



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2013

The financial information for the quarter ended 30 September 2013 in the announcement have been extracted from the interim financial statements for the period from 1 January 2013 to 30 September 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 September 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	1/7/13 to 30/9/13 S\$'000	1/7/12 to 30/9/12 S\$'000	Change %	1/1/13 to 30/9/13 S\$'000	1/1/12 to 30/9/12 S\$'000	Change %
Management fees	(a)	27,875	26,277	6%	84,030	74,059	13%
Acquisition, divestment and performance fees	(a)	618	2,046	(70%)	2,910	6,709	(57%)
Finance income	(b)	4,548	4,793	(5%)	9,617	15,136	(36%)
Other income		28	31	(10%)	71	666	(89%)
Total revenue		33,069	33,147	(0%)	96,628	96,570	0%
Administrative expenses	(c)	(8,079)	(8,493)	(5%)	(28,442)	(27,143)	5%
Operating lease expenses	(d)	(960)	(870)	10%	(2,792)	(2,235)	25%
Other expenses	(e)	(846)	(923)	(8%)	(4,357)	(4,424)	(2%)
Results from operating activities		23,184	22,861	1%	61,037	62,768	(3%)
Finance costs	(f)	(579)	(354)	64%	(1,782)	(492)	262%
		22,605	22,507	0%	59,255	62,276	(5%)
Share of profit of associates, net of tax	(g)	1,069	1,097	(3%)	3,007	3,265	(8%)
Profit before tax	(h)	23,674	23,604	0%	62,262	65,541	(5%)
Tax expense	(i)	(3,081)	(3,211)	(4%)	(7,812)	(9,083)	(14%)
Profit for the period		20,593	20,393	1%	54,450	56,458	(4%)
Attributable to:							
Equity holders of the Company		20,009	19,634	2%	52,120	55,018	(5%)
Non-controlling interests		584	759	(23%)	2,330	1,440	62%
		20,593	20,393	1%	54,450	56,458	(4%)

Financial Results Announcement
For the quarter ended 30 September 2013
1(a)(ii) Explanatory notes to the income statement of the Group
(a) Revenue

		3Q2013 S\$'000	3Q2012 S\$'000	Change %	YTD2013 S\$'000	YTD2012 S\$'000	Change %
Management fees		27,875	26,277	6%	84,030	74,059	13%
REIT base and performance fees	(i)	16,376	15,335	7%	47,770	45,881	4%
Portfolio management and service fees	(ii)	6,017	7,159	(16%)	19,196	18,585	3%
Real estate management services fees	(iii)	5,482	3,783	45%	17,064	9,593	78%
Acquisition, divestment and performance fees	(iv)	618	2,046	(70%)	2,910	6,709	(57%)
Acquisition, divestment and performance fees		-	660	(100%)	552	4,977	(89%)
Advisory and consultancy fees		618	1,386	(55%)	2,358	1,732	36%

- (i) REIT management fees increased to S\$47.8 million in YTD2013 compared with S\$45.9 million in YTD2012 due to higher REIT base fees primarily arising from better asset performance 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\$18.6 million in YTD2012 to S\$19.2 million in YTD2013 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 was launched in June 2012 and (iii) higher valuation of the property in the ARA Harmony Fund for YTD2013 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 YTD2013 increased by 78% to S\$17.1 million from S\$9.6 million in YTD2012 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 Asia Property Management (China) Limited group of companies ("APMC Group") subsequent to its acquisition in August 2012.
- (iv) In YTD2013, acquisition, divestment and performance fees decreased by 89% against YTD2012 primarily due to acquisition / divestment fees received in YTD2012 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 acquisitions of Pan Asia Logistics Centre and Pandan Logistics Hub in April 2012 and July 2012 respectively. In YTD2013, 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 S\$2.4 million received in YTD2013 (YTD2012: S\$1.7 million) 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 comprise 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 36% to S\$9.6 million in YTD2013 from S\$15.1 million in YTD2012 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 amounting to S\$8.9 million in YTD2012 (YTD2013 recorded a net loss on fair valuation / disposal of certain REIT units of S\$1.0 million). This decrease in finance income was partially offset by a higher distribution income of S\$9.5 million in YTD2013 as compared to S\$6.1 million received in YTD2012, which was mainly attributable to the distribution of profits by the ADF arising from the divestment of properties under its portfolio.

