(An Affiliate of Cheung Kong Group)

ARA ASSET MANAGEMENT LIMITED
FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2013

The financial information for the quarter ended 30 June 2013 in the announcement have been extracted from the interim financial statements for the period from 1 January 2013 to 30 June 2013, which have been reviewed by the auditors in accordance with the Singapore Standard on Review Engagements 2410.

ARA Asset Management Limited ("ARA" or the "Group") is a real estate fund management company listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The ARA Group comprises four primary business segments:

- Real estate investment trusts ("REITs");
- Private real estate funds;
- Real estate management services; and
- Corporate finance advisory services.

ARA currently manages REITs listed in Singapore, Hong Kong and Malaysia with a diversified portfolio spanning the office/retail (commercial), industrial/office, logistics and hospitality sectors; private real estate funds investing in real estate in Asia; and provides real estate management services, including property management and convention & exhibition services; and corporate finance advisory services.

Financial Results Announcement
For the quarter ended 30 June 2013

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	1/4/13 to 30/6/13 ("2Q2013") S$'000	1/4/12 to 30/6/12 ("2Q2012") S$'000	Change %	1/1/13 to 30/6/13 ("1H2013") S$'000	1/1/12 to 30/6/12 ("1H2012") S$'000	Change %
Management fees	(a)	29,481	24,676	19%	56,155	47,782	18%
Acquisition, divestment and performance fees	(a)	1,339	653	105%	2,292	4,663	(51%)
Finance income	(b)	3,816	3,169	20%	5,640	10,343	(45%)
Other income		23	598	(96%)	43	635	(93%)
Total revenue		34,659	29,096	19%	64,130	63,423	1%
Administrative expenses	(c)	(10,381)	(9,421)	10%	(20,363)	(18,650)	9%
Operating lease expenses	(d)	(886)	(781)	13%	(1,832)	(1,365)	34%
Other expenses	(e)	(1,543)	(1,345)	15%	(3,511)	(3,501)	0%
Results from operating activities		21,849	17,549	25%	38,424	39,907	(4%)
Finance costs	(f)	(4,434)	(83)	n.m.	(1,774)	(138)	n.m.
		17,415	17,466	(0%)	36,650	39,769	(8%)
Share of profit of associates, net of tax	(g)	1,093	788	39%	1,938	2,168	(11%)
Profit before tax	(h)	18,508	18,254	1%	38,588	41,937	(8%)
Tax expense	(i)	(2,320)	(2,483)	(7%)	(4,731)	(5,872)	(19%)
Profit for the period		16,188	15,771	3%	33,857	36,065	(6%)
Attributable to:							
Equity holders of the Company		15,296	15,381	(1%)	32,111	35,384	(9%)
Non-controlling interests		892	390	129%	1,746	681	156%
		16,188	15,771	3%	33,857	36,065	(6%)

n.m.: not meaningful

Financial Results Announcement
For the quarter ended 30 June 2013

1(a)(ii) Explanatory notes to the income statement of the Group

(a) Revenue

		2Q2013 S$'000	2Q2012 S$'000	Change %	1H2013 S$'000	1H2012 S$'000	Change %
Management fees		**29,481**	**24,676**	**19%**	**56,155**	**47,782**	**18%**
REIT base and performance fees	(i)	15,850	15,304	4%	31,395	30,546	3%
Portfolio management and service fees	(ii)	6,710	6,403	5%	13,178	11,426	15%
Real estate management services fees	(iii)	6,921	2,969	133%	11,582	5,810	99%
Acquisition, divestment and performance fees	(iv)	**1,339**	**653**	**105%**	**2,292**	**4,663**	**(51%)**
Acquisition, divestment and performance fees		552	352	57%	552	4,317	(87%)
Advisory and consultancy fees		787	301	161%	1,740	346	403%

(i) REIT management fees increased to S$31.4 million in 1H2013 compared with S$30.5 million in 1H2012 due to higher REIT base fees primarily arising from better asset performance arising from asset enhancement initiatives which resulted in higher valuation of the property portfolios of the REITs under management. Cache Logistics Trust's ("Cache") acquisition of 15 Gul Way ("Precise Two") on 2 April 2013 also contributed to the higher REIT base fees. The increase in REIT base fees was partially offset by lower performance fees received from Suntec REIT due to a decrease in Suntec REIT's net property income arising from the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works.

(ii) Portfolio management and service fees increased from S$11.4 million in 1H2012 to S$13.2 million in 1H2013 due to (i) the ARA Asia Dragon Fund II ("ADF II") which commenced its investment period in March 2012; (ii) the ARA China Investment Partners ("CIP") which launched in June 2012 and (iii) higher valuation of the property in the ARA Harmony Fund for 1H2013 following the asset enhancement works. However, this increase was partially offset by the reduced management fees from the ARA Asia Dragon Fund ("ADF") following the partial divestment of its assets which saw the progressive return of capital to investors since 2012.

