



## PRESS RELEASE

### ARA POSTS 1H2016 NET PROFIT OF S\$38.7 MILLION S\$30 BILLION<sup>1</sup> TOTAL ASSETS UNDER MANAGEMENT (“AUM”)

- Recurrent management fees up 10% year-on-year
- Adjusted Net Profit<sup>2</sup> up 7% for first half of 2016 (“1H2016”)
- Approximately S\$1 billion of asset acquisitions and new capital secured year to date

#### 1H2016 Results Highlights

		1H2016	1H2015	% Change
Revenue				
Management fees	(S\$'000)	67,940	61,776	10%
Acquisition, divestment and performance fees	(S\$'000)	2,318	7,529	-69%
Finance income	(S\$'000)	10,669	4,877	119%
Other income	(S\$'000)	673	146	361%
<b>Total revenue</b>	<b>(S\$'000)</b>	<b>81,600</b>	<b>74,328</b>	<b>10%</b>
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%
<b>Profit attributable to equity holders of the Company</b>	<b>(S\$'000)</b>	<b>38,678</b>	<b>35,412</b>	<b>9%</b>
<b>Adjusted Net Profit<sup>2</sup></b>	<b>(S\$'000)</b>	<b>36,508</b>	<b>34,111</b>	<b>7%</b>

**2 August 2016** – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenue of S\$81.6 million and profit attributable to equity holders of the Company (“Net Profit”) of S\$38.7 million for the half year ended 30 June 2016 (“1H2016”). The Group’s Net Profit after taking into account one-off adjustments (“Adjusted Net Profit”) grew 7% year-on-year to approximately S\$36.5 million for 1H2016.

Recurrent management fees for 1H2016 grew 10% to S\$68.0 million, underpinned by the growth in REIT management fees, portfolio management and service fees as well as real estate

<sup>1</sup> Based on exchange rates as at 30 June 2016 and after accounting for divestments

<sup>2</sup> 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

management fees. REIT management fees grew 4% year-on-year to S\$43.7 million for 1H2016, 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 38% year-on-year to S\$12.6 million in 1H2016, mainly due 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 Fund III (Malaysian Malls) and the ARA Harmony Fund V (Park Mall) established in August and December 2015 respectively as well as the Peninsula Investment Partners, L.P. ("PIP").

Real estate management fees grew 11% year-on-year to S\$11.6 million in 1H2016, mainly due to higher property management fees received by the Group.

Acquisition, divestment and performance fees as well as share of profit of associates and joint venture, net of tax were lower year-on-year; however, Net Profit achieved for 1H2016 was higher at S\$38.7 million in 1H2016, up 9% compared to 1H2015. The Adjusted Net Profit for the half year was also higher at S\$36.5 million, 7% higher compared to previous.

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

ARA Group CEO Mr John Lim said: "Significant market events during the second quarter further compound the overall prevailing uncertainty. However, the performance of our property portfolios under management continues to be stable, and opportunities to secure good investments at attractive valuations are still present in Asia, especially in these volatile times."

In addition, the Group continues to actively evaluate and execute on various investment opportunities in Australia, South Korea and China for its various funds.

ARA-ShinYoung REIT No. 2, a new private Korean REIT following the success of ARA-ShinYoung REIT formed in October 2015, was established in July 2016. The PIP has during the quarter completed its acquisition of two Australian office properties worth A\$284 million (S\$285 million).

Following the substantial deployment of the US\$300 million additional capital awarded last year, the CIP had on 1 July 2016 obtained another tranche of additional capital commitment of approximately US\$500 million, thereby enlarging the total capital of the fund to more than US\$1.3 billion to date.

Commenting on this, Mr Lim said: “The CIP has performed well since its inception in 2012 and we are glad to receive the strong support from the California Public Employees’ Retirement System. The unique scalability feature of this fund, as well as those funds established under the Separate Account series within our private real estate funds platform, is well-demonstrated with these new capital commitments secured from our anchor investors.”

Mr Lim added: “I’m also happy to highlight that at US\$1.3 billion, the CIP is to date ARA’s largest private real estate fund raised in terms of capital commitment, with the potential to grow further.”

**– 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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