**Financial Results Announcement
For the quarter ended 30 September 2013**

(c) Administrative expenses

Administrative expenses comprise primarily of staff-related expenses and advisory fees. Administrative expenses increased to S\$28.4 million in YTD2013 from S\$27.1 million in YTD2012, 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\$7.8 million (YTD2012: S\$13.3 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\$2.8 million in YTD2013 from S\$2.2 million in YTD2012 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 comprise 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 YTD2013 remained comparable to YTD2012 at approximately S\$4.4 million.

(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\$1.3 million from S\$0.5 million in YTD2012 to S\$1.8 million in YTD2013 primarily due to a net loss on fair valuation / disposal of held-for-trading securities of S\$1.0 million in YTD2013. 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 YTD2012, a gain was 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:

	3Q2013	3Q2012	Change	YTD2013	YTD2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Finance income</u>						
Distribution income	3,973	1,735	129%	9,530	6,108	56%
Interest income	15	54	(72%)	87	125	(30%)
Gain on fair valuation of held-for-trading securities	560	3,004	(81%)	-	8,903	(100%)
<u>Other expenses</u>						
Depreciation of plant and equipment	179	153	17%	525	426	23%
<u>Finance costs</u>						
Interest expense	221	66	235%	416	152	174%
Foreign exchange loss, net	358	288	24%	347	340	2%
Loss on fair valuation of held-for-trading securities	-	-	n.m.	1,019	-	n.m.

n.m.: not meaningful

Financial Results Announcement
For the quarter ended 30 September 2013
(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

	3Q2013	3Q2012	Change	YTD2013	YTD2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	20,593	20,393	1%	54,450	56,458	(4%)
Other comprehensive income:						
Translation differences relating to financial statements of foreign subsidiaries	(1,563)	(1,487)	5%	1,879	(2,450)	n.m.
Net change in fair value of available-for-sale financial assets	(641)	5,999	n.m.	3,508	15,408	(77%)
Effective portion of changes in fair value of cash flow hedge	-	237	(100%)	-	747	(100%)
Other comprehensive income for the period, net of income tax	(2,204)	4,749	n.m.	5,387	13,705	(61%)
Total comprehensive income for the period	18,389	25,142	(27%)	59,837	70,163	(15%)
Total comprehensive income attributable to:						
Equity holders of the Company	17,805	24,383	(27%)	57,507	68,723	(16%)
Non-controlling interests	584	759	(23%)	2,330	1,440	62%
Total comprehensive income for the period	18,389	25,142	(27%)	59,837	70,163	(15%)

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 September 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	
		30/9/13 S\$'000	31/12/12 S\$'000	30/9/13 S\$'000	31/12/12 S\$'000
Assets					
Plant and equipment		1,464	1,640	-	-
Subsidiaries	(a)	-	-	135,669	85,923
Associates	(b)	3,612	3,578	-	-
Financial assets	(c)	196,882	123,209	-	-
Tenancy deposits		1,023	971	-	-
Total non-current assets		202,981	129,398	135,669	85,923
Financial assets	(d)	32,867	26,014	-	-
Trade and other receivables	(e)	38,384	33,420	3,693	4,029
Cash and cash equivalents		40,126	100,258	1,810	56,326
Total current assets		111,377	159,692	5,503	60,355
Total assets		314,358	289,090	141,172	146,278
Equity					
Share capital		1,690	1,537	1,690	1,537
Reserves		98,149	92,915	74,859	75,012
Accumulated profits		159,726	149,863	62,968	67,636
Equity attributable to equity holders of the Company		259,565	244,315	139,517	144,185
Non-controlling interests	(f)	2,276	2,304	-	-
Total equity		261,841	246,619	139,517	144,185
Liabilities					
Loan and borrowings	(g)	153	189	-	-
Deferred tax liabilities		81	118	-	-
Total non-current liabilities		234	307	-	-
Trade and other payables	(h)	20,786	26,099	1,655	2,093
Loan and borrowings	(g)	22,671	4,878	-	-
Current tax payable		8,826	11,187	-	-
Total current liabilities		52,283	42,164	1,655	2,093
Total liabilities		52,517	42,471	1,655	2,093
Total equity and liabilities		314,358	289,090	141,172	146,278