(iii) Real estate management fees in 1H2013 increased by 99% to S$11.6 million from S$5.8 million in 1H2012 primarily due to (i) higher leasing commission recognised by APM Property Management Pte. Ltd. ("APM") in relation to increased leasing activities for the retail space in the newly revamped Suntec City and (ii) contributions from the APM Property Management (China) Limited group of companies ("APMC Group") subsequent to its acquisition in August 2012.

(iv) In 1H2013, acquisition, divestment and performance fees were down 51% against 1H2012 primarily due to acquisition / divestment fees received in 1H2012 relating to (i) Suntec REIT's divestment of Chijmes in January 2012; (ii) Fortune REIT's acquisition of Belvedere Square and Provident Square in February 2012 and (iii) Cache's acquisition of Pan Asia Logistics Centre in April 2012. In 1H2013, the Group received acquisition fees of S$0.6 million in relation to Cache's acquisition of Precise Two in April 2013. The advisory and consultancy fees of approximately S$1.7 million received in 1H2013 were primarily in relation to project management services provided by APM and its related corporations to malls in Malaysia, as well as to Suntec REIT and the ARA Harmony Fund for the re-making of Suntec City.

(b) Finance income

Finance income comprised primarily of distribution income, interest income, net gain on fair valuation / disposal of held-for-trading securities and net foreign exchange gain. Finance income decreased 45% to S$5.6 million in 1H2013 from S$10.3 million in 1H2012 primarily due to a net gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees in 1H2012 of S$5.9 million (1H2013 recorded a net loss on fair valuation / disposal of certain REIT units of S$1.6 million). This decrease in finance income was partially offset by a higher distribution income of S$5.6 million in 1H2013 as compared to S$4.4 million received in 1H2012. This was mainly attributable to the distribution of profits by the ADF arising from the divestment of properties under its portfolio.

(c) Administrative expenses

Administrative expenses comprised primarily of staff-related expenses and advisory fees. Administrative expenses increased to S$20.4 million in 1H2013 from S$18.7 million in 1H2012, primarily due to an increase in headcount and staff-related expenses in line with the Group's continuing business expansion. Excluded from administrative expense was staff-related expenses of S$5.2 million (1H2012: S$10.5 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which was fully reimbursed from the ARA Harmony Fund.

(d) Operating lease expenses

Operating lease expenses increased to S$1.8 million in 1H2013 from S$1.4 million in 1H2012 due to additional office space secured for both local and overseas operations which is in line with the Group's continuing business expansion.

(e) Other expenses

Other expenses comprised primarily of other staff-related expenses (such as travelling expenses), telecommunications expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, continuing listing expenses, board meeting expenses and other miscellaneous expenses. Other expenses in 1H2013 remained comparable to 1H2012 at S$3.5 million. The Group had incurred lower professional fees for the establishment of new business segments in 1H2013 which was partially offset by inclusion of expenses of the APMC Group which was acquired in August 2012.

(f) Finance costs

Finance costs comprised net loss on fair valuation / disposal of held-for-trading securities, net foreign exchange loss and interest expenses. Finance costs increased by S$1.6 million from S$138,000 in 1H2012 to S$1.8 million in 1H2013 primarily due to a net loss on fair valuation / disposal of held-for-trading securities of S$1.6 million in 1H2013. This mainly relates to the fair valuation of certain REIT units received by the Group as part payment for REIT management and acquisition fees. In 1H2012, it was a gain recorded under Finance income.

(g) Share of profit of associates (net of tax)

Share of profit of associates (net of tax) was primarily due to the recognition of our share of profits arising from the Group's (i) 30% effective interest in Am ARA REIT Managers Sdn Bhd, the manager of AmFIRST REIT, (ii) 40% effective interest in Cache Property Management Pte. Ltd., the property manager of Cache, and (iii) 30% effective interest in Hui Xian Asset Management Limited, the manager of Hui Xian REIT.

(h) Profit before income tax

The following items have been included in arriving at profit for the period:

	2Q2013 S$'000	2Q2012 S$'000	Change %	1H2013 S$'000	1H2012 S$'000	Change %
Finance income						
Distribution income	3,754	2,060	82%	5,557	4,373	27%
Interest income	24	43	(44%)	72	71	1%
Foreign exchange gain - net	38	-	n.m.	11	-	n.m.
Gain on fair valuation of held-for-trading securities	-	1,066	(100%)	-	5,899	(100%)
Other expenses						
Depreciation of plant and equipment	175	138	27%	346	273	27%
Finance costs						
Interest expense	118	53	123%	195	86	127%
Foreign exchange loss, net	-	30	(100%)	-	52	(100%)
Loss on fair valuation of held-for-trading securities	4,316	-	n.m.	1,579	-	n.m.

n.m.: not meaningful

(i) Tax expense

The current tax expense is based on the statutory tax rates of the respective countries in which the subsidiaries of the Group operate.

