



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2014

The financial information for the quarter ended 30 September 2014 in the announcement have been extracted from the interim financial statements for the period from 1 January 2014 to 30 September 2014, 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; privately-held REITs in South Korea; 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 2014

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	1/7/14 to 30/9/14 S\$'000	1/7/13 to 30/9/13 S\$'000	Change %	1/1/14 to 30/9/14 S\$'000	1/1/13 to 30/9/13 S\$'000	Change %
Management fees	(a)	31,956	27,875	15%	92,940	84,030	11%
Acquisition, divestment and performance fees	(a)	16,263	618	n.m.	19,479	2,910	569%
Finance income	(b)	4,310	4,548	(5%)	15,925	9,617	66%
Other income	(c)	260	28	829%	2,480	71	n.m.
Total revenue		52,789	33,069	60%	130,824	96,628	35%
Administrative expenses	(d)	(15,457)	(8,079)	91%	(40,516)	(28,442)	42%
Operating lease expenses	(e)	(968)	(960)	1%	(2,860)	(2,792)	2%
Other expenses	(f)	(2,960)	(846)	250%	(8,747)	(4,357)	101%
Finance costs	(g)	(211)	(579)	(64%)	(519)	(1,782)	(71%)
Results from operating activities		33,193	22,605	47%	78,182	59,255	32%
Share of profit of associates, net of tax	(h)	1,202	1,069	12%	3,151	3,007	5%
Profit before tax	(i)	34,395	23,674	45%	81,333	62,262	31%
Tax expense	(j)	(3,002)	(3,081)	(3%)	(9,712)	(7,812)	24%
Profit for the period		31,393	20,593	52%	71,621	54,450	32%
Attributable to:							
Equity holders of the Company		30,686	20,009	53%	69,350	52,120	33%
Non-controlling interests		707	584	21%	2,271	2,330	(3%)
		31,393	20,593	52%	71,621	54,450	32%

n.m.: not meaningful

**Financial Results Announcement
For the quarter ended 30 September 2014**

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

(a) Revenue

		3Q2014 S\$'000	3Q2013 S\$'000	Change %	YTD2014 S\$'000	YTD2013 S\$'000	Change %
Management fees		31,956	27,875	15%	92,940	84,030	11%
REIT base and performance fees	(i)	19,429	16,376	19%	56,771	47,770	19%
Portfolio management and service fees	(ii)	6,225	6,017	3%	18,424	19,196	(4%)
Real estate management services fees	(iii)	6,302	5,482	15%	17,745	17,064	4%
Acquisition, divestment and performance fees	(iv)	16,263	618	n.m.	19,479	2,910	569%
Acquisition, divestment and performance fees		16,261	-	n.m.	18,188	552	n.m.
Advisory and consultancy fees		2	618	(100%)	1,291	2,358	(45%)

n.m.: not meaningful

- (i) REIT management fees increased to S\$56.8 million in YTD2014 from S\$47.8 million in YTD2013, mainly due to higher fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuations achieved for the property portfolios of the REITs under management. Cache Logistics Trust's ("Cache") acquisition of 15 Gul Way ("Precise Two") in April 2013, Fortune REIT's acquisition of Fortune Kingswood ("Kingswood") in October 2013 and Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 also contributed to the higher REIT management fees. The acquisition of ARA Korea Limited ("ARA Korea") in April 2014 also contributed to the increase in REIT management fees.
- (ii) Portfolio management and service fees decreased to S\$18.4 million in YTD2014 from S\$19.2 million in YTD2013 mainly due to lower management fees from the ARA Asia Dragon Fund ("ADF") which has entered into its divestment phase since 2012. This decrease was partially offset by higher management fees arising from (i) the launch of a new separate account platform, Morningside Investment Partners, LLC ("MIP") in November 2013; (ii) higher fees received from the ARA China Investment Partners, LLC ("CIP") subsequent to the acquisition of its first property in July 2013; (iii) the launch of the ARA Summit Development Fund I ("SDF I") in May 2014 and (iv) higher valuation of the property in the ARA Harmony Fund ("Harmony") following the completion of asset enhancement works at Suntec Singapore Convention and Exhibition Centre ("Suntec Singapore").
- (iii) Real estate management fees increased marginally in YTD2014 to S\$17.7 million from S\$17.1 million in YTD2013, mainly due to higher property management fees and convention and exhibition services fees received by the Group following the completion of Phase 1 and 2 asset enhancement works at the Suntec City Mall and Suntec Singapore.
- (iv) Acquisition, divestment and performance fees increased to S\$19.5 million from S\$2.9 million in YTD2013, mainly due to the performance fees of S\$16.1 million (YTD2013: Nil) receivable from Harmony in having achieved an internal rate of return ("IRR") of 27.4% for its investors over the initial five-year term of the fund as well as acquisition fees received in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 and Suntec REIT's year-to-date progress payments arising from its acquisition and development of 177 Pacific Highway. Included in YTD2013 was acquisition fees received in relation to Cache's acquisition of Precise Two in April 2013. Advisory and consultancy fees of S\$1.3 million for YTD2014 (YTD2013: S\$2.4 million) were mainly in relation to project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

**Financial Results Announcement
For the quarter ended 30 September 2014****(b) Finance income**

Finance income comprises mainly distribution income, interest income, net gain on fair valuation / disposal of financial assets, as well as net foreign exchange gain. Finance income increased to S\$15.9 million in YTD2014 from S\$9.6 million in YTD2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S\$5.4 million and a net gain on foreign exchange of S\$1.0 million in YTD2014 (YTD2013 had recorded a net loss on fair valuation / disposal of financial assets of S\$1.0 million and a net loss on foreign exchange of S\$0.3 million, both included under finance costs).

