

The logo for ARA Asset Management Limited, featuring the letters 'ARA' in a bold, blue, sans-serif font with a horizontal line pattern through each letter. The background of the slide is a watercolor-style illustration of a landscape with mountains and a sky with three flying birds.

ARA

ARA Asset Management Limited

Results for the half year ended 30 June 2016

ANCHORED BY OUR CORE VALUES



ARA Asset Management Limited

An integrated real estate fund manager in Asia driven by a vision to be a best-of-class investment manager, offering bespoke solutions and enduring value to investors and partners



1H2016

Highlights

1H2016 HIGHLIGHTS

Business expansion initiatives to drive future growth



REITs: UNLOCKING VALUE WHILST SEEKING GROWTH AND DIVERSIFICATION

- ✓ Amfirst REIT completed the acquisition of the Mydin HyperMall for RM250 million and the divestment of AmBank Group Leadership Centre for RM36 million
- ✓ Development of 177 Pacific Highway in North Sydney held by Suntec REIT is close to completion and is expected to complete in August 2016
- ✓ Established ARA-ShinYoung REIT No. 2 in July 2016, a new private Korean REIT following the success of ARA-ShinYoung REIT

ARA PRIVATE FUNDS: NEW INVESTMENTS AND CAPITAL

- ✓ The SDF I made its second investment into a residential development in Australia
- ✓ The PIP completed its acquisition of two Australian office properties worth A\$284 million.
- ✓ On 1 July 2016, the CIP obtained additional capital commitment of approximately US\$500 million, further enlarging the total capital of the fund to more than US\$1.3 billion to date

Group
AUM of
~\$30
billion⁽¹⁾

Recurrent
management
fees up 10%
to S\$68.0
million

10% growth
in total
revenue

Adjusted
Net Profit
up 7% to
S\$36.5
million

Achieved
~\$1b of
new assets
and capital
YTD

Notes:

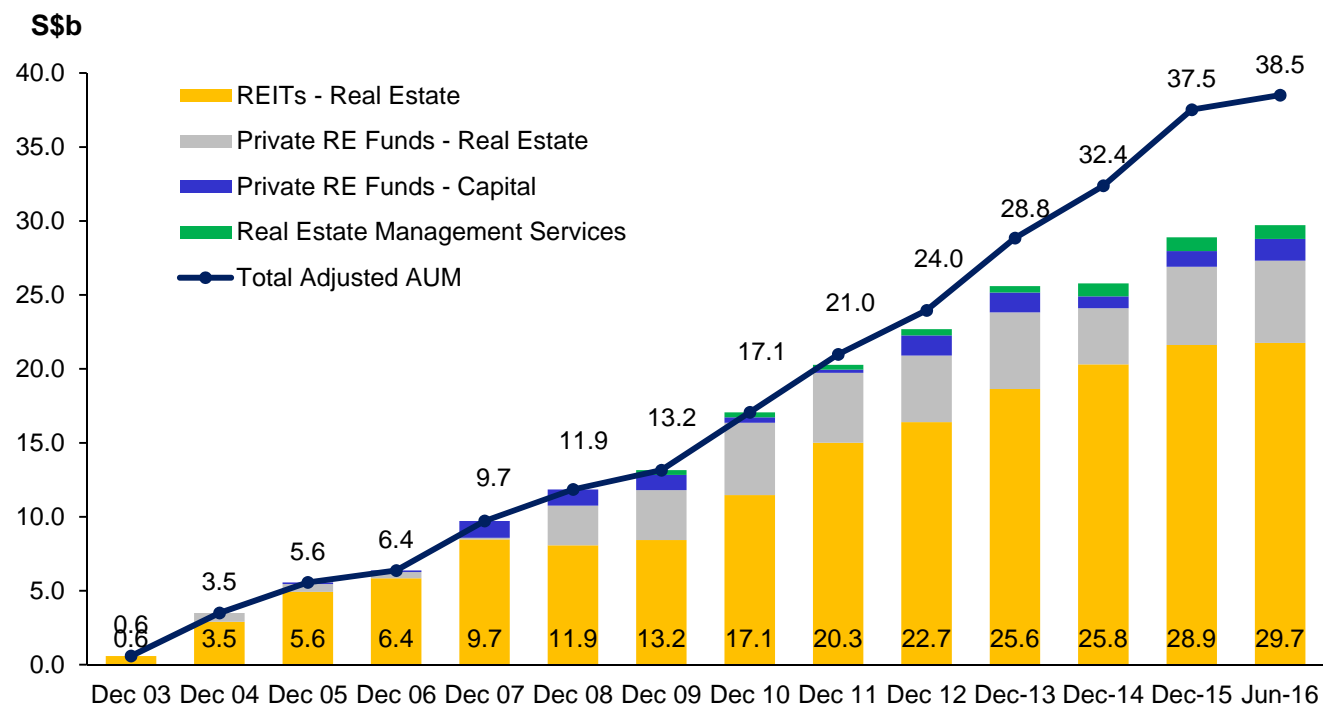
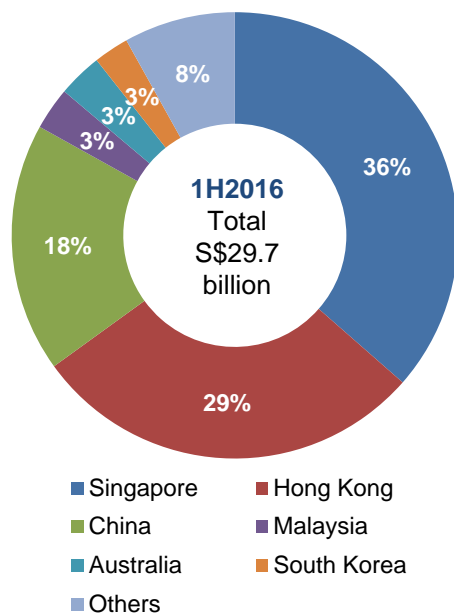
(1) Based on exchange rates as at 30 June 2016 and after accounting for divestments.