1(a)(iii) Statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year

	2Q2013 S$'000	2Q2012 S$'000	Change %	1H2013 S$'000	1H2012 S$'000	Change %
Profit for the period	16,188	15,771	3%	33,857	36,065	(6%)
Other comprehensive income:						
Translation differences relating to financial statements of foreign subsidiaries	2,332	192	n.m.	3,442	(963)	n.m.
Net change in fair value of available-for-sale financial assets	(2,709)	2,215	n.m.	4,149	9,409	(56%)
Effective portion of changes in fair value of cash flow hedge	–	(29)	100%	–	510	(100%)
Other comprehensive income for the period, net of income tax	(377)	2,378	n.m.	7,591	8,956	(15%)
Total comprehensive income for the period	**15,811**	**18,149**	**(13%)**	**41,448**	**45,021**	**(8%)**
Total comprehensive income attributable to:						
Equity holders of the Company	14,919	17,759	(16%)	39,702	44,340	(10%)
Non-controlling interests	892	390	129%	1,746	681	156%
Total comprehensive income for the period	**15,811**	**18,149**	**(13%)**	**41,448**	**45,021**	**(8%)**

n.m.: not meaningful

Note: *There is no tax effect relating to the components of the other comprehensive income for the period.*

Financial Results Announcement
For the quarter ended 30 June 2013

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group		Company	
		30/6/13	31/12/12	30/6/13	31/12/12
		S$'000	S$'000	S$'000	S$'000
Assets					
Plant and equipment		1,486	1,640	-	-
Subsidiaries	(a)	-	-	136,292	85,923
Associates	(b)	4,258	3,578	-	-
Financial assets	(c)	202,909	123,209	-	-
Tenancy deposits		970	971	-	-
Total non-current assets		209,623	129,398	136,292	85,923
Financial assets	(d)	40,955	26,014	-	-
Trade and other receivables	(e)	35,668	33,420	3,998	4,029
Cash and cash equivalents		31,930	100,258	2,319	56,326
Total current assets		108,553	159,692	6,317	60,355
Total assets		318,176	289,090	142,609	146,278
Equity					
Share capital		1,690	1,537	1,690	1,537
Reserves		100,353	92,915	74,859	75,012
Accumulated profits		159,155	149,863	64,339	67,636
Equity attributable to equity holders of the Company		261,198	244,315	140,888	144,185
Non-controlling interests	(f)	3,250	2,304	-	-
Total equity		264,448	246,619	140,888	144,185
Liabilities					
Loan and borrowings	(g)	166	189	-	-
Deferred tax liabilities		80	118	-	-
Total non-current liabilities		246	307	-	-
Trade and other payables	(h)	20,360	26,099	1,721	2,093
Loan and borrowings	(g)	22,841	4,878	-	-
Current tax payable		10,281	11,187	-	-
Total current liabilities		53,482	42,164	1,721	2,093
Total liabilities		53,728	42,471	1,721	2,093
Total equity and liabilities		318,176	289,090	142,609	146,278

Footnotes:

(a) Interest in subsidiaries comprise equity investments in the Company's subsidiaries and loans to subsidiaries where the settlement of the amount is neither planned nor likely to occur in the foreseeable future.

(b) Interest in associates relates to the Group's 40% equity interest in Cache Property Management Pte. Ltd., and 30% equity interest in Am ARA REIT Holdings Sdn. Bhd., Am ARA REIT Managers Sdn. Bhd., World Deluxe Enterprises Limited, Hui Xian Asset Management Limited and Beijing Hui Xian Enterprise Services Limited.

(c) Non-current financial assets as at 30 June 2013 comprise (i) 34.1 million Suntec REIT units held by the Group as a strategic stake and which have been pledged as security for a credit facility (see 1(b)(ii) – Details of any collateral); (ii) 11.9 million Cache units held by the Group as a strategic stake; (iii) 37.0 million AmFIRST REIT units held by the Group as strategic stake and of which a portion have been pledged as security for a credit facility (see 1(b)(ii) – Details of any collateral); (iv) seed capital investments in the ADF, the ADF II and the CIP; (v) investment in the ARA Asian Asset Income Fund ("AAIF") and (vi) a 14.0% strategic stake in APN Property Group Limited ("APN").

