



## PRESS RELEASE

### ARA POSTS 1Q2015 NET PROFIT OF S\$19.0 MILLION TOTAL ASSETS UNDER MANAGEMENT (“AUM”) GREW TO S\$27.2 BILLION

- Recurrent management fees stable at S\$30.1 million
- REIT management fees up 13% year-on-year
- Net profit up 6% to S\$19.0 million

#### 1Q2015 Results Highlights

		1Q2015	1Q2014	% Change
Revenue				
Management fees	(S\$'000)	30,110	29,684	1%
Acquisition, divestment and performance fees	(S\$'000)	5,380	2,613	106%
Finance income	(S\$'000)	2,079	5,817	-64%
Other income	(S\$'000)	127	69	84%
<b>Total Revenue</b>	(S\$'000)	<b>37,696</b>	<b>38,183</b>	<b>-1%</b>
Results from operating activities	(S\$'000)	20,110	20,883	-4%
Share of Profit of Associates	(S\$'000)	3,235	807	301%
<b>Net Profit attributable to equity holders of the Company<sup>1</sup></b>	(S\$'000)	<b>18,970</b>	<b>17,830</b>	<b>6%</b>
EPS <sup>1</sup>	(S cents)	2.24	2.11	6%

**6 May 2015** – ARA Asset Management Limited (“ARA” or the “Group”) is pleased to report total revenues of S\$37.7 million and net profit of S\$19.0 million for the first quarter ended 31 March 2015 (“1Q2015”).

Recurrent management fees for 1Q2015 increased to approximately S\$30.1 million. REIT management fees grew 13% year-on-year, driven by the improved asset performance post the various asset enhancement initiatives undertaken which have underpinned the higher property valuations, as well as fee contributions from the new acquisitions made by the various REITs. REIT management fees from the two privately-held Korean Real Estate Investment Trusts subsequent to the acquisition of ARA Korea Limited in April 2014 have contributed to the increase.

<sup>1</sup> Based on net profit attributable to equity holders of the Company, and the issued share capital of 845,151,093 shares as at 31 March 2015.

Higher portfolio management fees from the private funds division were received from the various funds under management, including the Morningside Investment Partners, LLC (“MIP”) following the acquisition of its first two properties in August and September 2014, the ARA Harmony Fund and the new ARA Summit Development Fund I, L.P. (“SDF I”) which was established in May 2014. The Group had however, received lower fees from the ARA Asia Dragon Fund (“ADF I”), which has entered into its divestment phase since 2012.

The acquisition, divestment and performance fees received for 1Q2015 were higher at S\$5.4 million, compared to S\$2.6 million a year ago. Acquisition fees received in 1Q2015 were mainly in relation to Fortune REIT’s acquisition of Laguna Plaza in January 2015 and Cache’s acquisition of three properties located in Australia in February 2015, whilst acquisition fees received in 1Q2014 were mainly in relation to Prosperity REIT’s acquisition of 9 Chong Yip Street in January 2014.

The lower finance income of S\$2.1 million in 1Q2015 was primarily due to a lower distribution income of S\$1.9 million in 1Q2015 compared to S\$5.1 million in 1Q2014, of which the latter had included the distribution of profits by the ADF I post the divestment of some properties under its portfolio. In addition, a net gain on fair valuation / disposal of financial assets of S\$0.7 million was recorded in 1Q2014.

Total expenses in 1Q2015 increased marginally year-on-year, mainly due to higher finance costs attributable mainly to a net loss on fair valuation / disposal of financial assets of S\$1.4 million, partially offset by lower administrative expenses incurred.

For the quarter, the Group’s share of profits of associates increased to S\$3.2 million from S\$0.8 million previously, mainly due to the acquisition fees recorded by Hui Xian Asset Management Limited in relation to Hui Xian REIT’s acquisition of Metropolitan Oriental Plaza in Chongqing, China.

Net profit for 1Q2015 was therefore higher at S\$19.0 million.

The Group’s AUM increased to approximately S\$27.2 billion as at 31 March 2015, driven by growth in the REITs portfolio.

Commenting on ARA’s results, ARA Group CEO Mr. John Lim said: “We are pleased to report that the REITs division continues to post a strong growth year-on-year. The various private funds under ARA Private Funds launched subsequent to the ADF I are also contributing higher revenues despite the reduced revenue from the ADF I.”

Mr. Lim added: “We continue to work towards launching new funds and growing our funds platform across our six key markets across the Asia Pacific.”

**– 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 primary 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 two privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

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