(c) Other income

Other income comprises mainly negative goodwill arising from the acquisition of ARA Korea amounting to S\$2.1 million (YTD2013: Nil).

(d) Administrative expenses

Administrative expenses comprise primarily of staff-related expenses and advisory fees. Administrative expenses increased to S\$40.5 million in YTD2014 from S\$28.4 million in YTD2013, mainly due to (i) an increase in headcount and staff-related expenses in line with the Group's continuing business expansion and (ii) higher performance-based bonus accrued in relation to the higher acquisition fees received from the REITs under management, as well as the performance fees receivable from Harmony in 3Q2014. Excluded from administrative expense was staff-related expenses of S\$8.6 million (YTD2013: S\$7.8 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which was fully reimbursed from Harmony.

(e) Operating lease expenses

Operating lease expenses increased to S\$2.9 million in YTD2014 from S\$2.8 million in YTD2013, in line with the Group's continuing business expansion.

(f) Other expenses

Other expenses comprise primarily other staff-related expenses (such as travelling expenses), telecommunications expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), agency commission, insurance, amortisation and depreciation, continuing listing expenses, board meeting expenses and other miscellaneous expenses. Other expenses in YTD2014 were S\$8.7 million compared to S\$4.4 million in YTD2013. The increase was mainly due to higher professional fees incurred in relation to the acquisition of ARA Korea in April 2014 and higher agency commission incurred by APM in relation to new leases secured for Suntec City.

(g) Finance costs

Finance costs comprise net loss on fair valuation / disposal of financial assets, net foreign exchange loss and interest expense. Finance costs in YTD2014 decreased to S\$0.5 million from S\$1.8 million in YTD2013. Included in YTD2013 was a net loss on fair valuation / disposal of financial assets of S\$1.0 million and a net loss on foreign exchange of S\$0.3 million (YTD2014 recorded a net gain on fair valuation / disposal of financial assets of S\$5.4 million and a net gain on foreign exchange of S\$1.0 million, both included under finance income).

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

Share of profit of associates (net of tax) was primarily due to the recognition of ARA's 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.

**Financial Results Announcement
For the quarter ended 30 September 2014**

(i) Profit before tax

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

	3Q2014 S\$'000	3Q2013 S\$'000	Change %	YTD2014 S\$'000	YTD2013 S\$'000	Change %
<u>Finance income</u>						
Distribution income	2,193	3,973	(45%)	9,506	9,530	(0%)
Foreign exchange gain, net	1,556	-	n.m.	981	-	n.m.
Gain on fair valuation / disposal of financial assets	543	560	(3%)	5,380	-	n.m.
Interest income	18	15	20%	58	87	(33%)
<u>Other income</u>						
Negative goodwill	-	-	n.m.	2,102	-	n.m.
<u>Other expenses</u>						
Amortisation of intangible asset	59	-	n.m.	109	-	n.m.
Depreciation of plant and equipment	176	179	(2%)	539	525	3%
<u>Finance costs</u>						
Foreign exchange loss, net	-	358	(100%)	-	347	(100%)
Interest expense	211	221	(5%)	519	416	25%
Loss on fair valuation / disposal of financial assets	-	-	n.m.	-	1,019	(100%)

n.m.: not meaningful

(j) 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

	3Q2014 S\$'000	3Q2013 S\$'000	Change %	YTD2014 S\$'000	YTD2013 S\$'000	Change %
Profit for the period	31,393	20,593	53%	71,621	54,450	32%
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	1,809	(1,563)	n.m.	190	1,879	(90%)
Net change in fair value of available-for-sale financial assets	1,438	(641)	n.m.	2,220	3,508	(37%)
Other comprehensive income for the period, net of tax	3,247	(2,204)	n.m.	2,410	5,387	(55%)
Total comprehensive income for the period	34,640	18,389	88%	74,031	59,837	24%
Total comprehensive income attributable to:						
Equity holders of the Company	33,933	17,805	91%	71,760	57,507	25%
Non-controlling interests	707	584	21%	2,271	2,330	(3%)
Total comprehensive income for the period	34,640	18,389	88%	74,031	59,837	24%

