



## **ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT**

### **FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013**

The financial information for the year ended 31 December 2013 in the announcement have been extracted from the financial statements for the year ended 31 December 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 financial year ended 31 December 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	1/10/13 to 31/12/13 S\$'000	1/10/12 to 31/12/12 S\$'000	Change %	1/1/13 to 31/12/13 S\$'000	1/1/12 to 31/12/12 S\$'000	Change %
Management fees	(a)	29,973	28,556	5%	114,003	102,615	11%
Acquisition, divestment and performance fees	(a)	11,761	1,514	677%	14,671	8,223	78%
Finance income	(b)	2,026	6,861	(70%)	11,583	21,997	(47%)
Other income		68	29	134%	139	695	(80%)
<b>Total revenue</b>		<b>43,828</b>	<b>36,960</b>	<b>19%</b>	<b>140,396</b>	<b>133,530</b>	<b>5%</b>
Administrative expenses	(c)	(13,026)	(12,029)	8%	(41,468)	(39,172)	6%
Operating lease expenses	(d)	(992)	(914)	9%	(3,784)	(3,149)	20%
Other expenses	(e)	(1,907)	(4,506)	(58%)	(6,264)	(8,930)	(30%)
Finance costs	(f)	(2,665)	(146)	n.m.	(4,387)	(638)	588%
<b>Results from operating activities</b>		<b>25,238</b>	<b>19,365</b>	<b>30%</b>	<b>84,493</b>	<b>81,641</b>	<b>3%</b>
Share of profit of associates, net of tax	(g)	906	1,196	(24%)	3,913	4,461	(12%)
<b>Profit before tax</b>	(h)	<b>26,144</b>	<b>20,561</b>	<b>27%</b>	<b>88,406</b>	<b>86,102</b>	<b>3%</b>
Tax expense	(i)	(3,463)	(2,792)	24%	(11,275)	(11,875)	(5%)
<b>Profit for the period</b>		<b>22,681</b>	<b>17,769</b>	<b>28%</b>	<b>77,131</b>	<b>74,227</b>	<b>4%</b>
Attributable to:							
Equity holders of the Company		22,130	17,686	25%	74,250	72,704	2%
Non-controlling interests		551	83	564%	2,881	1,523	89%
		<b>22,681</b>	<b>17,769</b>	<b>28%</b>	<b>77,131</b>	<b>74,227</b>	<b>4%</b>

*n.m.: not meaningful*

**Financial Results Announcement**  
**For the financial year ended 31 December 2013**
**1(a)(ii) Explanatory notes to the income statement of the Group**
**(a) Revenue**

		<b>4Q2013</b>	<b>4Q2012</b>	<b>Change</b>	<b>FY2013</b>	<b>FY2012</b>	<b>Change</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Management fees</b>		<b>29,973</b>	<b>28,556</b>	<b>5%</b>	<b>114,003</b>	<b>102,615</b>	<b>11%</b>
REIT base and performance fees	(i)	18,214	15,828	15%	65,984	61,709	7%
Portfolio management and service fees	(ii)	6,432	6,872	(6%)	25,628	25,457	1%
Real estate management services fees	(iii)	5,327	5,856	(9%)	22,391	15,449	45%
<b>Acquisition, divestment and performance fees</b>	(iv)	<b>11,761</b>	<b>1,514</b>	<b>677%</b>	<b>14,671</b>	<b>8,223</b>	<b>78%</b>
Acquisition, divestment and performance fees		10,568	348	n.m.	11,120	5,325	109%
Advisory and consultancy fees		1,193	1,166	2%	3,551	2,898	23%