1H2016 - GROUP AUM NET OF DIVESTMENTS

AUM of ~S\$30 billion; achieved S\$1 billion increase in gross AUM YTD



GROUP AUM UNDER MANAGEMENT BY COUNTRY



Assets Under Management⁽¹⁾(S\$b)

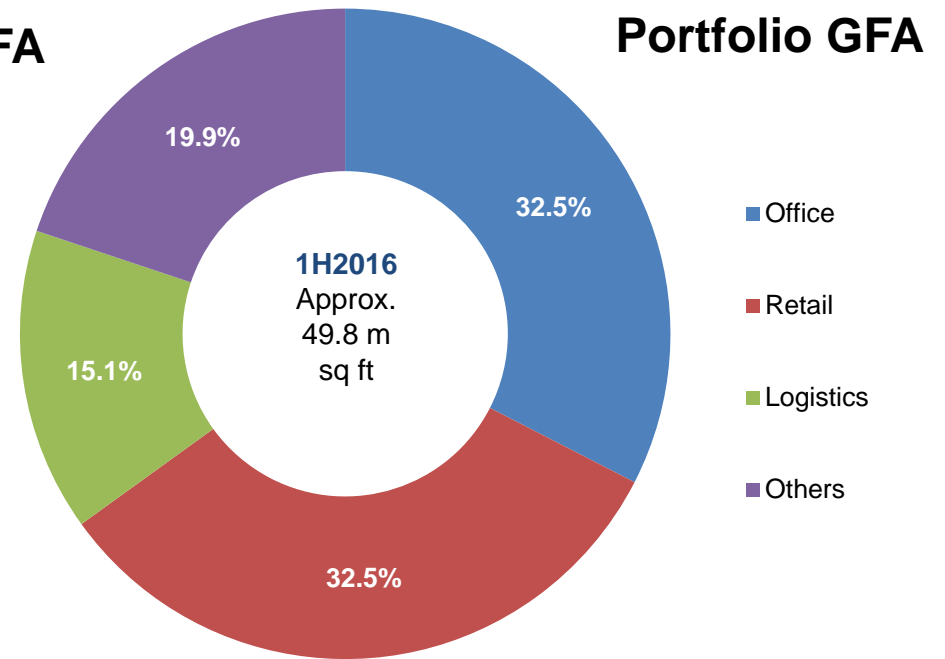
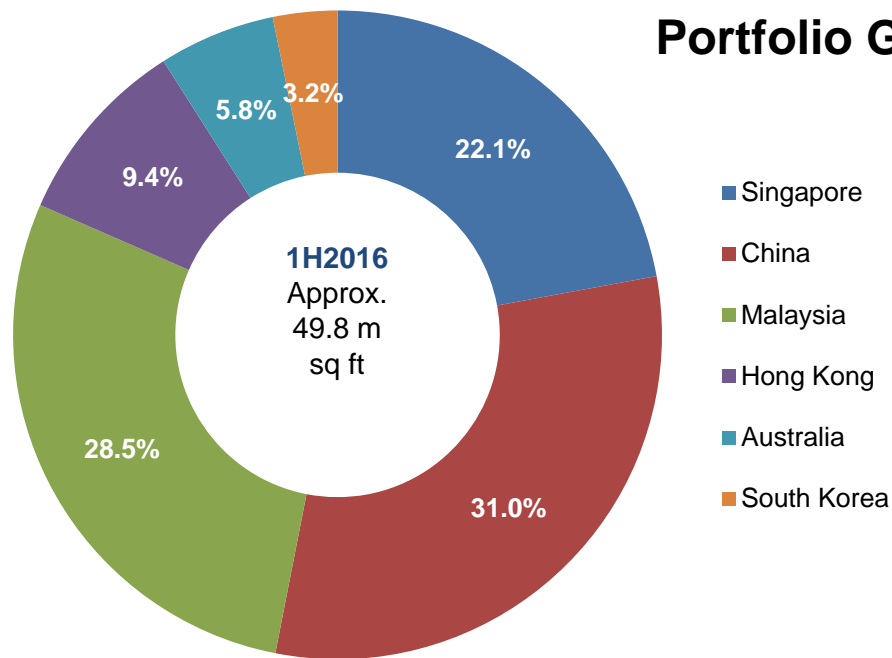
	Jun 2016	Dec 2015	Change
REITs – Real Estate ⁽²⁾	21.8	21.6	0.7%
Private Real Estate Funds – Real Estate	5.5	5.3	5.0%
Private Real Estate Funds – Capital ⁽³⁾	1.5	1.1	39.3%
Real Estate Management Services ⁽⁴⁾	0.9	0.9	-
Total	29.7	28.9	2.9%

Notes:

- (1) Based on exchange rates as at 30 June 2016
- (2) Comprises gross property value of REITs managed by subsidiaries, associates and joint venture
- (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

DIVERSIFIED ASSET MANAGEMENT PLATFORM

Operational experience spanning the Asia Pacific



**93 properties under management
across the Asia Pacific**

**50 million sq feet of office, retail, logistics
and other assets**

A RESILIENT PORTFOLIO OF FUNDS & SERVICES

Nine REITs and 10 private real estate funds under management



REITs	FORTUNE REIT 置富產業信託	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 REITs		
Listing Venue	SGX-ST & HKEx	SGX-ST	HKEx	Bursa	SGX-ST	HKEx	Private REITs	Private REITs		
Listing Year	2003	2004	2005	2006	2010	2011	2007; 2010 ⁽¹⁾	2015; 2016		
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\$36,188m	S\$8,846m	HK\$10,419m	RM1,628m	S\$1,302m	RMB40,804m	KRW624,500m	KRW107,000m		
Private Real Estate Funds	ADF ARA Asia Dragon Fund	ADF II ARA Asia Dragon Fund II	CIP ARA China Investment Partners	MIP Morningside Investment Partners	PIP Peninsula Investment Partners	SIP Straits Investment Partners	HARMONY II ARA Harmony Fund II	HARMONY III ARA Harmony Fund III	HARMONY V ARA Harmony Fund V	SDF 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\$1,318m ⁽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

Description



Property management services provider



Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities

Notes:

- (1) Two closed-end privately-held REITs with finite term of 10 years
- (2) As at 30 June 2016, based on publicly announced valuations. In the case of ARA-ShinYoung REITs, value refers to estimated total development costs
- (3) Received capital commitment of US\$317.6 million with effect from 1 July 2015 and US\$532.4 million with effect from 1 July 2016

