



ARA Asset Management Limited

Results for the nine months ended 30 September 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***



YTD2016

Highlights

YTD2016 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
- ✓ Established ARA-ShinYoung REIT No. 2 in July 2016, a new private Korean REIT following the success of ARA-ShinYoung REIT
- ✓ Development of 177 Pacific Highway in North Sydney held by Suntec REIT completed in August 2016
- ✓ Suntec REIT jointly with the Peninsula Investment Partners, L.P. ("PIP"), completed the acquisition of a 50% interest in Southgate Complex in Melbourne

ARA PRIVATE FUNDS: NEW INVESTMENTS AND CAPITAL

- ✓ The SDF I made its second investment into a residential development in Australia
- ✓ 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
- ✓ The PIP completed its acquisition of three Australian office properties to date worth approximately A\$429 million.
- ✓ In October 2016, ARA successfully established the ARA Harmony VI ("Harmony VI") to invest in Century Link at the agreed property value of RMB20 billion (approximately S\$4.1 billion⁽³⁾)

**Group
AUM of
~S\$30
billion⁽¹⁾**

**Recurrent
management
fees up 8%
to S\$102.7
million**

**20% growth
in total
revenue**

**Adjusted
Net Profit
up 12% to
S\$58.0
million**

**Estimated
~S\$5
billion AUM
growth
YTD⁽²⁾**

Notes:

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

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

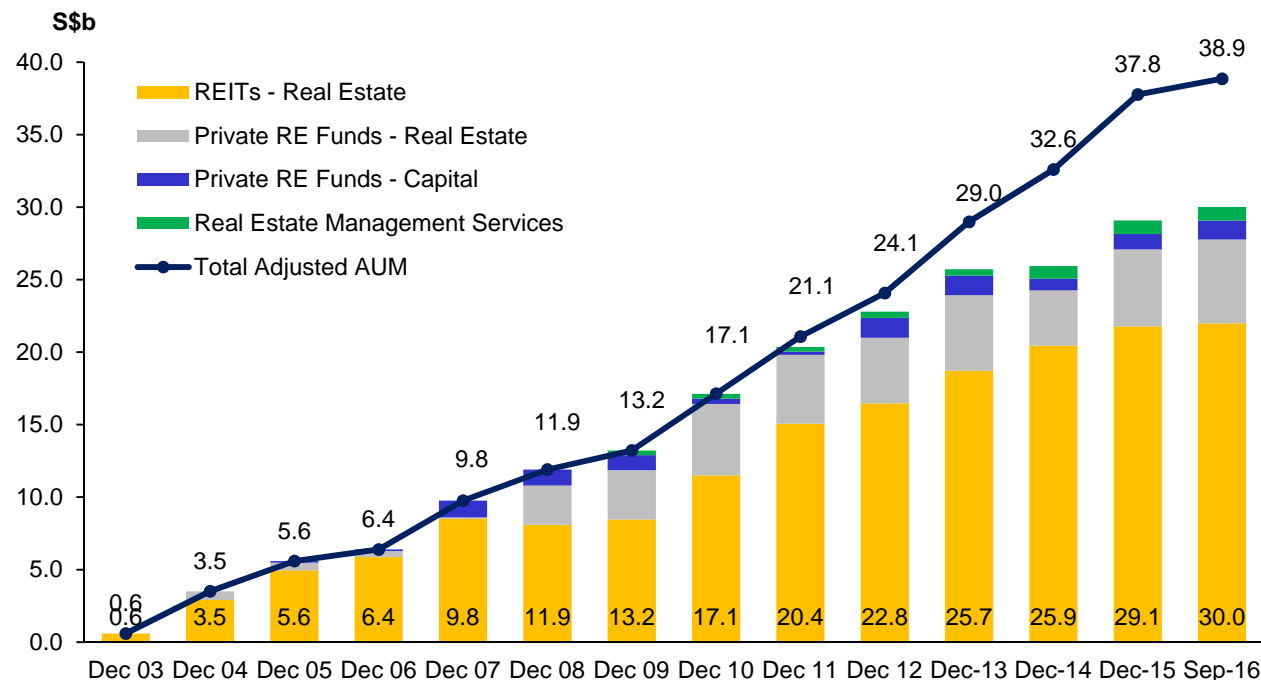
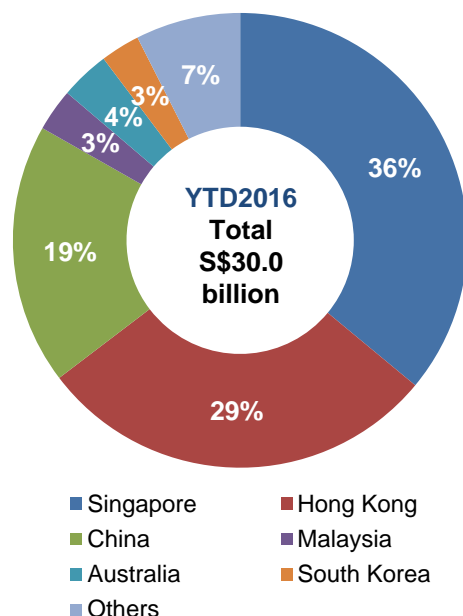
(3) Based on exchange rate of 1 SGD: RMB 4.8708 as at 25 October 2016