*n.m.: not meaningful*

- (i) REIT management fees increased 7% to S\$66.0 million in FY2013, compared to S\$61.7 million in FY2012. This was due to higher REIT base fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in the higher valuation for the various property portfolios. The acquisition of 15 Gul Way ("Precise Two") by Cache Logistics Trust ("Cache") on 2 April 2013 and the acquisition of Fortune Kingswood ("Kingswood") by Fortune REIT on 9 October 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 the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works ("re-making of Suntec City") during the year.
- (ii) Portfolio management and service fees increased marginally from S\$25.5 million in FY2012 to S\$25.6 million in FY2013. This was mainly due to higher fees received from (i) the ARA Asia Dragon Fund II ("ADF II") which commenced its investment period in March 2012; (ii) the ARA China Investment Partners LLC ("CIP") which was launched in June 2012, (iii) higher valuation of the property in the ARA Harmony Fund for FY2013 following the completion of asset enhancement works and (iv) contribution from the launch of a new separate account platform, Morningside Investment Partners, LLC ("MIP") in November 2013. However, this was partially offset by the reduced management fees received from the ARA Asia Dragon Fund ("ADF") which has entered into the divestment phase since 2012.
- (iii) Real estate management fees in FY2013 increased 45% to S\$22.4 million from S\$15.4 million in FY2012. This was primarily due to (i) higher leasing commission recognised by APM Property Management Pte. Ltd. ("APM") post the increased leasing activities in the revamped Suntec City Mall and (ii) contributions from the Asia Property Management (China) Limited group of companies ("APMC Group") subsequent to its acquisition in August 2012.
- (iv) In FY2013, acquisition, divestment and performance fees increased 78% against FY2012 to S\$14.7 million primarily due to acquisition fees received in relation to (i) Fortune REIT's acquisition of Kingswood in October 2013; (ii) Suntec REIT's progress payment for its acquisition of 177-199 Pacific Highway in North Sydney, Australia in December 2013 and (iii) Cache's acquisition of Precise Two in April 2013. In FY2012, the Group received acquisition / divestment fees 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. The advisory and consultancy fees of S\$3.6 million received in FY2013 (FY2012: S\$2.9 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.

**Financial Results Announcement  
For the financial year ended 31 December 2013****(b) Finance income**

Finance income comprises mainly distribution income, interest income, net gain on fair valuation / disposal of held-for-trading securities and net foreign exchange gain. Finance income decreased 47% to S\$11.6 million in FY2013 from S\$22.0 million in FY2012. This was mainly due to a S\$11.3 million net marked-to-market gain on fair valuation / disposal of certain REIT units received as part payment for REIT management and acquisition fees recorded in FY2012, against a net marked-to-market loss on fair valuation / disposal of certain REIT units of S\$3.5 million in FY2013. This decrease was partially offset by a higher distribution income of S\$11.5 million for FY2013 compared to S\$10.5 million received in FY2012, mainly attributed to the higher distribution of profits by the ADF arising from the divestment of some properties under its portfolio.

**(c) Administrative expenses**

Administrative expenses comprise primarily staff-related expenses and advisory fees. Administrative expenses increased to S\$41.5 million in FY2013 from S\$39.2 million in FY2012, mainly 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\$11.9 million (FY2012: S\$16.2 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\$3.8 million in FY2013 from S\$3.1 million in FY2012 due to additional office space secured for both local and overseas operations, in line with the Group's continuing business expansion.

**(e) Other expenses**

Other expenses comprise primarily other staff-related expenses (such as travelling expenses), telecommunications expenses, legal & professional fees and other miscellaneous expenses. Other expenses decreased from S\$8.9 million in FY2012 to S\$6.3 million in FY2013, mainly due to the legal and professional costs incurred in FY2012 for the launch of the ADF II and the CIP.

**(f) Finance costs**

Finance costs comprise net loss on fair valuation / disposal of held-for-trading securities, net foreign exchange loss and interest expenses. In FY2013, finance costs increased S\$3.7 million from S\$0.6 million in FY2012 primarily due to a net loss on fair valuation / disposal of held-for-trading securities. In FY2012, a gain was recorded under finance income.

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

Share of profit of associates (net of tax) comprise the Group's share of profits arising from its (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.

**Financial Results Announcement**  
**For the financial year ended 31 December 2013**
**(h) Profit before tax**

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

	4Q2013	4Q2012	Change	FY2013	FY2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Finance income</u>						
Distribution income	1,954	4,393	(56%)	11,484	10,501	9%
Interest income	12	40	(70%)	99	165	(40%)
Foreign exchange gain - net	60	-	n.m.	-	-	n.m.
Gain on fair valuation of held-for-trading securities	-	2,428	(100%)	-	11,331	(100%)
<u>Other expenses</u>						
Depreciation of plant and equipment	159	169	(6%)	684	595	15%
<u>Finance costs</u>						
Interest expense	201	78	158%	617	230	168%
Foreign exchange loss, net	-	68	(100%)	287	408	(30%)
Loss on fair valuation of held-for-trading securities	2,464	-	n.m.	3,483	-	n.m.