(d) Current financial assets as at 30 June 2013 comprise (i) REIT units received by the Group as part payment of management fees by certain REITs under management; (ii) REIT units received by the Group as payment of acquisition fees for the acquisition of Pandan Logistics Hub by Cache on 3 July 2012 and (iii) REIT units received by the Group as payment for dividend income declared by an associate. The REIT units received as payment for acquisition fees are subject to a one-year moratorium as stipulated in the Code on Collective Investment Schemes issued by the MAS.

(e) Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The increase in trade and other receivables is primarily due to advisory and consultancy fees accrued in relation to project management services provided by APM and its related corporations to malls in Malaysia, as well as to Suntec REIT and the ARA Harmony Fund for the re-making of Suntec City.

(f) Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, as well as APMC Group.

(g) Loan and borrowings as at 30 June 2013 relate to (i) a secured revolving credit facility taken up with United Overseas Bank Limited ("UOB Singapore") to for the Group's general working capital purposes and seed capital contributions to the private funds; (ii) a secured revolving credit facility taken up with United Overseas Bank (Malaysia) Bhd ("UOB Malaysia") to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT (see 1(b)(ii) – Details of any collateral) and (iii) finance lease liability for the purchase of certain plant and equipment. As at 30 June 2013, the Group's gearing ratio stood at 9% (1H2012: Nil).

(h) Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff related benefits to employees and other payables. The decrease in trade and other payables was primarily due to payment of staff-related costs in 1H2013.

Financial Results Announcement
For the quarter ended 30 June 2013

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	30/6/13		*31/12/12*	
	Secured S$'000	***Unsecured*** S$'000	***Secured*** S$'000	***Unsecured*** S$'000
Amount repayable in one year or less, or on demand	22,841	–	4,878	–
Amount repayable after one year	166	–	189	–
	23,007	–	5,067	–

Footnotes:

(a) As at 30 June 2013, the Group's borrowings included:
- *(i) a secured revolving credit facility of S$18.0 million with UOB Singapore (31 December 2012: Nil) for the Group's general working capital purposes and seed capital contributions to the private funds;*
- *(ii) a secured revolving credit facility of S$4.6 million (equivalent to RM12.0 million) (31 December 2012: S$4.8 million (equivalent to RM12.0 million)) with UOB Malaysia to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT; and*
- *(iii) finance lease liabilities of S$215,000 (31 December 2012: S$266,000) which relates to the purchase of certain plant and equipment.*

(b) As at 30 June 2013, the Group has the following facilities:
- *(i) an unutilised revolving credit facility of S$1.8 million secured on the Group's strategic stake in Suntec REIT (31 December 2012: S$19.8 million);*
- *(ii) an unutilised revolving credit facility of RM4.0 million secured on the Group's strategic stake in AmFIRST REIT (31 December 2012: RM4.0 million); and*
- *(iii) unutilised unsecured overdraft facilities of S$6.0 million and HK$3.0 million (31 December 2012: S$6.0 million and HK$3.0 million);*

Details of any collateral

On 15 March 2011, the Group pledged 34.1 million units of Suntec REIT as security for a S$20.0 million revolving credit facility with UOB Singapore. The facility bears interest at a floating rate of 1.35% p.a. above the Association of Banks in Singapore Swap Offer Rate and terminates on 15 March 2014.