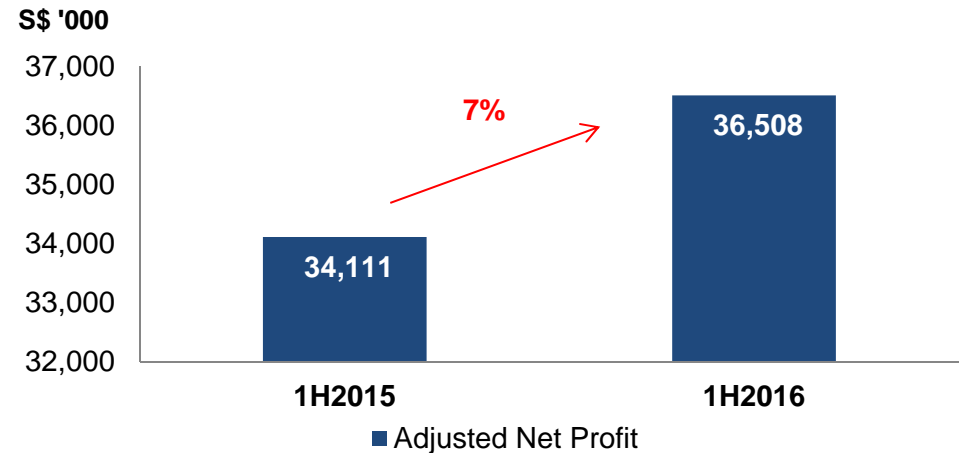
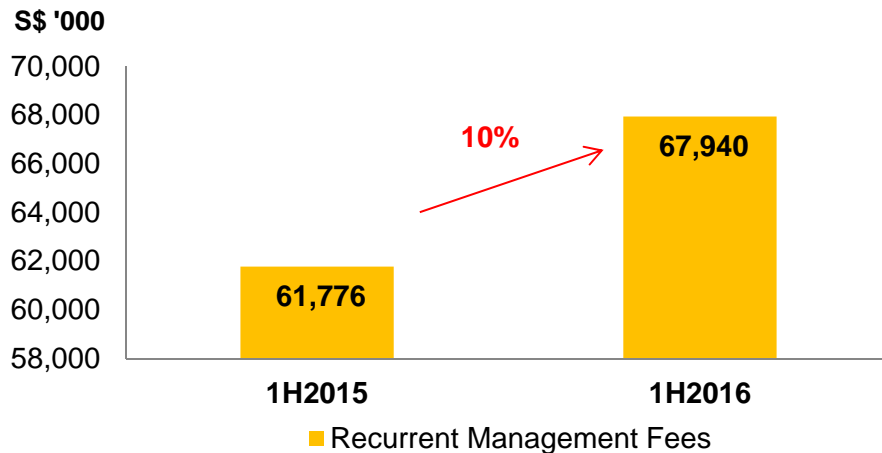


1H2016

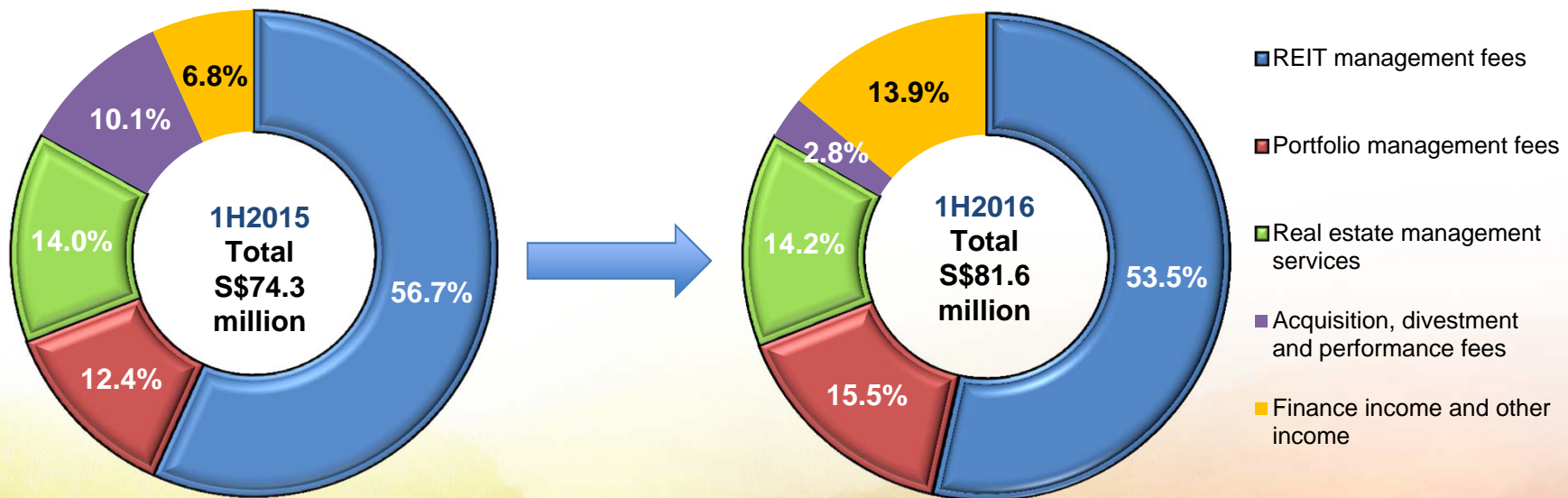
Results highlights

1H2016 FINANCIAL HIGHLIGHTS

10% growth in recurrent management fees; 7% growth in Adjusted Net Profit



Recurrent management fees as a % of total revenue at 83% in 1H2016



1H2016 FINANCIAL HIGHLIGHTS

10% growth in recurrent management fees; 7% growth in Adjusted Net Profit



Financial Highlights		1H2016	1H2015	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	67,940	61,776	10%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	2,318	7,529	-69%
Finance income ⁽³⁾	(S\$'000)	10,669	4,877	119%
Other income	(S\$'000)	673	146	361%
Total Revenue	(S\$'000)	81,600	74,328	10%
Results from operating activities	(S\$'000)	45,618	37,907	20%
Share of profit of associates and joint venture, net of tax	(S\$'000)	2,308	5,588	-59%
Profit attributable to equity holders of the Company	(S\$'000)	38,678	35,412	9%
Adjusted Net Profit⁽⁴⁾	(S\$'000)	36,508	34,111	7%