n.m.: not meaningful

**(i) Income 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**

	4Q2013	4Q2012	Change	FY2013	FY2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	22,681	17,769	28%	77,131	74,227	4%
<b>Other comprehensive income items that are or may be reclassified subsequently to profit or loss:</b>						
Translation differences relating to financial statements of foreign subsidiaries	880	(176)	n.m.	2,759	(2,626)	n.m.
Net change in fair value of available-for-sale financial assets	(5,005)	7,625	n.m.	(1,497)	23,033	n.m.
Effective portion of changes in fair value of cash flow hedge	-	(30)	n.m.	-	717	n.m.
<b>Other comprehensive income for the year, net of tax</b>	(4,125)	7,419	n.m.	1,262	21,124	(94%)
<b>Total comprehensive income for the period</b>	<b>18,556</b>	<b>25,188</b>	<b>(26%)</b>	<b>78,393</b>	<b>95,351</b>	<b>(18%)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	18,005	25,105	(28%)	75,512	93,828	(20%)
Non-controlling interests	551	83	564%	2,881	1,523	89%
<b>Total comprehensive income for the period</b>	<b>18,556</b>	<b>25,188</b>	<b>(26%)</b>	<b>78,393</b>	<b>95,351</b>	<b>(18%)</b>

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 financial year ended 31 December 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	
		31/12/13 S\$'000	31/12/12 S\$'000	31/12/13 S\$'000	31/12/12 S\$'000
<b>Assets</b>					
Plant and equipment		1,390	1,640	-	-
Subsidiaries	(a)	-	-	138,028	85,923
Associates	(b)	4,657	3,578	-	-
Financial assets	(c)	212,527	123,209	-	-
Other receivables	(d)	6,289	3,947	-	-
<b>Total non-current assets</b>		<b>224,863</b>	<b>132,374</b>	<b>138,028</b>	<b>85,923</b>
Financial assets	(e)	49,837	26,014	-	-
Trade and other receivables	(f)	33,576	30,444	4,696	4,029
Cash and cash equivalents		39,060	100,258	2,344	56,326
<b>Total current assets</b>		<b>122,473</b>	<b>156,716</b>	<b>7,040</b>	<b>60,355</b>
<b>Total assets</b>		<b>347,336</b>	<b>289,090</b>	<b>145,068</b>	<b>146,278</b>
<b>Equity</b>					
Share capital		1,690	1,537	1,690	1,537
Reserves		94,024	92,915	74,859	75,012
Accumulated profits		181,856	149,863	66,935	67,636
<b>Equity attributable to equity holders of the Company</b>		<b>277,570</b>	<b>244,315</b>	<b>143,484</b>	<b>144,185</b>
<b>Non-controlling interests</b>	(g)	<b>2,827</b>	<b>2,304</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>280,397</b>	<b>246,619</b>	<b>143,484</b>	<b>144,185</b>
<b>Liabilities</b>					
Loan and borrowings	(h)	141	189	-	-
Deferred tax liabilities		68	118	-	-
<b>Total non-current liabilities</b>		<b>209</b>	<b>307</b>	<b>-</b>	<b>-</b>
Trade and other payables	(i)	26,318	26,099	1,584	2,093
Loan and borrowings	(h)	30,329	4,878	-	-
Current tax payable		10,083	11,187	-	-
<b>Total current liabilities</b>		<b>66,730</b>	<b>42,164</b>	<b>1,584</b>	<b>2,093</b>
<b>Total liabilities</b>		<b>66,939</b>	<b>42,471</b>	<b>1,584</b>	<b>2,093</b>
<b>Total equity and liabilities</b>		<b>347,336</b>	<b>289,090</b>	<b>145,068</b>	<b>146,278</b>

**Financial Results Announcement  
For the financial year ended 31 December 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 31 December 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; and (v) investment in the ARA Asian Asset Income Fund ("AAIF"). 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) *This relates to the payment of the agent fees in relation to certain private real estate funds under management, which will be amortised over the life of the relevant funds, and tenancy deposits in relation to the operating lease agreements for the Group's office space.*
- (e) *Current financial assets as at 31 December 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 Kingswood by Fortune REIT; 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 one-year moratorium as stipulated in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.*
- (f) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables.*
- (g) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, as well as APMC Group which was acquired in August 2012.*
- (h) *Loan and borrowings as at 31 December 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 31 December 2013, the Group's gearing ratio stood at 11% (31 December 2012: 2%).*
- (i) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff related benefits to employees and other payables.*

**Financial Results Announcement  
For the financial year ended 31 December 2013**

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

	31/12/13		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	30,329	–	4,878	–
Amount repayable after one year	141	–	189	–
	<u>30,470</u>	<u>–</u>	<u>5,067</u>	<u>–</u>

