May 2016 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$41.4 million and net profit of S\$19.4 million for the quarter ended 31 March 2016 (“1Q2016”). The Group’s adjusted net profit after taking into account one-off adjustments grew 10% year-on-year to approximately S\$19.0 million for 1Q2016.

Recurrent management fees for 1Q2016 grew strongly by 14% to S\$34.3 million, underpinned by the growth in REIT management fees, portfolio management and service fees as well as real estate management fees. REIT management fees grew 5% year-on-year to S\$22.0 million for

¹ Based on exchange rates as at 31 March 2016 and after accounting for divestments

² 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

1Q2016, mainly attributable to better asset performance from the existing properties post the successful asset enhancement initiatives undertaken which resulted in higher property valuations. Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and Cache's acquisition of three Australian properties in the last quarter of 2015 also contributed to the higher REIT management fees.

Portfolio management and service fees grew 48% year-on-year to S\$6.5 million in 1Q2016, mainly due to higher management fees from the ARA China Investment Partners, LLC following the acquisition of two commercial properties in China in September and December 2015, in addition to the launch of the ARA Harmony Fund III and the ARA Harmony Fund V in August and December 2015 respectively.

Real estate management fees grew 19% year-on-year to S\$5.8 million in 1Q2016, mainly due to higher property management fees received by the Group.

ARA Group CEO Mr John Lim said: "I'm happy to report the increase in our recurrent management fees received across all business segments for the quarter. The Group is actively evaluating investment opportunities in Australia, South Korea and China for its various funds and in particular we have executed swiftly on two investments to date for the Peninsula Investment Partners L.P. which was established in September 2015."

Notwithstanding the lower acquisition, divestment and performance fees of S\$1.8 million and share of profit of associates and joint venture of S\$1.3 million in 1Q2016, net profit was higher at S\$19.4 million in 1Q2016 compared to S\$19.0 million in the previous year. The adjusted net profit after taking into account one-off adjustments was higher at S\$19.0 million in 1Q2016, a growth of 10% compared to 1Q2015.

As at 31 March 2016, the Group's total AUM stood at approximately S\$28.9 billion (approximately US\$21.5 billion), moderated by a strengthened Singapore dollar against foreign currencies; in particular the US dollar and the effect of divestments.

Mr Lim added: "Despite the ensuing volatile macroeconomic environment, our business model remains robust and scalable for us to pursue our growth strategies with prudence and discipline. Notwithstanding sector headwinds, the performance of the office and retail portfolios under management is expected to be stable for the year and our long-term growth initiatives will add value to stakeholders."

– 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 business 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 three privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia; and
- (c) Real estate management services – The Group provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre

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