On 28 September 2011, the Group pledged 23.1 million units of AmFIRST REIT as security for a RM16.0 million revolving credit facility with United Malaysia. The facility bears interest at a floating rate of 1.4% p.a. above the bank's cost of funds. The facility is available for a period of 3 years with an option to extend for another 3 years.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	2Q2013 S$'000	2Q2012 S$'000	1H2013 S$'000	1H2012 S$'000
Cash flows from operating activities					
Profit for the period		16,188	15,771	33,857	36,065
Adjustments for:					
Depreciation of plant and equipment		175	138	346	273
Distribution income		(3,754)	(2,060)	(5,557)	(4,373)
Interest expense		118	53	195	86
Interest income		(24)	(43)	(72)	(71)
(Gain) / loss on disposal of plant and equipment		(6)	1	(6)	1
Loss / (gain) on fair valuation / disposal of held-for-trading securities		4,316	(1,066)	1,579	(5,899)
Management fees received / receivable in units of REITs		(12,587)	(12,142)	(24,875)	(27,327)
Share of profit of associates		(1,093)	(788)	(1,938)	(2,168)
Tax expense		2,320	2,483	4,731	5,872
Operating profit before working capital changes		5,653	2,347	8,260	2,459
Changes in working capital:					
Change in trade and other receivables		(935)	(2,612)	(767)	606
Change in trade and other payables		(1,035)	716	(5,739)	1,045
Cash generated from operating activities		3,683	451	1,754	4,110
Distribution income received		3,664	2,060	5,467	4,373
Proceeds from sale of units in REITs		3,347	12,756	9,995	54,028
Tax paid		(5,225)	(3,323)	(5,674)	(3,496)
Cash flows from operating activities	(a)	5,469	11,944	11,542	59,015
Cash flows from investing activities					
Dividend received from associates		-	494	272	494
Interest received		24	43	72	71
Proceeds from disposal of plant and equipment		94	-	94	-
Purchase of plant and equipment		(236)	(51)	(271)	(71)
Purchase of available-for-sale securities, net		(16,496)	(1,215)	(74,649)	(2,821)
Cash flows used in investing activities	(b)	(16,614)	(729)	(74,482)	(2,327)
Cash flows from financing activities					
Dividends paid		(22,819)	(20,744)	(23,619)	(20,744)
Interest paid		(118)	(53)	(195)	(86)
Payment of finance lease liabilities		(20)	(29)	(50)	(62)
Drawdown of borrowings		18,000	-	18,000	-
Cash flows used in financing activities	(c)	(4,957)	(20,826)	(5,864)	(20,892)
Net (decrease) / increase in cash & cash equivalents		**(16,102)**	**(9,611)**	**(68,804)**	**35,796**
Cash and cash equivalents at beginning of period		47,788	102,489	100,258	57,291
Effect of exchange rate fluctuations on cash held		244	33	476	(176)
Cash and cash equivalents at end of period		**31,930**	**92,911**	**31,930**	**92,911**

Footnotes:

(a) Cash flows from operating activities decreased to S$11.5 million in 1H2013 from S$59.0 million in 1H2012 primarily due to lower proceeds received from the sale of certain REIT units received by the Group as part payment for REIT management and acquisition fees.

(b) Net cash outflow for investing activities was S$74.5 million in 1H2013 as compared to a net cash outflow of S$2.3 million in 1H2012. The increase in net cash outflow for investing activities in 1H2013 was primarily due to seed capital contributions to the private funds, which is classified as available-for-sale securities.

(c) Net cash outflow for financing activities was S$5.9 million in 1H2013 as compared to a net cash outflow of S$20.9 million in 1H2012. While dividend paid out by the Group was higher in 1H2013 subsequent to the Company's enlarged share based after the 1-for-10 bonus issue in March 2013, this was partially offset by a S$18.0 million drawdown on the revolving credit facility taken up with UOB Singapore for the Group's general working capital purposes in 1H2013.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital S$'000	Share premium S$'000	Accumulated profits S$'000	Total equity S$'000
Company				
At 1 January 2012	1,537	75,012	46,110	122,659
Total comprehensive income for the period				
- Profit for the period	-	-	7,407	7,407
At 31 March 2012	**1,537**	**75,012**	**53,517**	**130,066**
Total comprehensive income for the period				
- Profit for the period	-	-	31,144	31,144
Transactions with owners, recorded directly in equity				
Final tax-exempt dividend paid of S$0.027 per share	-	-	(20,744)	(20,744)
At 30 June 2012	**1,537**	**75,012**	**63,917**	**140,466**
At 1 January 2013	1,537	75,012	67,636	144,185
Total comprehensive income for the period				
- Profit for the period	-	-	6,485	6,485
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
- Issue of bonus shares	153	(153)	-	-
At 31 March 2013	**1,690**	**74,859**	**74,121**	**150,670**
Total comprehensive income for the period				
- Profit for the period	-	-	13,037	13,037
Transactions with owners, recorded directly in equity				
Final tax-exempt dividend paid of S$0.027 per share	-	-	(22,819)	(22,819)
At 30 June 2013	**1,690**	**74,859**	**64,339**	**140,888**