**Footnotes:**

- (a) As at 31 December 2013, the Group's borrowings included:
- (i) a secured revolving credit facility of S\$25.7 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\$190,000 (31 December 2012: S\$266,000) which relates to the purchase of certain plant and equipment.
- (b) As at 31 December 2013, the Group has the following facilities:
- (i) an unutilised multicurrency revolving credit facility of S\$23.9 million secured on the Group's strategic stake in Suntec REIT and Cache (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 financial year ended 31 December 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	4Q2013 S\$'000	4Q2012 S\$'000	FY2013 S\$'000	FY2012 S\$'000
<b>Cash flows from operating activities</b>					
Profit for the period		22,681	17,769	77,131	74,227
Adjustments for:					
Depreciation of plant and equipment		159	169	684	595
Distribution income		(1,954)	(4,393)	(11,484)	(10,501)
Interest expense		201	78	617	230
Interest income		(12)	(40)	(99)	(165)
(Gain) / loss on disposal of plant and equipment		-	-	(6)	6
Loss / (gain) on fair valuation / disposal of financial assets		2,464	(2,428)	3,483	(11,331)
Management fees received / receivable in units of REITs		(23,916)	(12,572)	(61,830)	(52,722)
Share of profit of associates		(906)	(1,196)	(3,913)	(4,461)
Tax expense		3,463	2,792	11,275	11,875
Operating profit before working capital changes		2,180	179	15,858	7,753
Changes in working capital:					
Change in trade and other receivables		887	2,456	(2,700)	(2,570)
Change in trade and other payables		5,532	6,087	219	8,216
Cash generated from operating activities		8,599	8,722	13,377	13,399
Distribution income received		2,380	4,393	11,689	10,501
Proceeds from sale of units in REITs		2,631	6,748	34,975	64,877
Tax paid		(2,202)	(1,085)	(12,412)	(7,114)
<b>Cash flows generated from operating activities</b>	(a)	11,408	18,778	47,629	81,663
<b>Cash flows from investing activities</b>					
Dividend received from associates		-	158	672	908
Interest received		12	40	99	165
Acquisition of subsidiaries, net of cash acquired		-	7	-	1,346
Acquisition of non-controlling interests		-	-	(117)	-
Proceeds from disposal of plant and equipment		2	-	96	-
Purchase of plant and equipment		(72)	(202)	(501)	(892)
(Purchase) / redemption of available-for-sale securities, net		(19,951)	3,034	(89,947)	(5,035)
<b>Cash flows generated from / (used in) investing activities</b>	(b)	(20,009)	3,037	(89,698)	(3,508)
<b>Cash flows from financing activities</b>					
Dividends paid		-	-	(44,498)	(39,215)
Interest paid		(201)	(78)	(617)	(230)
Payment of finance lease liabilities		(12)	(29)	(76)	(122)
Drawdown / (repayment) of borrowings		7,664	(4)	25,664	4,801
<b>Cash flows used in financing activities</b>	(c)	7,451	(111)	(19,527)	(34,766)
<b>Net (decrease) / increase in cash &amp; cash equivalents</b>					
		(1,150)	21,704	(61,596)	43,389
Cash and cash equivalents at beginning of period		40,126	78,573	100,258	57,291
Effect of exchange rate fluctuations on cash held		84	(19)	398	(422)
<b>Cash and cash equivalents at end of period</b>		<b>39,060</b>	<b>100,258</b>	<b>39,060</b>	<b>100,258</b>

**Footnotes:**

- (a) Net cash inflow from operating activities decreased from S\$81.7 million in FY2012 to S\$47.6 million in FY2013 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 increased to S\$89.7 million in FY2013 from S\$3.5 million in FY2012. 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 from financing activities was S\$19.5 million in FY2013 as compared to S\$34.8 million in FY2012. Dividends paid out by the Group was higher in FY2013 subsequent to the Company's enlarged share base after the 1-for-10 bonus issue in March 2013, and the Group took a S\$25.7 million revolving credit facility with UOB Singapore to fund the Group's investment in available-for-sale securities and for general working capital purposes.

**Financial Results Announcement  
For the financial year ended 31 December 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
<b>At 1 January 2012</b>	1,537	75,012	46,110	122,659
Total comprehensive income for the period				
- Profit for the period	-	-	7,407	7,407
<b>At 31 March 2012</b>	<b>1,537</b>	<b>75,012</b>	<b>53,517</b>	<b>130,066</b>
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)
<b>At 30 June 2012</b>	<b>1,537</b>	<b>75,012</b>	<b>63,917</b>	<b>140,466</b>
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)
<b>At 30 September 2012</b>	<b>1,537</b>	<b>75,012</b>	<b>60,569</b>	<b>137,118</b>
Total comprehensive income for the period				
- Profit for the period	-	-	7,067	7,067
<b>At 31 December 2012</b>	<b>1,537</b>	<b>75,012</b>	<b>67,636</b>	<b>144,185</b>
<b>At 1 January 2013</b>	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)	-	-
<b>At 31 March 2013</b>	<b>1,690</b>	<b>74,859</b>	<b>74,121</b>	<b>150,670</b>
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)
<b>At 30 June 2013</b>	<b>1,690</b>	<b>74,859</b>	<b>64,339</b>	<b>140,888</b>
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)
<b>At 30 September 2013</b>	<b>1,690</b>	<b>74,859</b>	<b>62,968</b>	<b>139,517</b>
Total comprehensive income for the period				
- Profit for the period	-	-	3,968	3,968
<b>At 31 December 2013</b>	<b>1,690</b>	<b>74,859</b>	<b>66,935</b>	<b>143,484</b>