**Financial Results Announcement
For the quarter ended 30 September 2013****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 September 2013 comprise (i) 34.1 million Suntec REIT units held by the Group as a strategic stake; (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; (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"). The Suntec REIT units, Cache units and a portion of the AmFIRST REIT units have been pledged as securities for certain credit facilities of the Group (see 1(b)(ii) – Details of any collateral).*
- (d) *Current financial assets as at 30 September 2013 comprise (i) REIT units received by the Group as part payment of management fees by certain REITs under management and (ii) REIT units received by the Group as payment for dividend income declared by an associate.*
- (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 the payment of the last instalment of placement agent fees in relation to private real estate fund under management, which will be amortised over the life of the fund.*
- (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 September 2013 relate to (i) a secured revolving credit facility taken up with United Overseas Bank Limited ("UOB Singapore") 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 and (iii) finance lease liability for the purchase of certain plant and equipment. As at 30 September 2013, the Group's gearing ratio stood at 9% (31 December 2012: 2%).*
- (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 the adjustment for any excess provisioning for staff-related costs in YTD2013 and payment of expenses.*

**Financial Results Announcement
For the quarter ended 30 September 2013**

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

	30/9/13		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	22,671	–	4,878	–
Amount repayable after one year	153	–	189	–
	<u>22,824</u>	<u>–</u>	<u>5,067</u>	<u>–</u>

Footnotes:

- (a) As at 30 September 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\$202,000 (31 December 2012: S\$266,000) which relates to the purchase of certain plant and equipment.
- (b) As at 30 September 2013, the Group has the following facilities:
- (i) an unutilised revolving credit facility of S\$31.6 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);
 - (iii) an unutilised unsecured money market line of S\$50.0 million (31 December 2012: Nil); and
 - (iv) 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 6 August 2013, the Group pledged 34.1 million units of Suntec REIT and 11.9 million units of Cache as security for a S\$50.0 million multicurrency revolving credit facility with UOB Singapore. The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies and terminates on 15 March 2017.

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 UOB 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.

Financial Results Announcement
For the quarter ended 30 September 2013
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	3Q2013 S\$'000	3Q2012 S\$'000	YTD2013 S\$'000	YTD2012 S\$'000
Cash flows from operating activities					
Profit for the period		20,593	20,393	54,450	56,458
Adjustments for:					
Depreciation of plant and equipment		179	153	525	426
Distribution income		(3,973)	(1,735)	(9,530)	(6,108)
Interest expense		221	66	416	152
Interest income		(15)	(54)	(87)	(125)
Loss / (gain) on disposal of plant and equipment		-	5	(6)	6
(Gain) / loss on fair valuation / disposal of held-for-trading securities		(560)	(3,004)	1,019	(8,903)
Management fees received / receivable in units of REITs		(13,039)	(12,823)	(37,914)	(40,150)
Share of profit of associates		(1,069)	(1,097)	(3,007)	(3,265)
Tax expense		3,081	3,211	7,812	9,083
Operating profit before working capital changes		5,418	5,115	13,678	7,574
Changes in working capital:					
Change in trade and other receivables		(241)	(5,632)	(3,587)	(5,026)
Change in trade and other payables		426	1,084	(5,313)	2,129
Cash generated from operating activities		5,603	567	4,778	4,677
Distribution income received		3,842	1,735	9,309	6,108
Proceeds from sale of units in REITs		22,349	4,101	32,344	58,129
Tax paid		(4,536)	(2,533)	(10,210)	(6,029)
Cash flows generated from operating activities	(a)	27,258	3,870	36,221	62,885
Cash flows from investing activities					
Dividend received from associates		400	256	672	750
Interest received		15	54	87	125
Acquisition of subsidiaries, net of cash acquired		-	1,339	-	1,339
Increase in shareholding of a subsidiary		(117)	-	(117)	-
Proceeds from disposal of plant and equipment		-	-	94	-
Purchase of plant and equipment		(158)	(619)	(429)	(690)
Redemption / (purchase) of available-for-sale securities, net		2,074	(5,248)	(69,996)	(8,069)
Cash flows generated from / (used in) investing activities	(b)	2,214	(4,218)	(69,689)	(6,545)
Cash flows from financing activities					
Dividends paid		(20,879)	(18,471)	(44,498)	(39,215)
Interest paid		(221)	(66)	(416)	(152)
Payment of finance lease liabilities		(14)	(31)	(64)	(93)
Drawdown of borrowings		-	4,805	18,000	4,805
Cash flows used in financing activities	(c)	(21,114)	(13,763)	(26,978)	(34,655)
Net (decrease) / increase in cash & cash equivalents		8,358	(14,111)	(60,446)	21,685
Cash and cash equivalents at beginning of period		31,930	92,911	100,258	57,291
Effect of exchange rate fluctuations on cash held		(162)	(227)	314	(403)
Cash and cash equivalents at end of period		40,126	78,573	40,126	78,573