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Group	Share capital and premium S$'000	Fair value reserve S$'000	Other reserves S$'000	Accumulated profits S$'000	Attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2012	76,549	755	(3,976)	115,574	188,902	659	189,561
Total other comprehensive income	-	7,194	(616)	-	6,578	-	6,578
Profit for the period	-	-	-	20,003	20,003	291	20,294
Total comprehensive income for the period	-	7,194	(616)	20,003	26,581	291	26,872
At 31 March 2012	**76,549**	**7,949**	**(4,592)**	**135,577**	**215,483**	**950**	**216,433**
Total other comprehensive income	-	2,215	163	-	2,378	-	2,378
Profit for the period	-	-	-	15,381	15,381	390	15,771
Total comprehensive income for the period	-	2,215	163	15,381	17,759	390	18,149
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Final tax-exempt dividend paid of S$0.027 per share	-	-	-	(20,744)	(20,744)	-	(20,744)
Total transactions with owners	-	-	-	(20,744)	(20,744)	-	(20,744)
At 30 June 2012	**76,549**	**10,164**	**(4,429)**	**130,214**	**212,498**	**1,340**	**213,838**
At 1 January 2013	76,549	23,788	(5,885)	149,863	244,315	2,304	246,619
Total other comprehensive income	-	6,858	1,110	-	7,968	-	7,968
Profit for the period	-	-	-	16,815	16,815	854	17,669
Total comprehensive income for the period	-	6,858	1,110	16,815	24,783	854	25,637
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividend paid to non-controlling interest	-	-	-	-	-	(800)	(800)
Total transactions with owners	-	-	-	-	-	(800)	(800)
At 31 March 2013	**76,549**	**30,646**	**(4,775)**	**166,678**	**269,098**	**2,358**	**271,456**
Total other comprehensive income	-	(2,709)	2,332	-	(377)	-	(377)
Profit for the period	-	-	-	15,296	15,296	892	16,188
Total comprehensive income for the period	-	(2,709)	2,332	15,296	14,919	892	15,811
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Final tax-exempt dividend paid of S$0.027 per share	-	-	-	(22,819)	(22,819)	-	(22,819)
Total transactions with owners	-	-	-	(22,819)	(22,819)	-	(22,819)
At 30 June 2013	**76,549**	**27,937**	**(2,443)**	**159,155**	**261,198**	**3,250**	**264,448**

Notes:

- Included in the share capital is a share premium account of S$74.9 million as at 30 June 2013 (30 June 2012: S$75.0 million).
- Other reserves comprised foreign currency translation reserve and hedging reserve.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

On 26 March 2013, 76,831,904 new ordinary shares of S$0.002 each in the capital of the Company, credited as fully paid, were allotted and issued to shareholders of the Company on the basis of one (1) bonus share for every ten (10) existing shares held in the capital of the Company (the "Bonus Issue"). Following the Bonus Issue, the total number of issued shares in the Company increased from 768,319,189 to 845,151,093. There were no changes in the Company's share capital since the end of the last quarter financial statements announcement, which was reported on 8 May 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at	
	30/6/13	**31/12/12**
Total number of issued shares	845,151,093	768,319,189

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures for the six-month period ended 30 June 2013 have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please refer to attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except for the adoption of Financial Reporting Standards ("FRS") 113 – Fair Value Measurement, which became effective for the Group's financial period beginning 1 January 2013, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2012. The Group does not expect any significant financial impact on its financial position or performance from the adoption of FRS 113.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

(Singapore cents)	2Q2013	2Q2012	1H2013	1H2012
Earnings per ordinary share for the period based on profit for the period attributable to equity holders of the Company:				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	1.81	2.00	3.80	4.61
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	1.81	1.82	3.80	4.19

The calculation of earnings per share for the relevant period is based on the profit for the period attributable to equity holders of the Company for the financial periods ended 30 June 2013 and 30 June 2012 and the issued share capital of 845,151,093 and 768,319,189 shares as at 30 June 2013 and 30 June 2012 respectively.

The calculation of adjusted earnings per share for the relevant period is based on the profit for the period attributable to equity holders of the Company for the financial periods ended 30 June 2013 and 30 June 2012 and the issued share capital of 845,151,093 shares after the Bonus Issue.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
(Singapore cents)	30/6/13	31/12/12	30/6/13	31/12/12
Net asset value per ordinary share				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	30.91	31.80	16.67	18.77
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	30.91	28.91	16.67	17.06

Net asset value ("NAV") per share for the relevant period is calculated based on the net assets of the Group (excluding non-controlling interests) and the issued share capital of 845,151,093 and 768,319,189 shares as at 30 June 2013 and 31 December 2012 respectively.

The adjusted NAV per share for the relevant period is calculated based on the net assets of the Group (excluding non-controlling interests) as at 30 June 2013 and 31 December 2012 and the issued share capital of 845,151,093 shares after the Bonus Issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of performance

	2Q2013 S$'000	2Q2012 S$'000	Change %	1H2013 S$'000	1H2012 S$'000	Change %
Total Revenue	**34,659**	**29,096**	**19%**	**64,130**	**63,423**	**1%**
Management fees	29,481	24,676	19%	56,155	47,782	18%
Acquisition, divestment and performance fees	1,339	653	105%	2,292	4,663	(51%)
Finance income	3,816	3,169	20%	5,640	10,343	(45%)
Other income	23	598	(96%)	43	635	(93%)
Net profit (1)	15,296	15,381	(1%)	32,111	35,384	(9%)
Net profit (excluding unrealised M-T-M (2) **gains / losses)**	18,995	15,047	26%	35,427	29,673	19%
Recurrent Net Profit (3)	14,698	12,278	20%	27,000	23,044	17%

(1) Net profit refers to "Profit for the period attributable to equity holders of the Company"
(2) M-T-M refers to "Marked-to-Market", adjusted for the effects of tax.
(3) Recurrent Net Profit refers to Net Profit excluding acquisition, divestment and performance fees, finance income and finance costs, adjusted for the effects of tax.