**Financial Results Announcement  
For the financial year ended 31 December 2013**

	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
<b>Group</b>							
<b>At 1 January 2012</b>	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
<b>At 31 March 2012</b>	<b>76,549</b>	<b>7,949</b>	<b>(4,592)</b>	<b>135,577</b>	<b>215,483</b>	<b>950</b>	<b>216,433</b>
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)
<b>At 30 June 2012</b>	<b>76,549</b>	<b>10,164</b>	<b>(4,429)</b>	<b>130,214</b>	<b>212,498</b>	<b>1,340</b>	<b>213,838</b>
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)
<b>At 30 September 2012</b>	<b>76,549</b>	<b>16,163</b>	<b>(5,679)</b>	<b>132,177</b>	<b>219,210</b>	<b>2,099</b>	<b>221,309</b>
Total other comprehensive income	-	7,625	(206)	-	7,419	-	7,419
Profit for the period	-	-	-	17,686	17,686	83	17,769
Total comprehensive income for the period	-	7,625	(206)	17,686	25,105	83	25,188
<i>Transactions with owners, recorded directly in equity</i>							
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	122	122
Total changes in ownership interests in subsidiaries	-	-	-	-	-	122	122
<b>At 31 December 2012</b>	<b>76,549</b>	<b>23,788</b>	<b>(5,885)</b>	<b>149,863</b>	<b>244,315</b>	<b>2,304</b>	<b>246,619</b>
<b>At 1 January 2013</b>	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)
<b>At 31 March 2013</b>	<b>76,549</b>	<b>30,646</b>	<b>(4,775)</b>	<b>166,678</b>	<b>269,098</b>	<b>2,358</b>	<b>271,456</b>
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)
<b>At 30 June 2013</b>	<b>76,549</b>	<b>27,937</b>	<b>(2,443)</b>	<b>159,155</b>	<b>261,198</b>	<b>3,250</b>	<b>264,448</b>
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)
<b>At 30 September 2013</b>	<b>76,549</b>	<b>27,296</b>	<b>(4,006)</b>	<b>159,726</b>	<b>259,565</b>	<b>2,276</b>	<b>261,841</b>
Total other comprehensive income	-	(5,005)	880	-	(4,125)	-	(4,125)
Profit for the period	-	-	-	22,130	22,130	551	22,681
Total comprehensive income for the period	-	(5,005)	880	22,130	18,005	551	18,556
<i>Transactions with owners, recorded directly in equity</i>							
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-
<b>At 31 December 2013</b>	<b>76,549</b>	<b>22,291</b>	<b>(3,126)</b>	<b>181,856</b>	<b>277,570</b>	<b>2,827</b>	<b>280,397</b>

**Note:**

- Included in the share capital is a share premium account of S\$74.9 million as at 31 December 2013 (31 December 2012: S\$75.0 million).
- Other reserves comprised foreign currency translation reserves and hedging reserves.

**Financial Results Announcement  
For the financial year ended 31 December 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 12 November 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**

	<b>As at</b>	
	<b>31/12/13</b>	<b>31/12/12</b>
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 year ended 31 December 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**

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 year ended 31 December 2012, 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. There is no significant financial impact on the Group's financial position or performance from the adoption of this FRS.

**Financial Results Announcement**  
**For the financial year ended 31 December 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**

<b>(Singapore cents)</b>	<b>4Q2013</b>	<b>4Q2012</b>	<b>FY2013</b>	<b>FY2012</b>
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	2.62	2.30	8.79	9.46
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	2.62	2.09	8.79	8.60

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 31 December 2013 and 31 December 2012 and the issued share capital of 845,151,093 and 768,319,189 shares as at 31 December 2013 and 31 December 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 31 December 2013 and 31 December 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**

<b>(Singapore cents)</b>	<b>Group</b>		<b>Company</b>	
	<b>31/12/13</b>	<b>31/12/12</b>	<b>31/12/13</b>	<b>31/12/12</b>
Net asset value per ordinary share				
(i) Based on the number of ordinary shares in issue as at the end of the financial period	32.84	31.80	16.98	18.77
(ii) Adjusted for the number of ordinary shares in issue after the Bonus Issue	32.84	28.91	16.98	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 31 December 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 31 December 2013 and 31 December 2012 and the issued share capital of 845,151,093 shares after the Bonus Issue.