Footnotes:

- (a) Cash flows from operating activities decreased to S\$36.2 million in YTD2013 from S\$62.9 million in YTD2012 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\$69.7 million in YTD2013 as compared to a net cash outflow of S\$6.5 million in YTD2012. The increase in net cash outflow for investing activities in YTD2013 was primarily due to seed capital contributions to the private funds, which are classified as available-for-sale securities.
- (c) Net cash outflow for financing activities was S\$27.0 million in YTD2013 as compared to a net cash outflow of S\$34.7 million in YTD2012. While dividend paid out by the Group was higher in YTD2013 subsequent to the Company's enlarged share base after the 1-for-10 bonus issue in March 2013, the increase was offset by a S\$18.0 million drawdown on the revolving credit facility taken up with UOB Singapore for the Group's investment in available-for-sale securities and general working capital purposes in YTD2013.

Financial Results Announcement
For the quarter ended 30 September 2013

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

<u>Company</u>	Share capital S\$'000	Share premium S\$'000	Accumulated profits S\$'000	Total equity S\$'000
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
<i>Transactions with owners, recorded directly in equity</i>				
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
Total comprehensive income for the period				
- Profit for the period	-	-	14,323	14,323
<i>Transactions with owners, recorded directly in equity</i>				
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(17,671)	(17,671)
At 30 September 2012	1,537	75,012	60,569	137,118
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
<i>Transactions with owners, recorded directly in equity</i>				
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
<i>Transactions with owners, recorded directly in equity</i>				
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
Total comprehensive income for the period				
- Profit for the period	-	-	18,067	18,067
<i>Transactions with owners, recorded directly in equity</i>				
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(19,438)	(19,438)
At 30 September 2013	1,690	74,859	62,968	139,517

**Financial Results Announcement
For the quarter ended 30 September 2013**

Group	Share capital and premium	Fair value reserve	Other reserves	Accumulated profits	Attributable to equity holders of the Company	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
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
Total other comprehensive income	-	5,999	(1,250)	-	4,749	-	4,749
Profit for the period	-	-	-	19,634	19,634	759	20,393
Total comprehensive income for the period	-	5,999	(1,250)	19,634	24,383	759	25,142
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(800)	(800)
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	(17,671)	(17,671)	-	(17,671)
Total contributions by and distributions to owners	-	-	-	(17,671)	(17,671)	(800)	(18,471)
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	800	800
Total changes in ownership interests in subsidiaries	-	-	-	-	-	800	800
Total transactions with owners	-	-	-	(17,671)	(17,671)	-	(17,671)
At 30 September 2012	76,549	16,163	(5,679)	132,177	219,210	2,099	221,309
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
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
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
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
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
Total other comprehensive income	-	(641)	(1,563)	-	(2,204)	-	(2,204)
Profit for the period	-	-	-	20,009	20,009	584	20,593
Total comprehensive income for the period	-	(641)	(1,563)	20,009	17,805	584	18,389
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(1,441)	(1,441)
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	(19,438)	(19,438)	-	(19,438)
Total contributions by and distributions to owners	-	-	-	(19,438)	(19,438)	(1,441)	(20,879)
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	(117)	(117)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(117)	(117)
Total transactions with owners	-	-	-	(19,438)	(19,438)	(1,558)	(20,996)
At 30 September 2013	76,549	27,296	(4,006)	159,726	259,565	2,276	261,841