- REIT management fees of S\$43.7 million driven by improved asset performance and fee contributions from new acquisitions, namely 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
- 38% increase in portfolio management fees to S\$12.6 million arising from (i) the CIP's acquisition of two commercial properties in China in September and December 2015; (ii) the establishment of the Harmony III and Harmony V in August and December 2015 respectively; and (iii) contribution from the PIP
- Higher real estate management fees of S\$11.6 million arising mainly from higher property management fees received
- Total recurrent management fees increased 10% to S\$68.0 million
- Lower acquisition, divestment and performance fees as 1H2015 had included Fortune REIT's acquisition of Laguna Plaza. Acquisition fees received in 1H2016 were mainly in relation to AmFIRST REIT's acquisition of Mydin HyperMall and Suntec REIT's progressive development of 177 Pacific Highway in Australia
- Lower share of profit of associates and joint venture, net of tax as 1H2015 had included the acquisition fee recorded by Hui Xian Asset Management Limited in relation to Hui Xian REIT's acquisition of Metropolitan Oriental Plaza in Chongqing, China
- 7% growth in Adjusted Net Profit

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) Net Profit excluding one-off adjustments comprising: (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

1H2016 FINANCIAL HIGHLIGHTS

Group balance sheet as at 30 June 2016



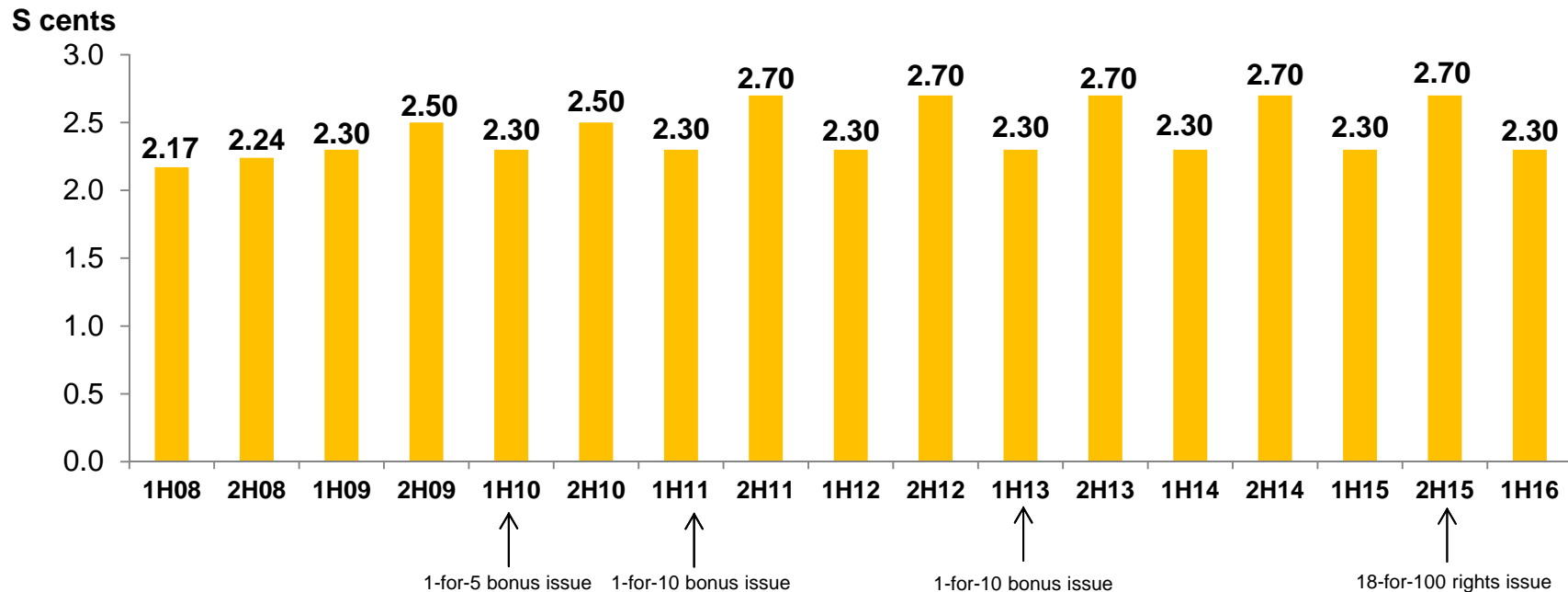
Group balance sheet as at 30 June 2016

	S\$'000		S\$'000
Plant and equipment	2,590	Loan and borrowings	53,240
Intangible assets	1,218	Other payables	1,771
Associates and joint venture	15,406	Deferred tax liabilities	115
Financial assets	485,524		
Deferred tax assets	703		
Other receivables	4,928		
Non-current assets	<u>510,369</u>	Non-current liabilities	<u>55,126</u>
Financial assets	34,882	Trade and other payables	24,861
Trade and other receivables	53,873	Loan and borrowings	25,146
Cash and cash equivalents	74,073	Current tax payable	12,945
Current assets	<u>162,828</u>	Current liabilities	<u>62,952</u>
		Total liabilities	<u>118,078</u>
		Shareholders' equity	<u>555,119</u>
Total assets	<u>673,197</u>	Total liabilities & shareholders' equity	<u>673,197</u>

Robust balance sheet

Gearing of approximately 14%

SUSTAINED DIVIDEND POLICY



Interim Dividend

FY2016 Interim Dividend	(S Cents)	2.30
1H2016 EPS	(S Cents)	3.88
Payout Ratio	(%)	59.3%