**Financial Results Announcement**  
**For the financial year ended 31 December 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**

	4Q2013 S\$'000	4Q2012 S\$'000	Change %	FY2013 S\$'000	FY2012 S\$'000	Change %
<b>Total Revenue</b>	<b>43,828</b>	<b>36,960</b>	<b>19%</b>	<b>140,396</b>	<b>133,530</b>	<b>5%</b>
Management fees	29,973	28,556	5%	114,003	102,615	11%
Acquisition, divestment and performance fees	11,761	1,514	677%	14,671	8,223	78%
Finance income	2,026	6,861	(70%)	11,583	21,997	(47%)
Other income	68	29	134%	139	695	(80%)
<b>Net profit <sup>(1)</sup></b>	<b>22,130</b>	<b>17,686</b>	<b>25%</b>	<b>74,250</b>	<b>72,704</b>	<b>2%</b>
Net profit (excluding unrealised M-T-M <sup>(2)</sup> gains / losses)	24,575	16,023	53%	81,386	63,580	28%
Recurrent Net Profit <sup>(3)</sup>	12,898	10,856	19%	56,100	48,151	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.

**4Q2013 vs 4Q2012**

Total revenue for the Group increased 19% year-on-year to S\$43.8 million in 4Q2013, of which recurrent management fees increased 5% year-on-year to S\$30.0 million. This was due to (i) higher REIT base fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in the higher valuation for the various property portfolios, as well as higher fees arising from the acquisition of Precise Two and Kingswood by Cache and Fortune REIT respectively; (ii) higher portfolio management fees arising from a higher valuation of the property in the ARA Harmony Fund following the completion of the asset enhancement works and (iii) contribution from the launch of MIP. This was however partially offset by reduced management fees from the ADF as its investment assets are progressively divested.

Acquisition, divestment and performance fees increased to S\$11.8 million in 4Q2013 from S\$1.5 million in 4Q2012, boosted mainly by acquisition fees received in relation to Fortune REIT's acquisition of Kingswood and Suntec REIT's progress payment for its acquisition of the 177-199 Pacific Highway property in North Sydney, Australia.

Finance income was S\$2.0 million in 4Q2013, 70% lower than the S\$6.9 million recorded in 4Q2012, as the Group has in 4Q2012 recorded a S\$2.4 million net marked-to-market gain on fair valuation / disposal of certain REIT units received as part payment for REIT management and acquisition fees, against a net marked-to-market loss of S\$2.5 million on fair valuation / disposal for 4Q2013. In addition, 4Q2013 recorded a lower distribution income of S\$2.0 million compared to S\$4.4 million in 4Q2012, mainly attributed to a lower distribution of profits by the ADF.

Total expenses increased to S\$18.6 million in 4Q2013 as compared to S\$17.6 million in 4Q2012, mainly due to a net loss on fair valuation / disposal of held-for-trading securities in 4Q2013. In 4Q2012, a gain was recorded under finance income.

Therefore, net profit in 4Q2013 increased 25% year-on-year to S\$22.1 million from S\$17.7 million. Excluding unrealised marked-to-market gains/losses, net profit was S\$24.6 million for 4Q2013 compared to S\$16.0 million in 4Q2012, representing a 53% increase year-on-year. Excluding acquisition, divestment and performance fees, finance income and finance costs, the recurrent net profit achieved for 4Q2013 was S\$12.9 million, 19% higher year-on-year compared to 4Q2012.

**Financial Results Announcement  
For the financial year ended 31 December 2013****FY2013 vs FY2012**

Total revenue for the Group increased 5% year-on-year to S\$140.4 million in FY2013, of which recurrent management fees for FY2013 increased 11% year-on-year to S\$114.0 million. This was due to (i) higher REIT base fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in the higher valuation for the various property portfolios, as well as higher fees arising from the acquisition of Precise Two and Kingswood by Cache and Fortune REIT respectively; (ii) higher portfolio management fees arising from a higher valuation of the property in the ARA Harmony Fund post the completion of the asset enhancement works; (iii) contributions from ADF II and CIP coupled with the launch of MIP, partially offset by reduced management fees from the ADF as its investment assets are progressively divested 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.

