



PRESS RELEASE

YTD2016 NET PROFIT UP 34% Y-O-Y TO S\$70.2 MILLION GROUP AUM APPROACHING S\$35 BILLION MARK¹

- Sustained growth in recurrent management fees
- Adjusted Net Profit² up 12% for YTD2016

YTD2016 Results Highlights

		YTD2016	YTD2015	% Change
Revenue				
Management fees	(S\$'000)	102,677	95,001	8%
Acquisition, divestment and performance fees	(S\$'000)	3,388	8,680	-61%
Finance income	(S\$'000)	27,788	8,662	221%
Other income	(S\$'000)	726	220	230%
Total revenue	(S\$'000)	134,579	112,563	20%
Results from operating activities	(S\$'000)	79,862	58,347	37%
Share of profit of associates and joint ventures, net of tax	(S\$'000)	3,763	6,307	-40%
Profit attributable to equity holders of the Company	(S\$'000)	70,151	52,495	34%
Adjusted Net Profit	(S\$'000)	57,965	51,926	12%

8 November 2016 – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$134.6 million and profit attributable to equity holders of the Company (“Net Profit”) of S\$70.2 million for the nine months ended 30 September 2016 (“YTD2016”). The Adjusted Net Profit grew 12% year-on-year to approximately S\$58.0 million for YTD2016.

¹ As at 30 September 2016 and including the ARA Harmony VI (Century Link) announced on 26 October 2016

² Adjusted Net Profit refers to Net Profit excluding one-off adjustments comprising: (i) acquisition, divestment and performance fees; (ii) gain / (loss) on fair valuation / disposal of financial assets; (iii) gain / (loss) on disposal of investments; (iv) impairment on available-for-sale financial assets; (v) performance-based bonuses; and (vi) any other income / expense deemed non-recurrent

Recurrent management fees for YTD2016 exceeded the S\$100 million mark to S\$102.7 million, driven by higher contributions from REIT management fees, portfolio management and service fees as well as real estate management services fees. REIT management fees grew 3% year-on-year to S\$66.2 million for YTD2016, mainly attributable to better asset performance from the existing properties and acquisitions by Suntec REIT and Cache's in the last quarter of 2015.

Portfolio management and service fees grew 27% year-on-year to S\$18.8 million in YTD2016, attributable to higher management fees from the ARA China Investment Partners, LLC ("**CIP**") following the acquisition of two commercial properties in China in September and December 2015, fees received from the ARA Harmony III (Malaysian Malls) and the ARA Harmony V (Park Mall) established in August and December 2015 respectively as well as the Peninsula Investment Partners, L.P. ("**PIP**").

Real estate management services fees grew 11% year-on-year to S\$17.6 million in YTD2016, mainly due to higher property management fees received by the Group.

Finance income of S\$27.8 million in YTD2016 was significantly higher than the previous year primarily due to a higher distribution income of S\$24.3 million arising mainly from Suntec REIT following the Group's further accumulation of Suntec REIT units in 2016 as well as from the Group's investment in private real estate funds, including a one-off distribution income of approximately S\$9.4 million from the ADF II. A net gain on fair valuation / disposal of financial assets of S\$3.3 million in YTD2016 (against a net loss recorded under finance costs in the previous year) also contributed to the increase.

Notwithstanding the lower acquisition, divestment and performance fees and share of profit of associates and joint ventures as a result of the relatively lower acquisitions made by the REIT division in the year, the Group achieved a higher Net Profit of S\$70.2 million in YTD2016, with Adjusted Net Profit up 12% to S\$58.0 million.

As at 30 September 2016, the Group AUM net of divestments stood at approximately S\$30 billion (approximately US\$22 billion).

On 26 October 2016, ARA successfully established the ARA Harmony VI (Century Link) (“**Harmony VI**”) to invest in Century Link, a newly-completed premium-grade integrated commercial property located in the heart of Lujiazui Finance and Trade Zone in Pudong New District, Shanghai, China, at the agreed property value of RMB20 billion (approximately S\$4.1 billion³).

ARA Group CEO Mr John Lim said: “The Harmony VI represents another success in the ARA Harmony investment series, which comprise investments in pre-identified quality real estate by ARA’s club of strategic investors. I’m very pleased that we have successfully secured this landmark deal, thereby underscoring our strong investment and asset management capabilities over large-scale commercial properties across the Asia Pacific.”

– End of Release –

³ Based on exchange rate of 1 SGD: RMB 4.8708 as at 25 October 2016 as announced on 26 October 2016

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 four 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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