



PRESS RELEASE

ARA POSTS YTD2015 NET PROFIT OF S\$52.5 MILLION S\$28.8 BILLION TOTAL ASSETS UNDER MANAGEMENT (“AUM”)

- Recurrent management fees continue to grow to S\$95.0 million
- REIT management fees up 13% year-on-year
- Adjusted net profit up 9% to S\$51.9 million

YTD2015 Results Highlights

		YTD2015	YTD2014	% Change
Revenue				
Management fees	(S\$'000)	95,001	92,940	2%
Acquisition, divestment and performance fees	(S\$'000)	8,680	19,479	-55%
Finance income	(S\$'000)	8,662	15,925	-46%
Other income	(S\$'000)	220	2,480	-91%
Total Revenue	(S\$'000)	112,563	130,824	-14%
Results from operating activities	(S\$'000)	58,347	78,182	-25%
Share of profit of associates	(S\$'000)	6,307	3,151	100%
Net Profit attributable to equity holders of the Company¹	(S\$'000)	52,495	69,350	-24%
Adjusted Net Profit attributable to equity holders of the Company²	(S\$'000)	51,926	47,752	9%

6 November 2015 – ARA Asset Management Limited (“ARA” or the “Group”) wishes to report total revenues of S\$112.6 million and net profit of S\$52.5 million for the nine months ended 30 September 2015 (“YTD2015”). The Group’s adjusted net profit² after taking into account one-off adjustments grew 9% year-on-year at S\$51.9 million for YTD2015.

Recurrent management fees for YTD2015 increased to approximately S\$95.0 million. REIT management fees grew 13% year-on-year, along with higher portfolio management fees received from the various funds under ARA Private Funds in mitigation of reduced fees from the ARA Asia Dragon Fund (“ADF I”) which has entered into its divestment phase since 2012.

¹ Based on the issued share capital of 845,151,093 shares as at 30 September 2015

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

The Group had received lower acquisition, divestment and performance fees of S\$8.7 million for YTD2015, due to the one-off S\$16.1 million performance fee received from the ARA Harmony Fund II in 3Q2014. Excluding this, overall fees were higher, arising mainly from the respective acquisitions and divestments made by Fortune REIT and Cache Logistics Trust. Share of profit of associates increased significantly to S\$6.3 million in YTD2015 year-on-year mainly due to the acquisition fees and higher income contribution recorded by Hui Xian Asset Management Limited, in addition to higher income contribution from Cache Property Management Pte. Ltd.

Net profit was therefore lower at S\$52.5 million in YTD2015 compared to S\$69.4 million in the previous year. However, the adjusted net profit after taking into account one-off adjustments was higher at S\$51.9 million in YTD2015, a growth of 9% compared to YTD2014.

As at 30 September 2015, the Group's total AUM stood at approximately S\$28.8 billion (approximately US\$20.2 billion).

Reviewing the Group's developments year to date, Mr Lim said: "The REIT division continued to make acquisitions that provide income and geographical diversification. Cache has during the year announced and completed the acquisition of four Australian properties for a total purchase value of approximately A\$97.0 million, marking its first investments into Australia. In addition, the development of DHL Supply Chain Advanced Regional Centre which commenced in FY2014 was completed in the third quarter of FY2015. We have also launched our third privately-held Korean REIT named ARA ShinYoung Residential Development Real Estate Investment Company and the successful completion of its first investment in a residential development project in Seoul with a total development cost of approximately KRW43.0 billion."

Along with these acquisitions, both Fortune REIT and Cache Logistics Trust had also successfully unlocked value in their respective divestments to optimise returns and re-deploy capital. Suntec REIT's proposed divestment of Park Mall is in progress.

ARA Private Funds continues to focus on developing its franchises of private real estate funds, in particular the Separate Account and Harmony Fund series. In August 2015, the Company established the ARA Harmony Fund III with portfolio value of approximately RM1.7 billion, and in September 2015, raised US\$325.0 million in capital commitments via a new platform the Peninsula Investment Partners, L.P. ("PIP"). The fund is a closed-end fund with an initial term of ten years which may be extended, and has a mandate to invest in real estate assets across

Asia, including Australia, Singapore, Hong Kong, China and Japan. A premier Asian-based sovereign wealth fund is the anchor investor of the fund.

Mr Lim added: "I'm excited that the development of the various private real estate fund franchises is further gaining traction and in particular the establishment of the PIP, with the option to upsize its capital commitment which creates a scalable platform to build up a larger fund size over time. We look to partner our investors in the form of seed capital in more of such scalable platforms to further grow our assets under management."

– 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 three 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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