Acquisition, divestment and performance fees increased 78% year-on-year to S\$14.7 million in FY2013, primarily due to higher acquisition fees received in relation to (i) Fortune REIT's acquisition of Kingswood in October 2013, (ii) Suntec REIT's progress payment for its acquisition of the 177-199 Pacific Highway property in North Sydney, Australia in December 2013 and (iii) Cache's acquisition of Precise Two in April 2013. The Group also received advisory and consultancy fees of S\$3.6 million in FY2013 (FY2012: S\$2.9 million) mainly for 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 declined to S\$11.6 million in FY2013 from S\$22.0 million previously. This was mainly due to a S\$11.3 million net marked-to-market gain on fair valuation / disposal of certain REIT units received as part payment for REIT management and acquisition fees recorded in FY2012, against a net marked-to-market loss of S\$3.5 million on fair valuation / disposal for FY2013. This decrease was partially offset by a higher distribution income of S\$11.5 million for FY2013 compared to S\$10.5 million received in FY2012, mainly attributed to the higher distribution of profits by the ADF arising from the divestment of some properties under its portfolio.

Total expenses increased to S\$55.9 million in FY2013, 8% higher than that in FY2012, mainly due to a net loss on fair valuation / disposal of held-for-trading securities in FY2013. In FY2012, a gain was recorded under finance income.

Therefore, net profit for FY2013 increased 2% year-on-year to S\$74.3 million. Excluding the unrealised marked-to-market gains/losses, net profit was S\$81.4 million for FY2013 compared to S\$63.6 million in FY2012, representing a 28% increase year-on-year. Excluding acquisition, divestment and performance fees, finance income and finance costs, the recurrent net profit achieved for FY2013 was S\$56.1 million, 17% higher year-on-year compared to FY2012.

As at 31 December 2013, the Group's total assets under management stood at S\$25.5 billion (approximately US\$20.2 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 financial year ended 31 December 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**

The global economy is expected to pose a recovery in the coming year. The US has commenced cutting back on its monthly bond-buying stimulus program as economic recovery strengthens. The Asian REITs sector is facing downward price pressure under expectations of higher interest rates.

China recorded a GDP growth of 7.7% for FY2013. However, lingering concerns remain over the implementation of reforms and the credit market. Investors will keep a close watch on Japan to see if a viable long term growth strategy can be delivered. Singapore's economy grew 4.4% year-on-year in the fourth quarter of FY2013, bringing it to an overall growth of 3.7% for FY2013. The growth is expected to moderate to between 2.0% and 4.0% in FY2014.

Although business sentiment has shown some signs of improvement, the overall macroeconomic environment remains uncertain. As such, ARA will remain cautious and watchful of the unfolding events in the coming months, and employ a prudent and disciplined approach towards building a sustainable growth.

**REITs**

In December 2013, Suntec REIT acquired a 100% interest in 177-199 Pacific Highway, a landmark office tower with freehold title to be developed in North Sydney's Central Business District. The development of this office property and the proactive lease management coupled with the smooth execution of the asset enhancement initiatives for Suntec City will be the key drivers for the REIT in FY2014.

Also in December 2013, Prosperity REIT entered into a sales and purchase agreement to acquire the 9 Chong Yip Street property in Hong Kong. The acquisition was completed in the first quarter of 2014.

Moving forward, the Group will continue to focus on active asset management to add value to the properties in its portfolio and seek to make value-adding acquisitions for the REITs under the Group's management.

**Private Funds**

The ADF has successfully divested two more of its properties in FY2013, and will remain focused on asset management and potential divestment opportunities moving forward.

During the year the Group raised US\$240 million in capital commitments via the MIP, and in December 2013 entered into a sales and purchase agreement to acquire Macquarie Real Estate Korea Limited. Upon completion, it would enable the Group to gain a foothold in South Korea and tap on the immense real estate opportunities in one of Asia's largest economies. CIP has secured an additional capital commitment of US\$330 million, bringing it to a total of US\$830 million in committed capital.

In the year ahead, the MIP, ADF II and CIP will look to deploy its committed capital into investments in the Asia-Pacific region. The Group seeks to grow the AUM by continuing to develop franchises for its suite of private funds as well as look into opportunities to launch new products in new markets.

**Outlook for FY2014**

Barring unforeseen circumstances, the Directors expect the Group's performance in FY2014 to be comparable to that achieved in FY2013.



**Financial Results Announcement  
For the financial year ended 31 December 2013****11. Dividend****(a) Current Financial Period Reported On**

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

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount	:	S\$0.027 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$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	:	Final Dividend
Dividend Type	:	Cash
Dividend Amount	:	S\$0.027 per share
Dividend Rate	:	Not applicable
Par value of shares	:	S\$0.002 per share
Tax Rate	:	Tax exempt (One-Tier)

**(c) Date payable**

20 May 2014

**(d) Book Closure date**

Registrable transfers received by the Company up to 5.00 pm on 6 May 2014 will be registered before entitlements to the dividend are determined.