YTD2016 - GROUP AUM NET OF DIVESTMENTS

AUM of ~S\$30 billion as at 30 September 2016



GROUP AUM UNDER MANAGEMENT BY COUNTRY



Assets Under Management ⁽¹⁾ (S\$b)	Sep 2016	Dec 2015	Change
REITs – Real Estate ⁽²⁾	22.0	21.8	1.0%
Private Real Estate Funds – Real Estate	5.8	5.3	9.0%
Private Real Estate Funds – Capital ⁽³⁾	1.3	1.1	22.8%
Real Estate Management Services ⁽⁴⁾	0.9	0.9	-
Total	30.0	29.1	3.2%

Notes:

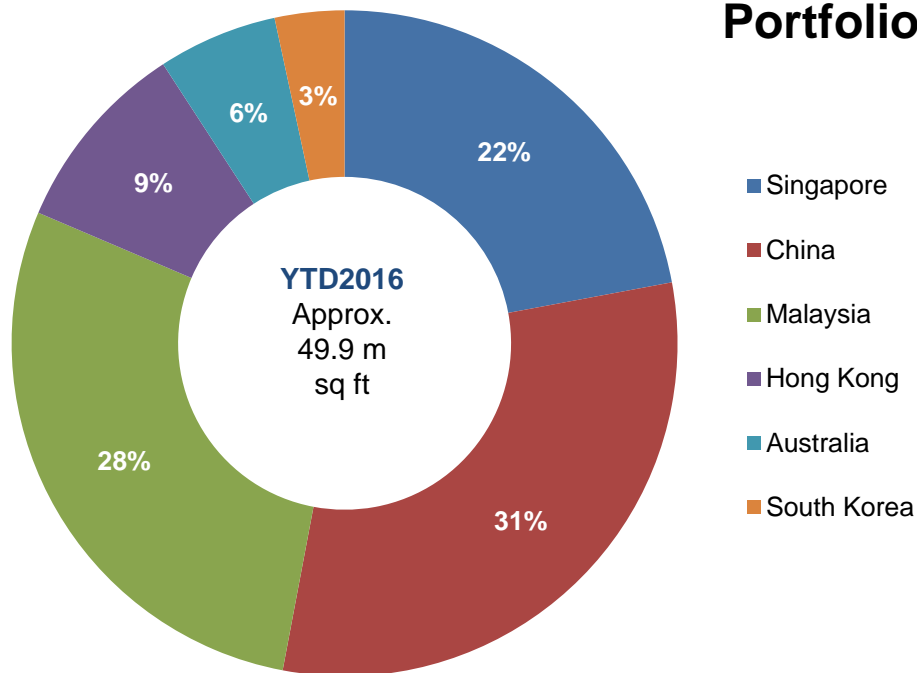
- (1) Based on exchange rates as at 30 September 2016
- (2) Comprises gross property value of REITs managed by subsidiaries, associates and joint venture
- (3) Unutilised capital commitments including capital committed for projects pending completion
- (4) Revenue base for real estate management services fee computation and gross property value of other properties under management

DIVERSIFIED ASSET MANAGEMENT PLATFORM

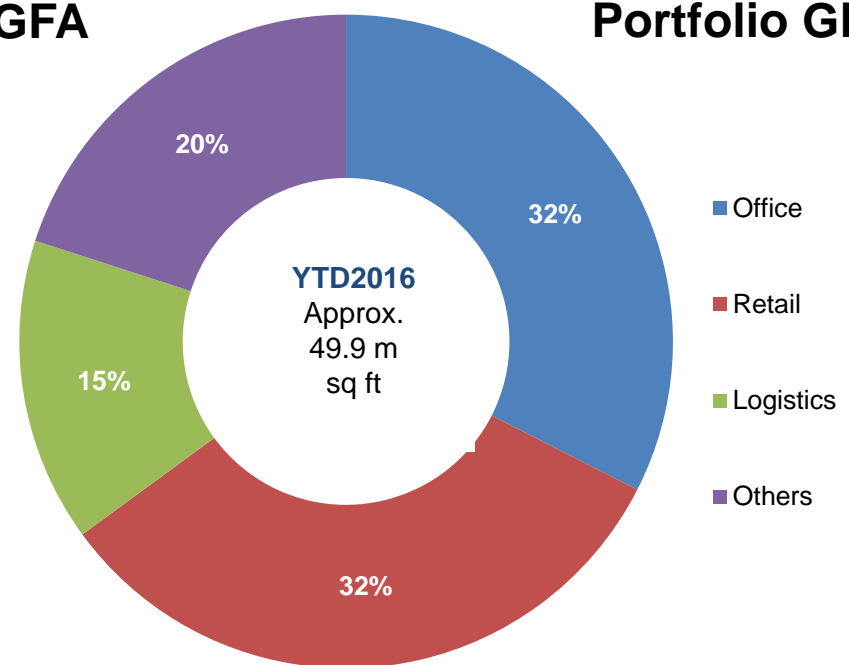
Operational experience spanning the Asia Pacific