<u>2Q2013 vs 2Q2012</u>

Recurrent management fee income increased by 19% to S$29.5 million in 2Q2013 from S$24.7 million in 2Q2012. This was primarily due to (i) better asset performance arising from asset enhancement initiatives which resulted in higher valuation of the property portfolios of the REITs under management and Cache's acquisition of Precise Two in April 2013; (ii) higher portfolio management fees arising from higher valuation of the property in the ARA Harmony Fund as a result of the asset enhancement works; (iii) contributions from the ADF II and the CIP, which was partially offset by reduced management fees from the ADF and (iv) higher real estate management fees primarily due to higher leasing commission recognised by APM from the re-making of Suntec City and contributions from the APMC Group.

Acquisition, divestment and performance fees increased to S$1.3 million in 2Q2013 from S$653,000 in 2Q2012, bolstered by acquisition fees of $0.6 million received in relation to the acquisition by Cache of Precise Two in April 2013 and S$0.8 million project management fees received by APM in relation to the re-making of Suntec City.

Finance income increased to S$3.8 million in 2Q2013 from S$3.2 million in 2Q2012 due to higher distribution income received primarily from the ADF. However, this increase was partially offset by a net gain of S$1.1 million on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees in 2Q2012 (2Q2013 recorded a net loss on fair valuation / disposal of certain REIT units).

The Group's operating expenses increased by S$1.3 million from S$11.5 million in 2Q2012 to S$12.8 million in 2Q2013. This was primarily due to inclusion of expenses of the APMC Group which was acquired in August 2012 and higher staff-related expenses and operating lease expenses incurred as the Group continues to grow, partially offset by lower professional fees for the establishment of new business segments.

Finance costs for 2Q2013 increased to S$4.4 million from S$83,000 in 2Q2012 primarily due to a net loss of S$4.3 million on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees (2Q2012 recorded a net gain on fair valuation / disposal of certain REIT units).

As a result of the above, net profit for 2Q2013 was marginally down 1% to S$15.3 million from S$15.4 million in 2Q2012. Excluding the unrealised M-T-M gains/losses, the Group achieved a net profit of S$19.0 million for 2Q2013 compared to S$15.0 million for 2Q2012, a 26% increase.

If we further exclude the one-off acquisition, divestment and performance fees and finance income received and finance costs incurred, the adjusted net profit for 2Q2013 would have been 20% higher as compared to 2Q2012, in line with the higher recurrent management fees.

1H2013 vs 1H2012

Recurrent management fee income increased by 18% to S$56.2 million in 1H2013 from S$47.8 million in 1H2012. This was primarily due to (i) better asset performance arising from asset enhancement initiatives which resulted in higher valuation of the property portfolios of the REITs under management and Cache's acquisition of Precise Two; (ii) higher portfolio management fees arising from higher valuation of the property in the ARA Harmony Fund as a result of the asset enhancement works; (iii) contributions from the ADF II and the CIP, which was partially offset by reduced management fees from the ADF as it progressively divests the assets under its portfolio and (iv) higher real estate management fees comprising higher leasing commission recognised by APM from the re-making of Suntec City and contributions from the APMC Group.

In 1H2013, acquisition, divestment and performance fees of S$2.3 million was down 51% against 1H2012 primarily due to acquisition / divestment fees received in 1H2012 in relation to (i) Suntec REIT's divestment of Chijmes in January 2012; (ii) Fortune REIT's acquisition of Belvedere Square and Provident Square in February 2012 and (iii) Cache's acquisition of Pan Asia Logistics Centre in April 2012. In 1H2013, the Group received acquisition fees of S$0.6 million in relation to Cache's acquisition of Precise Two and S$1.7 million of advisory and consultancy fees received mainly in relation to project management services provided by APM and its related corporations to malls in Malaysia, as well as to Suntec REIT and the ARA Harmony Fund for the re-making of Suntec City.