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

A final dividend of S\$0.027 per share has been recommended for the financial year ended 31 December 2013. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 25 April 2014.

Inclusive of the interim dividend of S\$0.023 per share paid out in 29 August 2013, the total dividend per share for FY2013 would be S\$0.050 (FY2012: S\$0.050).

**Financial Results Announcement**  
**For the financial year ended 31 December 2013**
**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**
**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

	Revenue		Profit before share of profit of associates, income tax and non-controlling interests	
	FY2013 S\$'000	FY2012 S\$'000	FY2013 S\$'000	FY2012 S\$'000
<u>Business Segments</u>				
REITs <sup>(a)</sup>	79,361	80,074	48,999	54,002
Private real estate funds	25,631	25,508	13,434	10,805
Real estate management services	25,564	18,365	13,619	9,239
Investment holdings	9,287	8,885	8,975	8,432
Others <sup>(b)</sup>	553	698	846	874
	140,396	133,530	85,873	83,352
Unallocated expenses	-	-	(1,380)	(1,711)
	140,396	133,530	84,493	81,641

**Notes:**

- (a) The segment results of REITs in FY2012 included S\$11.3 million of net gain on fair valuation / disposal of certain REIT units received by the Group as part payment for REIT management and acquisition fees.
- (b) Comprise primarily of corporate finance advisory services, corporate management services and dormant companies.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to preceding Paragraph 8.

**15. A breakdown of sales.**

	FY2013 S\$'000	FY2012 S\$'000	Change %
<b>Revenue reported for first half year</b>	<b>64,130</b>	<b>63,423</b>	<b>1%</b>
Management fees	56,155	47,782	18%
Acquisition, divestment and performance fees	2,292	4,663	(51%)
Finance income	5,640	10,343	(45%)
Other income	43	635	(93%)
<b>Operating profit after tax before deducting non-controlling interests reported for first half year</b>	<b>33,857</b>	<b>36,065</b>	<b>(6%)</b>
<b>Revenue reported for second half year</b>	<b>76,266</b>	<b>70,107</b>	<b>9%</b>
Management fees	57,848	54,833	5%
Acquisition, divestment and performance fees	12,379	3,560	248%
Finance income	5,943	11,654	(49%)
Other income	96	60	60%
<b>Operating profit after tax before deducting non-controlling interests reported for second half year</b>	<b>43,274</b>	<b>38,162</b>	<b>13%</b>

**Financial Results Announcement  
For the financial year ended 31 December 2013**

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>FY2013 S\$'000</b>	<b>FY2012 S\$'000</b>
Ordinary	42,257 <sup>(a)</sup>	40,490 <sup>(b)</sup>
Preference	-	-
Total:	42,257	40,490

**Notes:**

- (a) This includes the proposed final dividend of S\$0.027 per share which amounts to S\$22.8 million and is payable on 20 May 2014. Of the total dividends, S\$19.4 million relates to the interim dividend of S\$0.023 per share which was paid on 29 August 2013.
- (b) This comprises an interim dividend of S\$17.7 million or S\$0.023 per share which was paid on 11 September 2012 and a final dividend of S\$22.8 million or S\$0.027 per share which was paid on 20 May 2013.

**17. Interested Person Transactions**

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

**18. Disclosure of each person occupying a managerial position who is a relative of a director / CEO / substantial shareholder under Rule 704 (13)**

List of Persons occupying Managerial Positions who are related to a Director or Chief Executive Officer or Substantial Shareholder of ARA Asset Management Ltd and any of its principal subsidiaries

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Chiu Yu Justina	33	Daughter of Dr Chiu Kwok Hung Justin (Chairman and Non-executive director).	Executive Director and Deputy Chief Executive Officer ("Deputy CEO"), ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of ARA Asset Management Limited.  Ms Chiu supports the Chief Executive Officer in the overall management of Fortune REIT including strategic planning, investor relations, asset management and investment activities of Fortune REIT.	Nil

**Financial Results Announcement  
For the financial year ended 31 December 2013**

**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  
20 February 2014

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

20 February 2014

Dear Sirs

## **Review of Financial Statements**

### *Introduction*

We have reviewed the accompanying financial statements 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 31 December 2013, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information (the “Financial Statements”). Management is responsible for the preparation and presentation of this Financial Statements in accordance with Singapore Financial Reporting Standard (“FRS”). Our responsibility is to express a conclusion on the Financial Statements 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 the Financial Statements 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 Financial Statements are not prepared, in all material respects, in accordance with FRS.

### *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 Financial Statements 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 Financial Statements 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**