Portfolio GFA



Portfolio GFA

















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

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

A RESILIENT PORTFOLIO OF FUNDS & SERVICES

10 REITs and 11 private real estate funds under management



REITs	 FORTUNE 置富產業信託 REIT	 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\$10,688m	RM1,628m	S\$1,273m	RMB40,804m	KRW624,500m	KRW95,500m			
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	ARA HARMONY II	ARA HARMONY III	ARA HARMONY V	ARA HARMONY VI	 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 investment in the Suntec Singapore Convention & Exhibition Centre	Portfolio Investment in well- located retail properties in Malaysia	Single asset entity established for the redevt of Park Mall	Single- asset entity established to invest in Century Link	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 (Committed Capital) ⁽³⁾	US\$240m (Committed Capital)	US\$325m (Committed Capital)	S\$340m (GAV)	S\$668m (GAV)	RM1,773m (GAV)	S\$384m (Committed Capital)	RMB20b (GAV)	US\$80m (Committed Capital)
Real Estate Mgmt Services	 APM (A Member of the ARA Group)										
Description	Property management services provider		Operations, sales and marketing services provider & consultant for convention, exhibition, meeting and event facilities								
<div>Notes:</div> <div>(1) Two closed-end privately-held REITs with finite term of 10 years (2) As at 30 September 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</div>											

Notes:

- (1) Two closed-end privately-held REITs with finite term of 10 years
- (2) As at 30 September 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

THE ARA HARMONY VI (CENTURY LINK)



- Established on 26 October 2016 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
- Agreed property value of RMB20 billion (approximately S\$4.1 billion¹)

Notes:

(1) Based on exchange rate of 1 SGD: RMB 4.8708 as at 25 October 2016



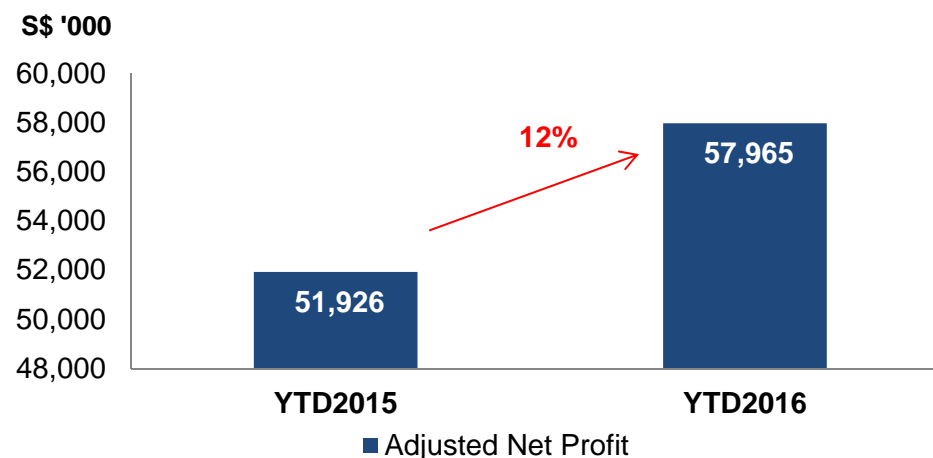
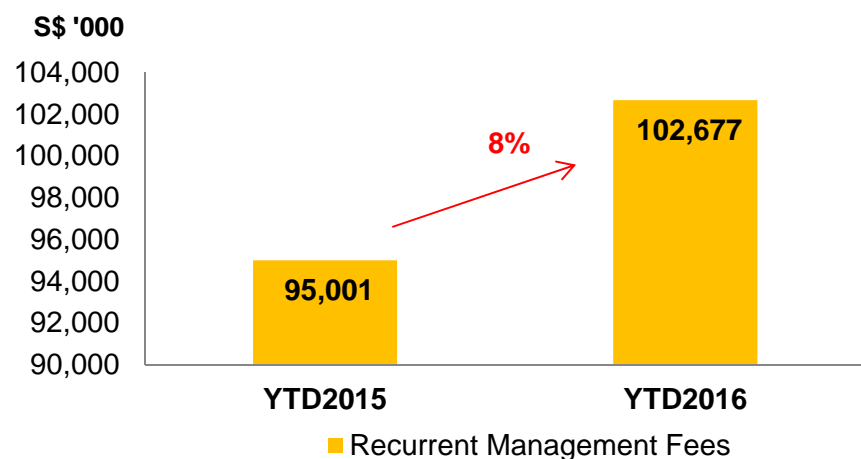
YTD2016

Results highlights

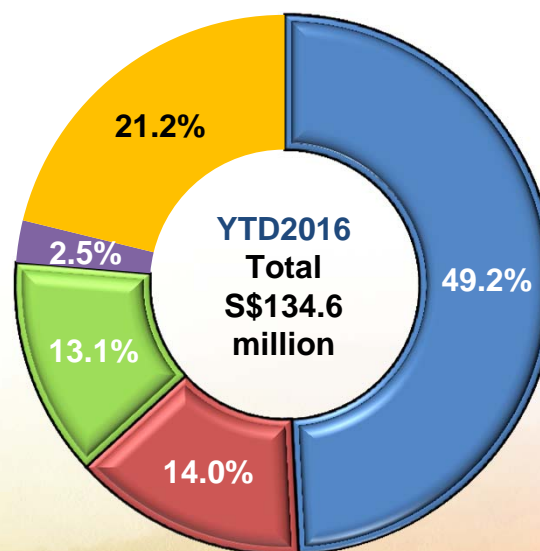
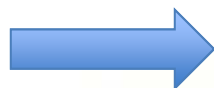
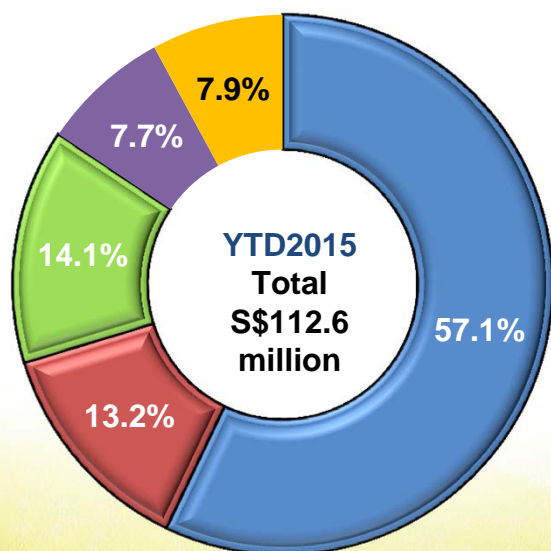
YTD2016 FINANCIAL HIGHLIGHTS