Notes:

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

**Financial Results Announcement
For the quarter ended 30 September 2013**

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 5 August 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

	30/9/13	As at 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 nine-month period ended 30 September 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.

**Financial Results Announcement
For the quarter ended 30 September 2013**

- 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)	3Q2013	3Q2012	YTD2013	YTD2012
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	2.37	2.56	6.17	7.16
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	2.37	2.32	6.17	6.51

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 September 2013 and 30 September 2012 and the issued share capital of 845,151,093 and 768,319,189 shares as at 30 September 2013 and 30 September 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 September 2013 and 30 September 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**

(Singapore cents)	Group		Company	
	30/9/13	31/12/12	30/9/13	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	30.71	31.80	16.51	18.77
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	30.71	28.91	16.51	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 September 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 September 2013 and 31 December 2012 and the issued share capital of 845,151,093 shares after the Bonus Issue.

**Financial Results Announcement
For the quarter ended 30 September 2013**

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

	3Q2013 S\$'000	3Q2012 S\$'000	Change %	YTD2013 S\$'000	YTD2012 S\$'000	Change %
Total Revenue	33,069	33,147	(0%)	96,628	96,570	0%
Management fees	27,875	26,277	6%	84,030	74,059	13%
Acquisition, divestment and performance fees	618	2,046	(70%)	2,910	6,709	(57%)
Finance income	4,548	4,793	(5%)	9,617	15,136	(36%)
Other income	28	31	(10%)	71	666	(89%)
Net profit ⁽¹⁾	20,009	19,634	2%	52,120	55,018	(5%)
Net profit (excluding unrealised M-T-M ⁽²⁾ gains / losses)	21,384	17,665	21%	56,811	47,338	20%
Recurrent Net Profit ⁽³⁾	16,202	14,251	14%	43,202	37,295	16%

(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.

3Q2013 vs 3Q2012

Recurrent management fee income increased by 6% to S\$27.9 million in 3Q2013 from S\$26.3 million in 3Q2012. This was primarily due to (i) higher REIT management fees arising from better asset performance 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 as well as (ii) 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 decreased to S\$0.6 million in 3Q2013 from S\$2.0 million in 3Q2012, primarily due to lower project management fees received by APM in relation to the re-making of Suntec City as fees were accrued progressively based on the stages of project completion. Included in 3Q2012 was also acquisition fees received from Cache in relation to the acquisition of Pandan Logistics Hub in July 2012.

Finance income was S\$4.5 million in 3Q2013, 5% lower than the S\$4.8 million in 3Q2012 as higher distribution income received by the Group, primarily from ADF following its divestment of several properties under the fund, was offset by a lower gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees.

Net profit was up marginally by 2% to S\$20.0 million in 3Q2013 from S\$19.6 million in 3Q2012. Excluding the unrealised M-T-M gains/losses, the Group achieved a net profit of S\$21.4 million for 3Q2013 compared to S\$17.7 million for 3Q2012, representing a 21% increase.

If we further exclude the one-off acquisition, divestment and performance fees and finance income received and finance costs incurred, the adjusted recurrent net profit for 3Q2013 would have been S\$16.2 million, 14% higher as compared to 3Q2012.