Finance income decreased 45% to S$5.6 million in 1H2013 from S$10.3 million in 1H2012 primarily due to a net gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees of S$5.9 million being recorded in 1H2012 (1H2013 recorded a net loss on fair valuation / disposal of certain REIT units of S$1.6 million). This decrease in finance income was partially offset by a higher distribution income of S$5.5 million in 1H2013 as compared to S$4.4 million received in 1H2012. This was mainly attributable to the distribution of profits by the ADF arising from the divestment of properties under its portfolio.

The Group recorded higher operating expenses of S$25.7 million in 1H2013 compared to S$23.5 million in 1H2012 due to the Group's expansion in the property management business in China following the acquisition of the APMC Group in August 2012. This increase is also attributable to higher staff-related expenses and higher operating lease expenses, which is in line with the Group's continuing business expansion.

As a result of the above, net profit for 1H2013 was down 9% to S$32.1 million from S$35.4 million in 1H2012. Excluding the unrealised M-T-M gains/losses, the Group achieved a net profit of S$35.4 million for 1H2013 compared to S$29.7 million for 1H2012, a 19% increase.

If we further exclude the one-off acquisition, divestment and performance fees and finance income received and finance costs incurred, the adjusted net profit for 1H2013 would have been 17% higher as compared to 1H2012, in line with the higher recurrent management fees.

As at 30 June 2013, the Group's total assets under management stood at S$23.5 billion (approximately US$18.5 billion).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The global economy remains vulnerable to downside risks such as the possibility of an extended period of slowdown in emerging market economies caused by slowing credit growth and declining consumption demand, while major advanced economies are faced with the fine balancing act of maintaining supportive macroeconomic policies and long-term debt sustainability. Equity markets have been affected by speculation that the US Federal Reserve may cut back on quantitative easing earlier than expected, while bond markets have seen long-term interest rates creep up.

China's gross domestic product expanded 7.5 per cent in the three months ended 30 June 2013, lower than the 7.7% achieved in the first quarter of the year, signifying a natural slowdown as a result of ongoing structural reforms. The Chinese authorities have outlined market-driven economic reforms to achieve a more sustainable growth model for the China economy for the longer term that focuses more on domestic consumption. The Group continues to see attractive investment opportunities in China.

Although global economic headwinds persist, the Group remains positive on the economic fundamentals of Asian economies in general. Real estate in Asia remains an attractive asset class in the medium to long term given Asia's sound economic fundamentals. The Group continues to identify investment opportunities for its REITs and private funds.

REITs

Having built a sizeable, multi-product/jurisdiction REIT platform with over S$16.8 billion of assets under management, the Group maintains its strategy of focusing on active asset management to add value to the properties in its portfolio and identifying value-adding acquisitions for the REITs under the Group's management. The Group continues to form strategic alliances with partners to list new REITs in new markets and jurisdictions.

Private Funds

The Group has in July 2013 secured further commitments from California Public Employees' Retirement System ("CalPERS") for the CIP, bringing the total committed capital of the CIP to US$830 million, from the initial US$500 million. ARA will continue to work with CalPERS to grow the CIP.

ARA's Private Funds division continues to identify attractive investment opportunities in the Group's core markets under each private fund's mandate to deploy its remaining capital commitments, while active asset management and asset enhancement initiatives continue for private funds that are fully invested. ARA continues to strengthen partnerships to expand existing platforms in the form of additional capital commitments and seeks to forge new partnerships to expand its network of strategic capital partners.

Outlook for FY2013

Barring unforeseen circumstances, the Directors expect the Group's net profit in FY2013 to be comparable to that achieved in FY2012.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend Amount	:	$0.023 per share
Dividend Rate	:	Not applicable
Par value of shares	:	$0.002 per share
Tax Rate	:	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend Amount	:	$0.023 per share
Dividend Rate	:	Not applicable
Par value of shares	:	$0.002 per share
Tax Rate	:	Tax exempt (One-tier)

(c) Date payable

29 August 2013

(d) Book Closure date

Registerable transfers received by the Company up to 5.00 pm on 15 August 2013 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect

An interim dividend of S$0.023 per share has been declared for the financial period from 1 January 2013 to 30 June 2013.

13. Interested Person Transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Negative confirmation pursuant to Rule 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors of ARA Asset Management Limited which may render the unaudited interim financial information (comprising the statements of financial position and statements of income, comprehensive income, changes in equity and cash flows, together with their accompanying notes) as at 30 June 2013 and for the six months ended on that date to be false or misleading in any material aspect.

On behalf of the Board,

Chiu Kwok Hung, Justin
Director

Lim Hwee Chiang
Director

BY ORDER OF THE BOARD
ARA ASSET MANAGEMENT LIMITED

Lim Hwee Chiang
Director
5 August 2013

This announcement 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 this release, which are based on the current view of management on future events. Information from external sources in this release has not been independently verified by us.