Recurrent management fees up 8%; 12% growth in Adjusted Net Profit



Recurrent management fees as a % of total revenue at 76% in YTD2016



- REIT management fees
- Portfolio management and service fees
- Real estate management services fees
- Acquisition, divestment and performance fees
- Finance income and other income

YTD2016 FINANCIAL HIGHLIGHTS



Recurrent management fees up 8%; 12% growth in Adjusted Net Profit

Financial Highlights		YTD2016	YTD2015	Change
Revenue				
Management fees ⁽¹⁾	(S\$'000)	102,677	95,001	8%
Acquisition, divestment and performance fees ⁽²⁾	(S\$'000)	3,388	8,680	-61%
Finance income ⁽³⁾	(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⁽⁴⁾	(S\$'000)	57,965	51,926	12%

- Total recurrent management fees increased 8% to S\$102.7 million:
 - ✓ REIT management fees of S\$66.2 million driven by improved asset performance and fee contributions from new acquisitions made by Suntec REIT and Cache in the last quarter of 2015
 - ✓ 27% increase in portfolio management fees to S\$18.8 million arising from the CIP's acquisitions of two commercial properties in China and establishment of the Harmony III and Harmony V in 2015, as well as fee contribution from the PIP in 2016
 - ✓ Higher real estate management fees of S\$17.6 million arising mainly from higher property management fees received
- Lower acquisition, divestment and performance fees as YTD2015 had included Fortune REIT's acquisition of Laguna Plaza. Acquisition fees received in YTD2016 were mainly in relation to AmFIRST REIT's acquisition of Mydin HyperMall and Suntec REIT's acquisition of 177 Pacific Highway in Australia
- Higher finance income of S\$27.8 million primarily due to higher distribution income, including a one-off distribution income of approximately S\$9.4 million from the ADF II, as well as a net gain on fair valuation / disposal of financial assets
- Lower share of profit of associates and joint ventures, net of tax as YTD2015 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
- 12% 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) 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

YTD2016 FINANCIAL HIGHLIGHTS

Group balance sheet as at 30 September 2016



Group balance sheet as at 30 September 2016

	S\$'000		S\$'000
Plant and equipment	2,409	Loan and borrowings	73,205
Intangible assets	1,128	Other payables	1,994
Associates and joint ventures	17,781	Financial derivatives	15
Financial assets	499,367	Deferred tax liabilities	115
Deferred tax assets	739		
Other receivables	4,823		
Non-current assets	526,247	Non-current liabilities	75,329
Financial assets	47,302	Trade and other payables	29,402
Trade and other receivables	58,726	Loan and borrowings	12,147
Cash and cash equivalents	62,509	Current tax payable	11,653
Current assets	168,537	Current liabilities	53,202
		Total liabilities	128,531
		Shareholders' equity	566,253
Total assets	694,784	Total liabilities & shareholders' equity	694,784

Robust balance sheet

Gearing of approximately 15%

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 78%

Source : Bloomberg (as at 30 September 2016)



TODAY

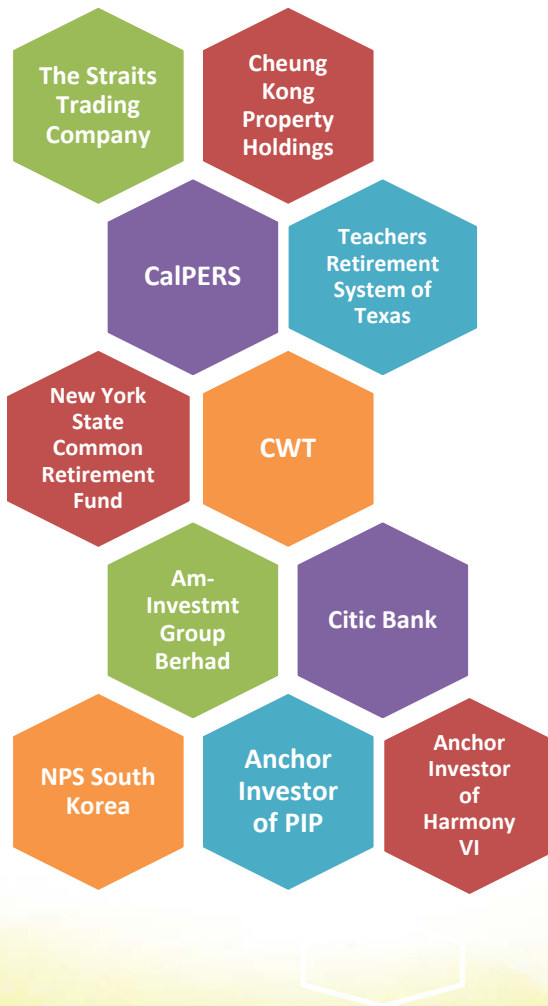
***Regional network of
strategic partnerships
and
~1,200 employees across 18 cities***

ESTABLISHED REGIONAL NETWORK

Expanding regional footprint across Asia Pacific

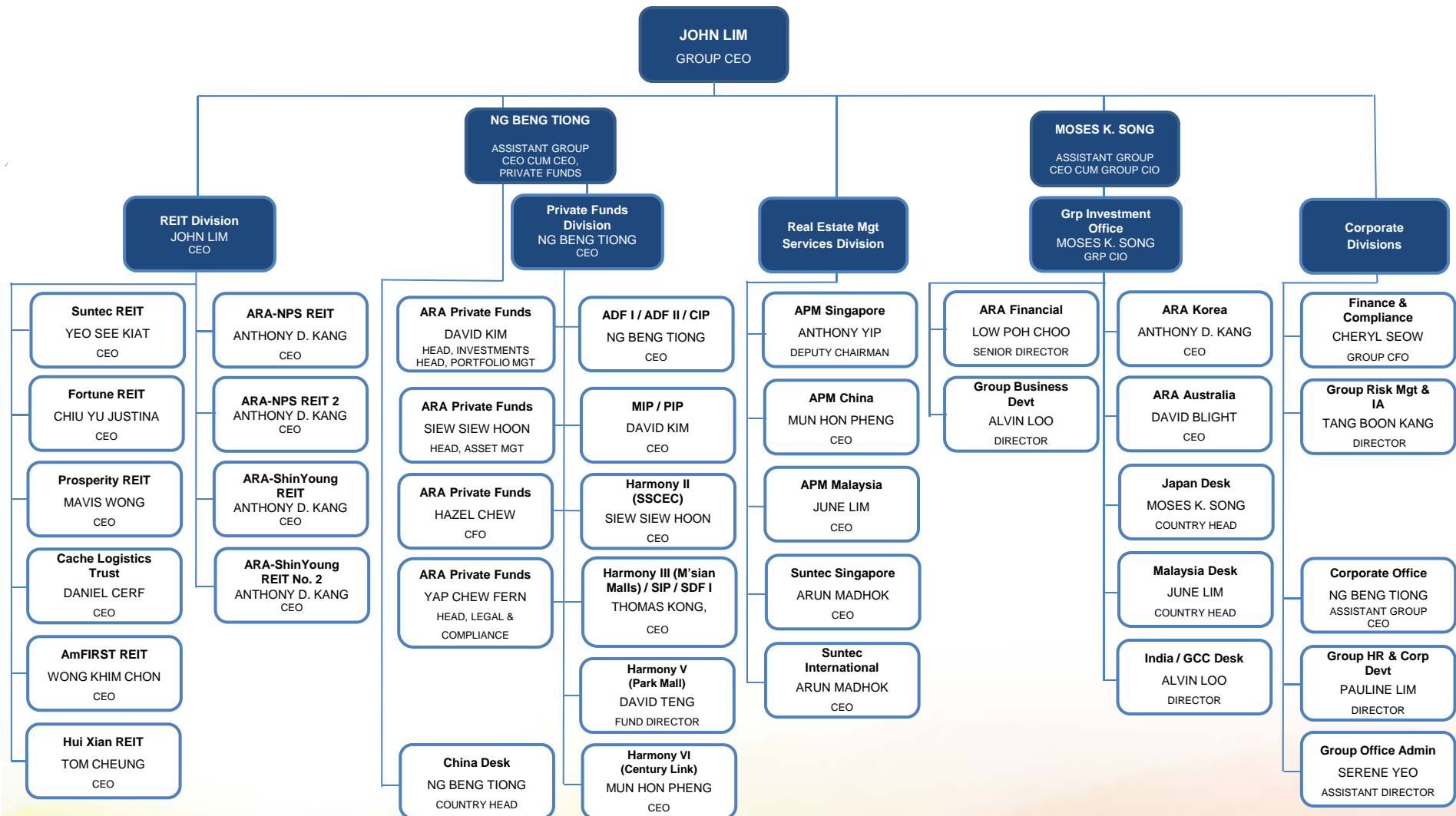


Strategic Partnerships



PROVEN LEADERSHIP

Experienced team with a proven track record