**Financial Results Announcement
For the quarter ended 30 September 2013****YTD2013 vs YTD2012**

Recurrent management fee income increased by 13% to S\$84.0 million in YTD2013 from S\$74.1 million in YTD2012. This was primarily due to (i) higher REIT management fees arising from better asset performance 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 YTD2013, acquisition, divestment and performance fees decreased by 89% against YTD2012 primarily due to acquisition / divestment fees received in YTD2012 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 acquisitions of Pan Asia Logistics Centre and Pandan Logistics Hub in April 2012 and July 2012 respectively. In YTD2013, the Group received acquisition fees of S\$0.6 million in relation to Cache's acquisition of Precise Two in April 2013. The Group also received advisory and consultancy fees of S\$2.4 million in YTD2013 (YTD2012: S\$1.7 million) 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.

Finance income decreased 36% to S\$9.6 million in YTD2013 from S\$15.1 million in YTD2012 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 amounting to S\$8.9 million in YTD2012 (YTD2013 recorded a net loss on fair valuation / disposal of certain REIT units of S\$1.0 million). This decrease in finance income was partially offset by a higher distribution income of S\$9.5 million in YTD2013 as compared to S\$6.1 million received in YTD2012. 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\$35.6 million in YTD2013 compared to S\$33.8 million in YTD2012 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 was 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 YTD2013 was down 5% to S\$52.1 million from S\$55.0 million in YTD2012. Excluding the unrealised M-T-M gains/losses, the Group achieved a net profit of S\$56.8 million for YTD2013 compared to S\$47.3 million for YTD2012, representing a 20% increase.

If we further exclude the one-off acquisition, divestment and performance fees and finance income received and finance costs incurred, the adjusted recurrent net profit for YTD2013 would have been 16% higher as compared to YTD2012, in tandem with the higher recurrent management fees.

As at 30 September 2013, the Group's total assets under management stood at S\$23.4 billion (approximately US\$18.6 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.

**Financial Results Announcement
For the quarter ended 30 September 2013****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**

Headwinds persist in the global economic recovery as advanced economies grapple with internal issues and emerging economies face capital outflows. The US Congress signed a bill to raise the country's debt ceiling and ended a 16-day partial government shutdown. Although markets were temporarily buoyed by the news, investors remain wary of possible reruns of the budget crisis.

The IMF maintained its cautious stance on emerging markets in general, forecasting China's 2013 economic growth to be 7.6%. The Chinese authorities have stressed that China's economic growth model should be shifted from dependence on exports and big-ticket investments to one that is driven by consumer-led demand.

The Group remains positive on the long term economic prospects 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

Fortune REIT completed the acquisition of the Kingswood Ginza Property on 9 October 2013. The Kingswood Ginza property will contribute to the Group's recurrent income in the fourth quarter of FY2013 and beyond.

With a sizeable, multi-product/jurisdiction REIT platform with over S\$16.7 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

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.

**Financial Results Announcement
For the quarter ended 30 September 2013****11. Dividend*****(a) Current Financial Period Reported On***

Any dividend recommended for the current financial period reported on? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? No

Name of Dividend	:	Not applicable
Dividend Type	:	Not applicable
Dividend Amount	:	Not applicable
Dividend Rate	:	Not applicable
Par value of shares	:	Not applicable
Tax Rate	:	Not applicable

(c) Date payable

Not applicable

(d) Book Closure date

Not applicable

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

No dividend has been declared or proposed for the financial period under review.

13. Interested Person Transactions

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

**Financial Results Announcement
For the quarter ended 30 September 2013**

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 September 2013 and for the nine 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
12 November 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.



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The Board of Directors
ARA Asset Management Limited
6 Temasek Boulevard #16-02
Suntec Tower Four
Singapore 038986

12 November 2013

Dear Sirs

Review of Interim Financial Information

Introduction

We have reviewed the accompanying financial information of ARA Asset Management Limited (“the Company”) and its subsidiaries (collectively the “Group”), which comprise the statements of financial position of the Group and the Company as at 30 September 2013, the related statements of income and comprehensive income of the Group for the quarter and nine-month period ended 30 September 2013, and the related statements of changes in equity and cash flows of the Group for the nine-month period ended 30 September 2013 and certain explanatory notes (the “Interim Financial Information”). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (“FRS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company’s announcement of its Interim Financial Information for the information of its shareholders. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

Yours faithfully

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore