



PRESS RELEASE

ARA HARMONY FUND CROSSES INITIAL FIVE-YEAR MARK

Outperforming Fund IRR of approximately 27%¹

21 October 2014 – ARA Asset Management Limited (“**ARA**” or the “**Group**”) wishes to announce that the ARA Harmony Fund, a single-asset fund established on 30 September 2009 owning the award-winning Suntec Singapore Convention & Exhibition Centre, has crossed the initial five-year term in its fund cycle.

The Fund is managed by ARA Managers (Harmony) Pte. Ltd. (the “**Asset Manager**”) and operated by Suntec Singapore International Convention & Exhibition Services Pte. Ltd.. Since the inception of the Fund, the Asset Manager had conceptualised and delivered a successful asset enhancement initiative in transforming and enhancing the yield of the property. The rebranding and modernisation programme was completed in the second half of 2013, underpinning the significant uplift in the property value from S\$235 million at fund inception to an average valuation² of S\$663.25 million as at 30 September 2014. Thus, over the initial five-year term, the ARA Harmony Fund achieved an internal rate of return (“**IRR**”) of 27.4% with an equity multiple of 3.15 times¹ for its investors. Net of the performance fee of approximately S\$16.06 million, the IRR achieved was 26.3% with an equity multiple of over 3.0 times.

ARA Group CEO Mr. John Lim commented: “I’m delighted and proud of our achievements for the Fund, which underscores our core competence in driving better asset performance in the properties we manage and further augments our strong track record.”

This performance fee is expected to contribute approximately 1.90 Singapore cents to ARA’s earnings per share for the financial quarter ended 30 September 2014.

– End of Release –

¹ Before performance fees

² Refers to the average of the independent valuations carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd

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.

For more information, please contact:

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

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

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

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