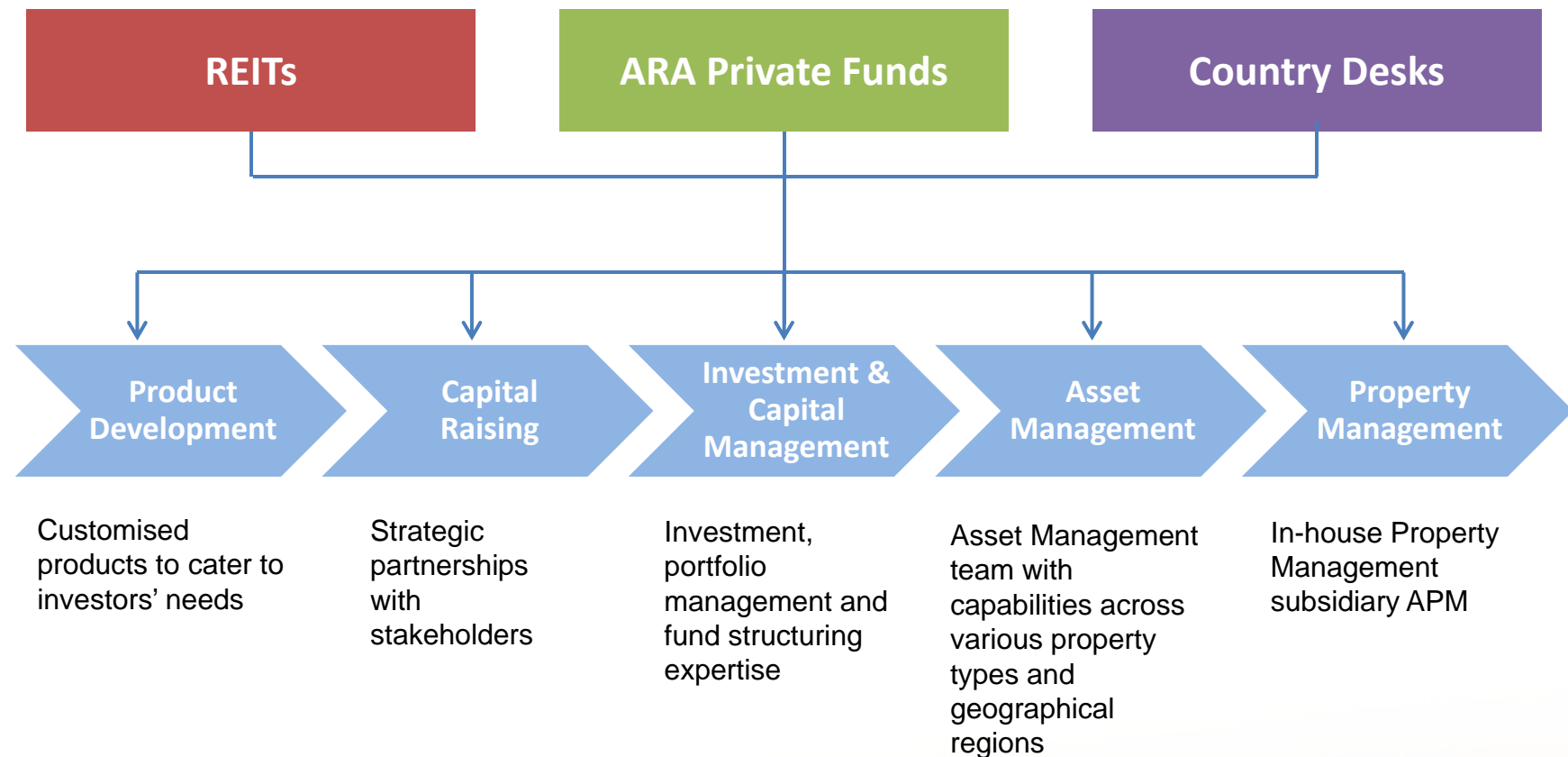


STRATEGIES

Driving sustainable growth...

DRIVING SUSTAINABLE GROWTH

Integrated business model



Inherent capabilities to...

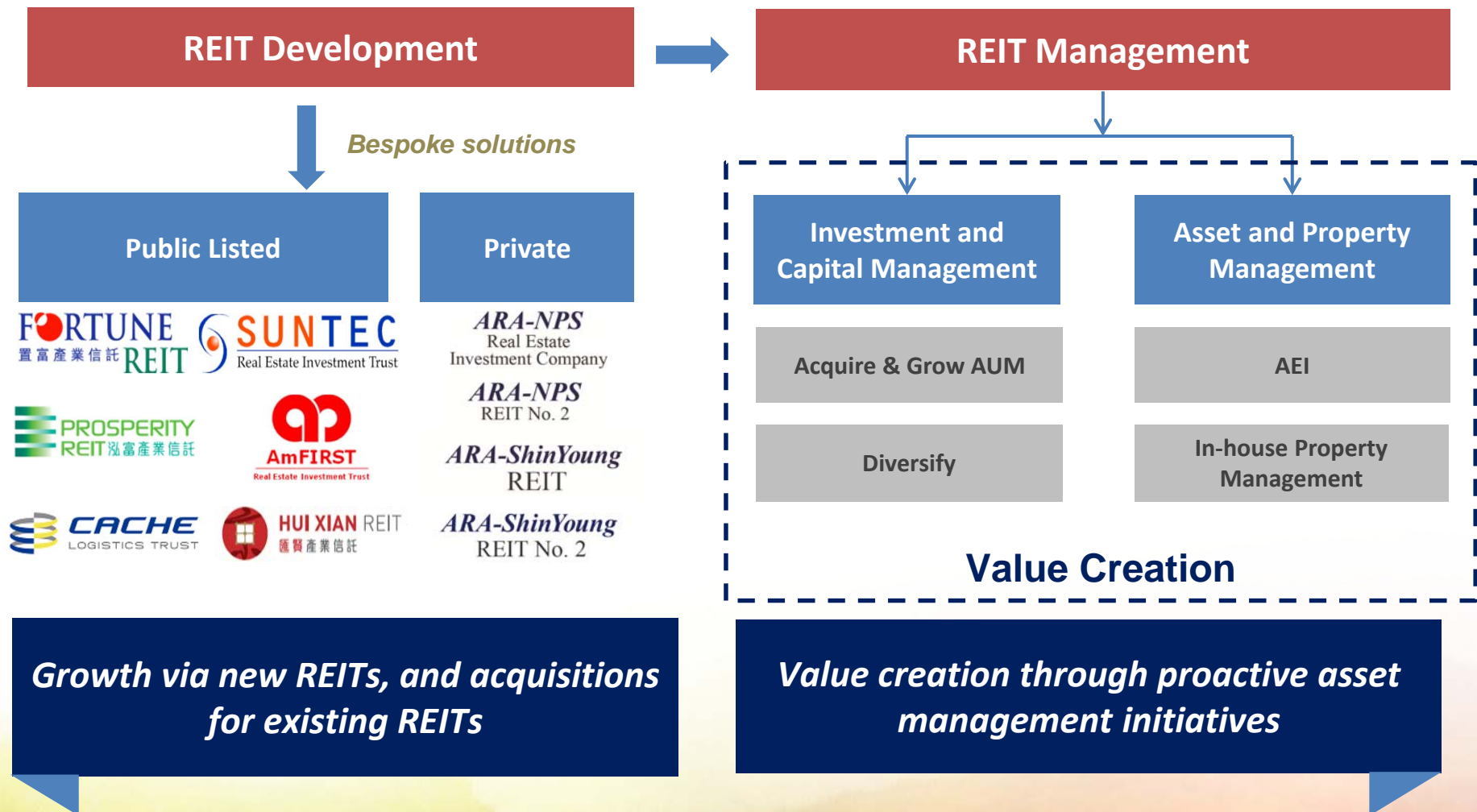
...maximise value across the value chain