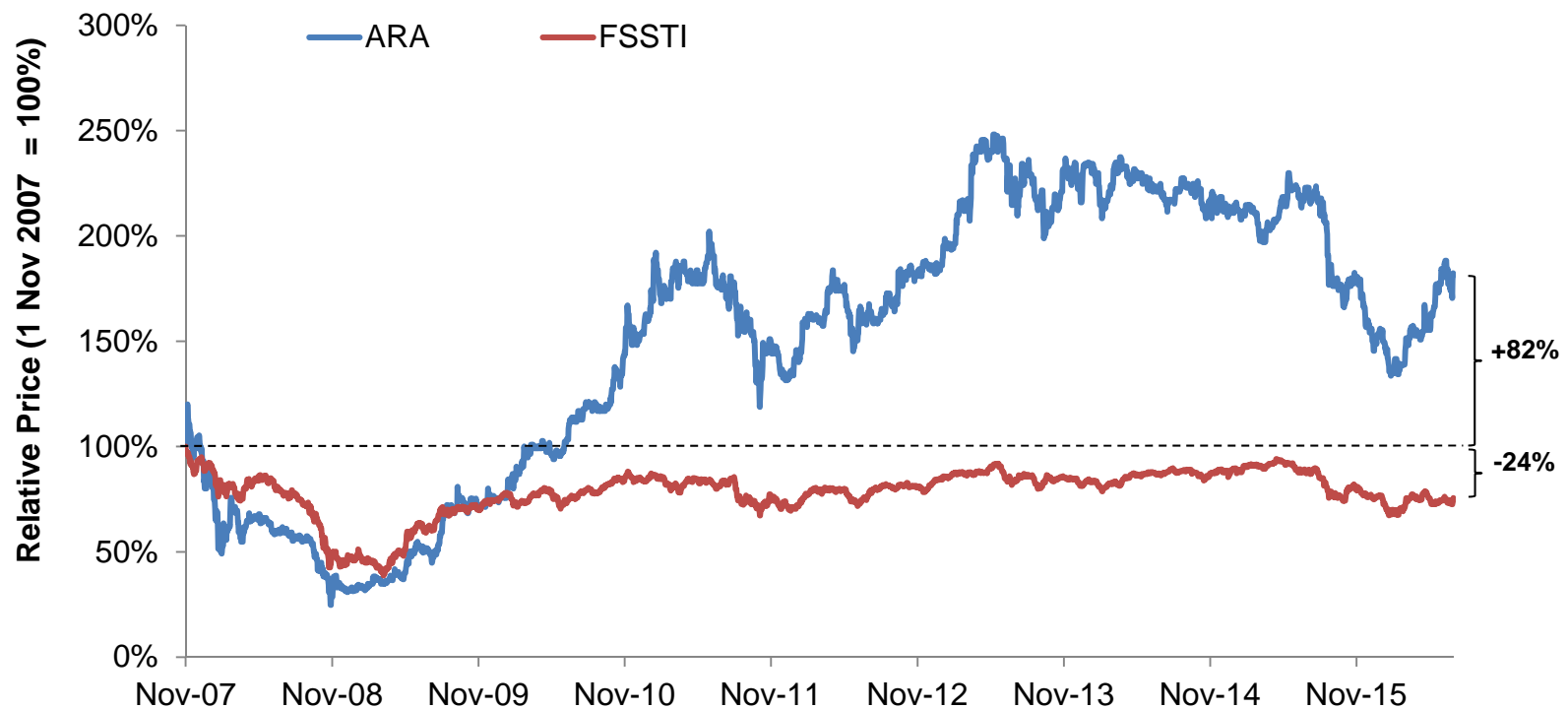
Timeline

Ex-dividend date	8 Aug 2016
Books closure date	11 Aug 2016
Payment date	23 Aug 2016

- Sustainable dividend payout of 5.0 Singapore cents per share annually barring any unforeseen circumstances
- Based on a stock price of S\$1.32 (29 July 2016), dividend yield is approximately 3.8%

TRADING PERFORMANCE

Outperformed broader market index since listing



- With its resilient business model, ARA continues to outperform the broader market index since listing with total return of approximately 82%

Source : Bloomberg (as at 30 June 2016)



TODAY

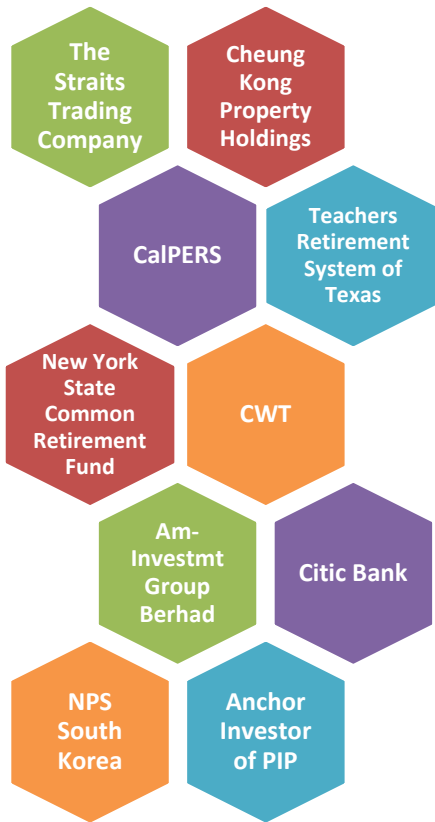
***Regional network of
strategic partnerships
and
1,207 employees across 18 cities***

ESTABLISHED REGIONAL NETWORK

Expanding regional footprint across Asia Pacific

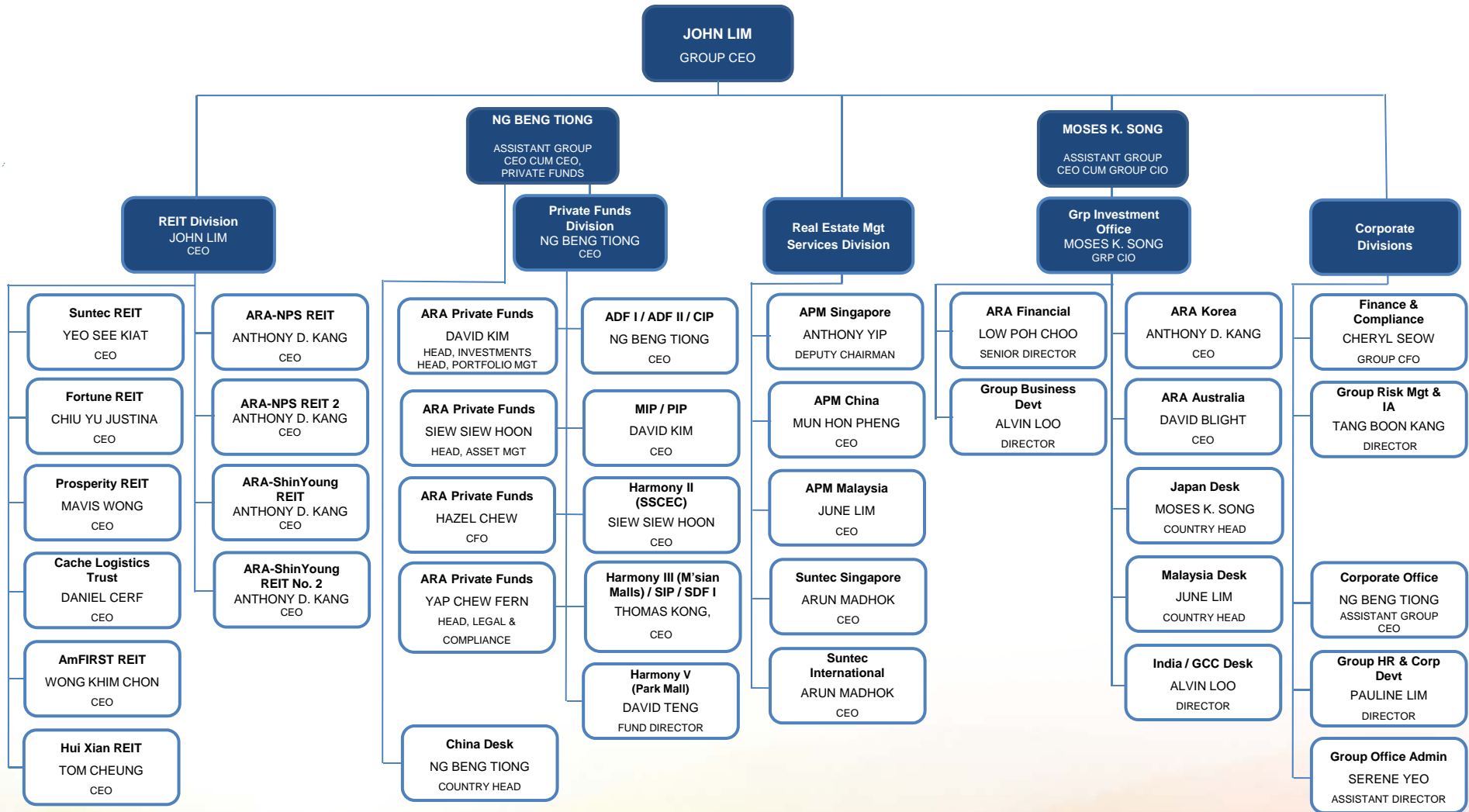


Strategic Partnerships



PROVEN LEADERSHIP

Experienced team with a proven track record



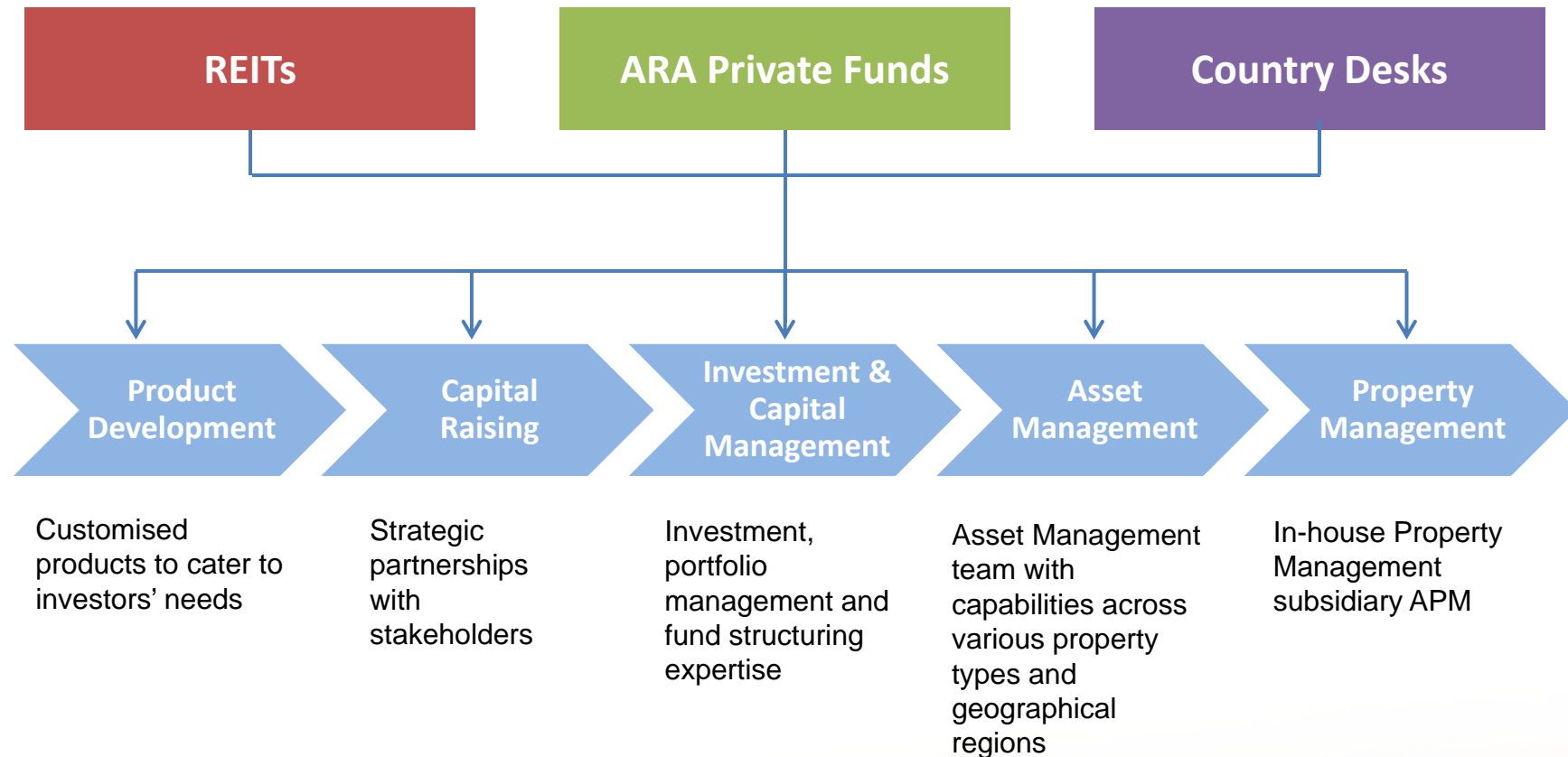


STRATEGIES

Driving sustainable growth...

DRIVING SUSTAINABLE GROWTH

Integrated business model



Inherent capabilities to...

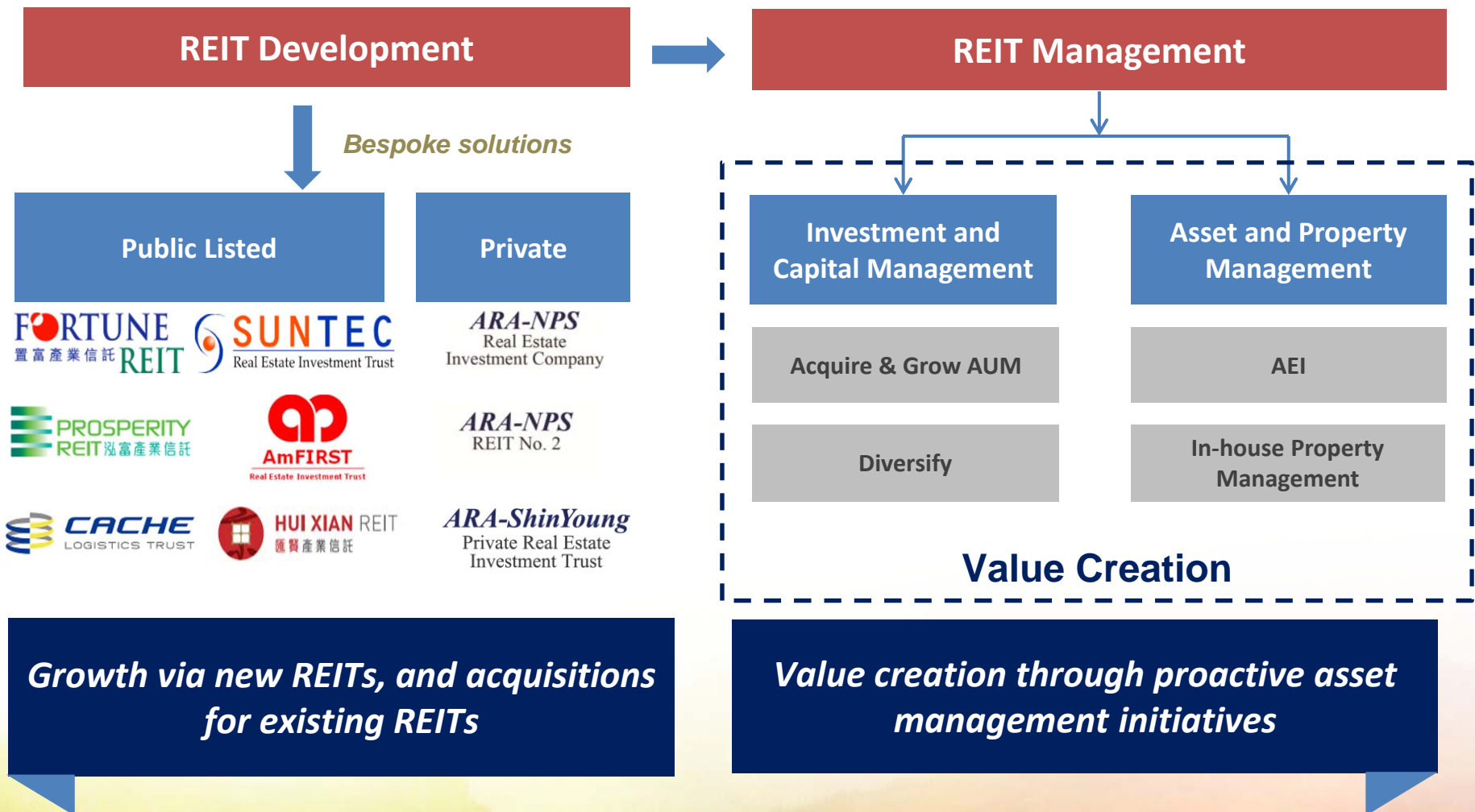
...maximise value across the value chain

REAL ESTATE INVESTMENT TRUSTS

Strong Multi-product, Multi-jurisdiction REIT Platform



- Track record of establishing, listing and managing listed REITs with 12% market share of the key Singapore and Hong Kong REIT markets