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

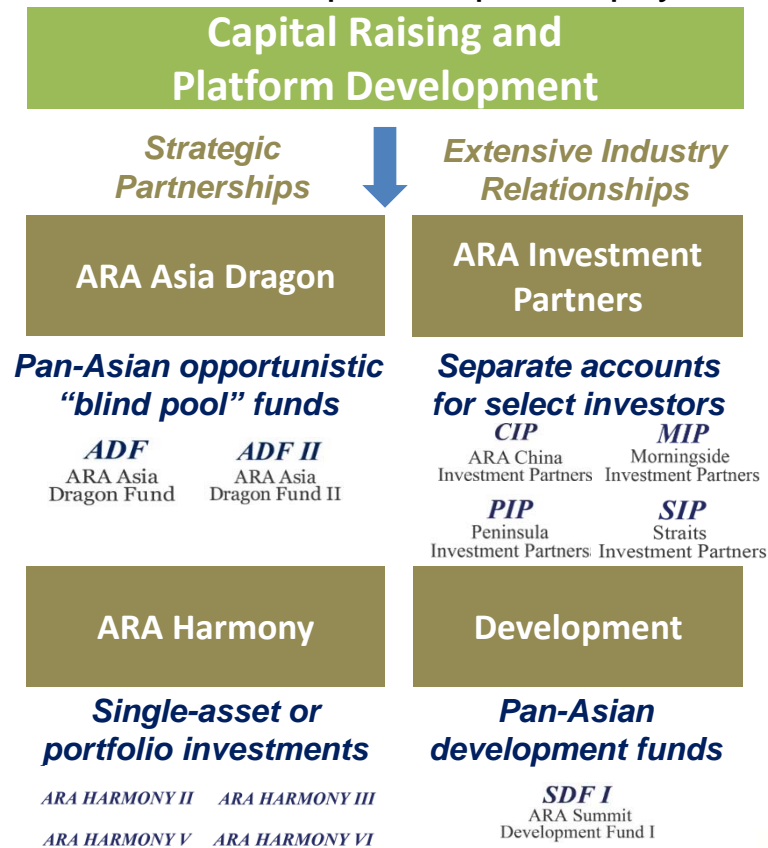


ARA PRIVATE FUNDS

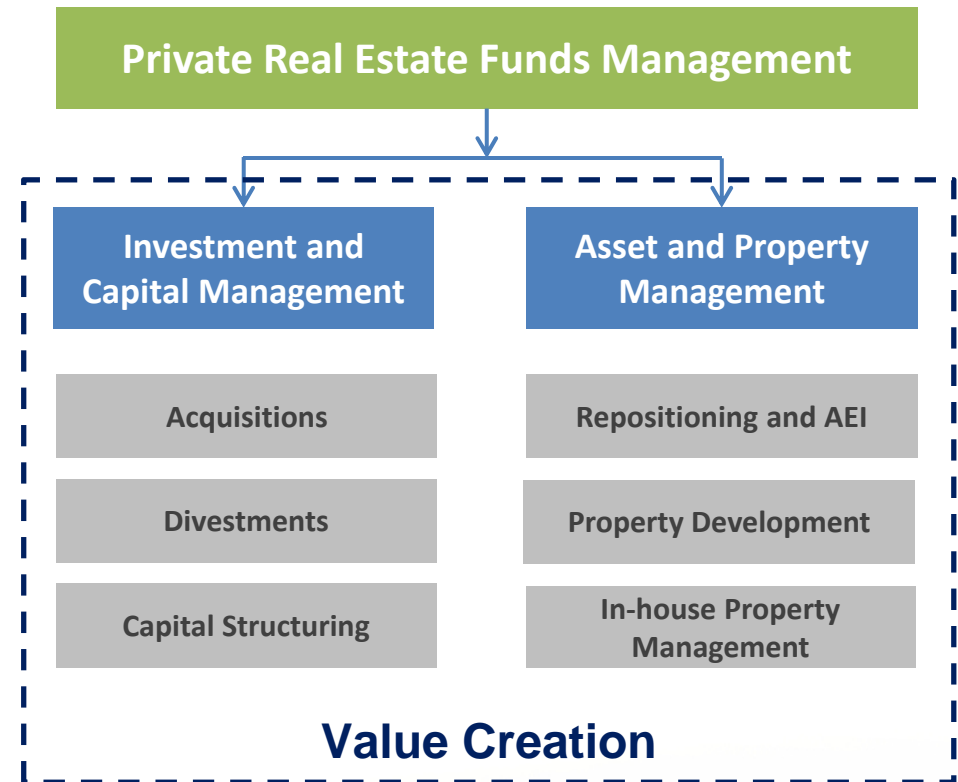
Expanding Suite of Private Real Estate Funds



- Investor-cum-operator philosophy



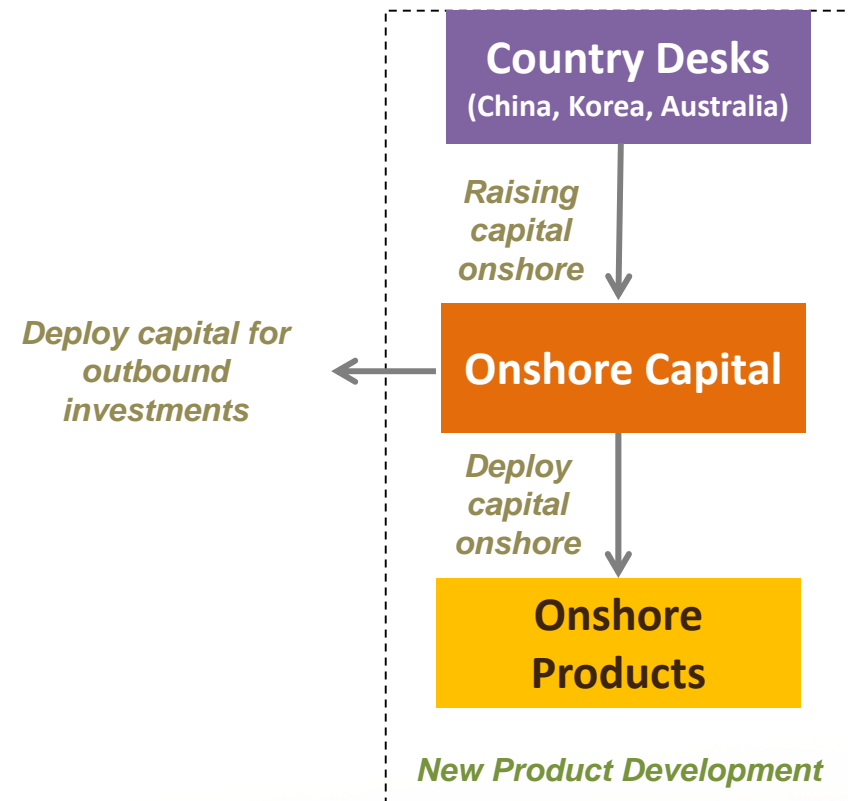
Growth via capital raising and platform development



Value creation through proactive asset management initiatives

COUNTRY DESKS

Scaling the Business Model



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

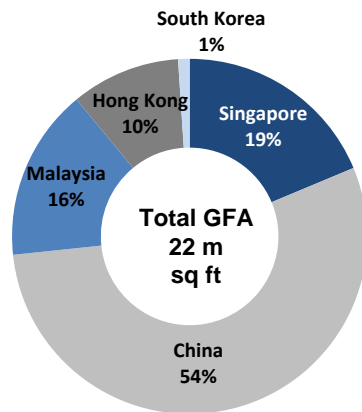
*Target raise of onshore capital to deploy
onshore or offshore*

Strategic Differentiator: Value-Adding to our Assets

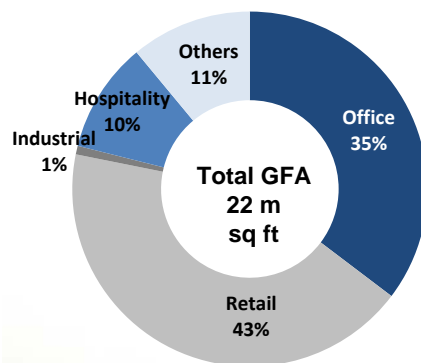
Asset Enhancement Capabilities of our Real Estate Management Services Division



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.

Contact

Cheryl Seow
Group Chief Financial Officer
Group Finance
cherylseow@ara.com.hk

Marilyn Tan
Assistant Director
Group Finance
marilyntan@ara.com.hk

Global Headquarters:

6 Temasek Boulevard
Suntec Tower Four, #16-02
Singapore 038986

Tel: (65) 6835 9232
Fax: (65) 6835 9672

Website: www.ara-asia.com