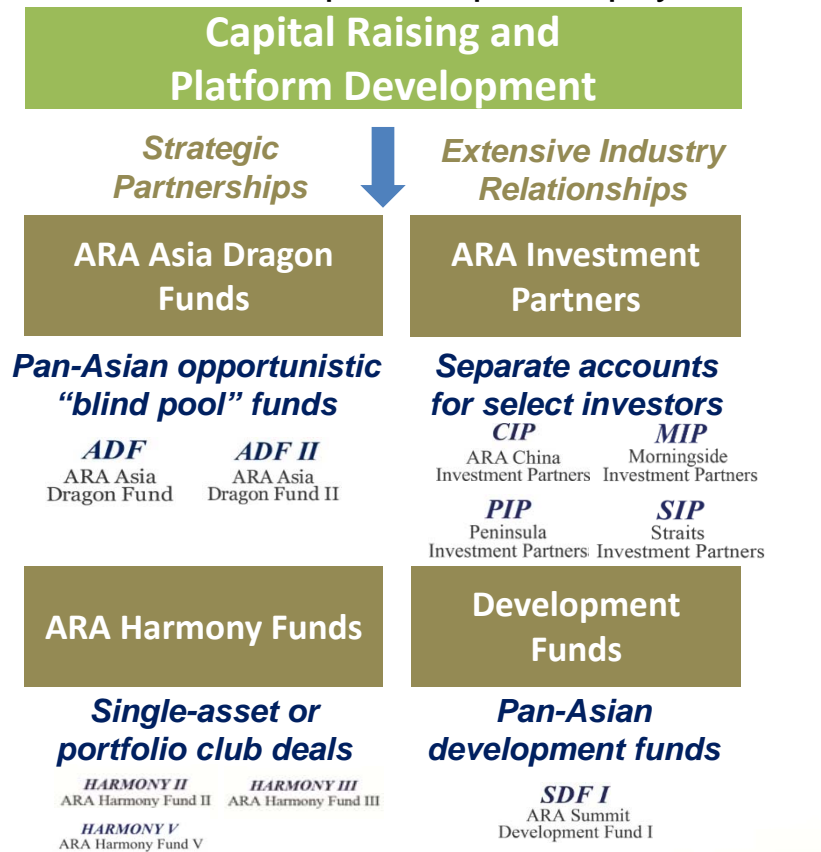


ARA PRIVATE FUNDS

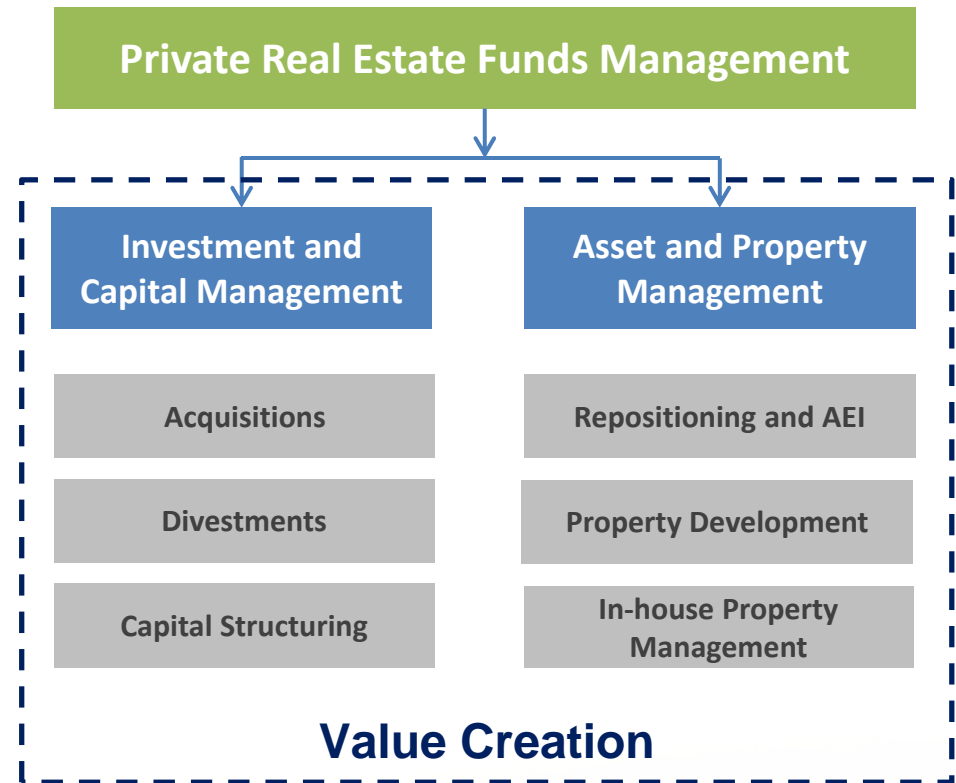
Expanding Suite of Private Real Estate Funds



- Investor-cum-operator philosophy



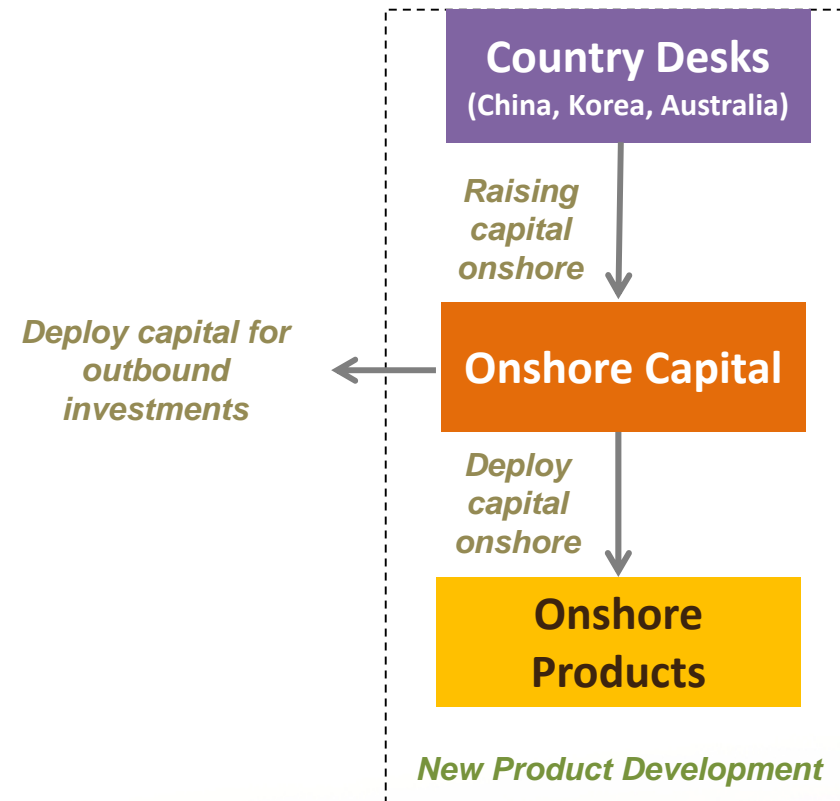
Growth via capital raising and platform development



Value creation through proactive asset management initiatives

COUNTRY DESKS

Scaling the Business Model



*Replicate ARA's business model:
ARA China, ARA Korea, ARA Australia*

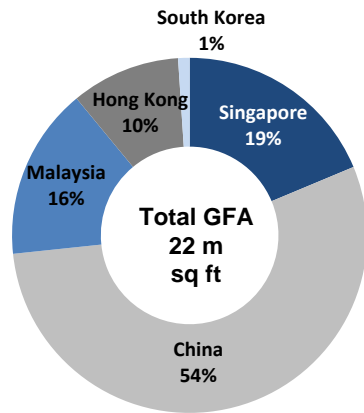
*Target raise of onshore capital to deploy
onshore or offshore*

Strategic Differentiator: Value-Adding to our Assets

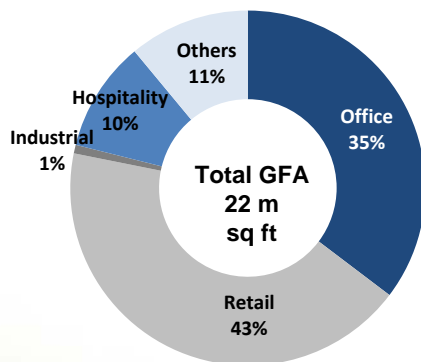
Asset Enhancement Capabilities of our Real Estate Management Services Division



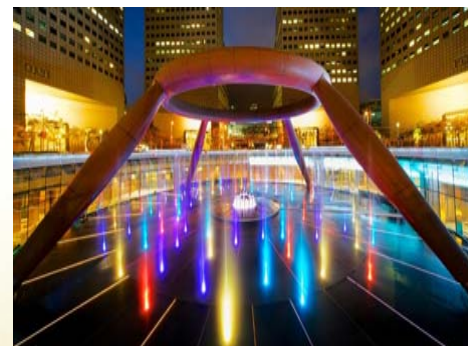
Over 22 million sq ft of AEI work completed successfully for our properties in different countries and asset classes



Before AEI



After AEI



Information provided as at 31 December 2015



VISION

*To be
the premier real estate fund manager
in Asia*

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.

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