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 2014

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	
		30/9/14 S\$'000	31/12/13 S\$'000	30/9/14 S\$'000	31/12/13 S\$'000
Assets					
Plant and equipment		1,743	1,390	-	-
Intangible asset	(a)	1,115	-	-	-
Subsidiaries	(b)	-	-	209,601	138,028
Associates	(c)	4,625	4,657	-	-
Financial assets	(d)	258,787	212,527	-	-
Deferred tax asset	(e)	654	-	-	-
Other receivables	(f)	5,996	6,289	-	-
Total non-current assets		272,920	224,863	209,601	138,028
Financial assets	(g)	32,784	49,837	-	-
Trade and other receivables	(h)	52,156	33,576	3,701	4,696
Cash and cash equivalents		51,733	39,060	540	2,344
Total current assets		136,673	122,473	4,241	7,040
Total assets		409,593	347,336	213,842	145,068
Equity					
Share capital		1,690	1,690	1,690	1,690
Reserves		96,434	94,024	74,859	74,859
Accumulated profits		208,949	181,856	78,157	66,935
Equity attributable to equity holders of the Company		307,073	277,570	154,706	143,484
Non-controlling interests	(i)	4,269	2,827	-	-
Total equity		311,342	280,397	154,706	143,484
Liabilities					
Loan and borrowings	(j)	38,581	141	38,403	-
Other payables		795	-	19,000	-
Deferred tax liabilities		131	68	-	-
Total non-current liabilities		39,507	209	57,403	-
Trade and other payables	(k)	29,064	26,318	1,733	1,584
Loan and borrowings	(j)	19,545	30,329	-	-
Current tax payable		10,135	10,083	-	-
Total current liabilities		58,744	66,730	1,733	1,584
Total liabilities		98,251	66,939	59,136	1,584
Total equity and liabilities		409,593	347,336	213,842	145,068

**Financial Results Announcement
For the quarter ended 30 September 2014**

Footnotes:

- (a) *Intangible asset represents the Group's contractual rights to receive the expected future economic benefits embodied in each of the management agreements between ARA Korea and the two privately held Korean REITs under its management that will flow to the Group. The intangible asset is measured at cost less accumulated amortisation and impairment losses. As at 30 September 2014, an accumulated amortisation of S\$109,000 (31 December 2013: Nil) had been made.*
- (b) *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.*
- (c) *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.*
- (d) *Non-current financial assets as at 30 September 2014 comprise primarily (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, the CIP and the MIP; (v) a 10.02% strategic stake in ARA-NPS Real Estate Investment Company and (vi) investment in the APN SICAV-APN Asian Asset Income Fund (previously known as ARA Asian Asset Income Fund). The Suntec REIT units and Cache units have been pledged as securities for certain credit facilities of the Group (see 1(b)(ii) – Details of any collateral).*
- (e) *Deferred tax asset as at 30 September 2014 relates to unutilised tax losses carried forward.*
- (f) *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.*
- (g) *Current financial assets as at 30 September 2014 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 from Fortune REIT are subject to one-year moratorium as stipulated in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.*
- (h) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The increase in trade and other receivables was mainly due to the performance fees from Harmony.*
- (i) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, as well as the Asia Property Management (China) Limited and its subsidiaries.*
- (j) *Loan and borrowings as at 30 September 2014 relate to (i) a non-current unsecured money market line of S\$38.4 million (31 December 2013: Nil); (ii) a current secured revolving credit facility of S\$19.5 million (31 December 2013: S\$30.3 million) and (iii) finance lease liability of S\$223,000 (31 December 2013: S\$190,000). Included in the Group's borrowings as at 31 December 2013 was a secured revolving credit facility of RM12.0 million taken up to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT, which has been fully repaid as at 30 September 2014. The Group's gearing ratio as at 30 September 2014 stood at 19% (31 December 2013: 11%).*
- (k) *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 quarter ended 30 September 2014**

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

	30/9/14		31/12/13	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	19,545	–	30,329	–
Amount repayable after one year	178	38,403	141	–
	19,723	38,403	30,470	–

Footnotes:

- (a) As at 30 September 2014, the Group's borrowings included:
- (i) a secured revolving credit facility of S\$19.5 million (31 December 2013: S\$30.3 million) for the Group's general working capital purposes and seed capital contributions into the private real estate funds. Included in the Group's borrowings as at 31 December 2013 was a secured revolving credit facility of RM12.0 million taken up to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT, which has been fully repaid as at 30 September 2014.;
 - (ii) an unsecured money market line of S\$38.4 million (31 December 2013: Nil) to finance the Group's investment in the Korean platform and seed capital contributions to the private real estate funds; and
 - (iii) finance lease liability of S\$223,000 (31 December 2013: S\$190,000) which relates to the purchase of certain plant and equipment.
- (b) As at 30 September 2014, the Group has the following facilities available for utilisation:
- (i) a multicurrency revolving credit facility of S\$30.1 million secured on the Group's strategic stake in Suntec REIT and Cache (31 December 2013: S\$23.9 million);
 - (ii) an unsecured money market line of S\$11.6 million (31 December 2013: S\$50.0 million); and
 - (iii) unsecured overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2013: 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. The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies and terminates on 15 March 2017.

**Financial Results Announcement
For the quarter ended 30 September 2014**

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	3Q2014 S\$'000	3Q2013 S\$'000	YTD2014 S\$'000	YTD2013 S\$'000
Cash flows from operating activities				
Profit for the period	31,393	20,593	71,621	54,450
Adjustments for:				
Amortisation of intangible asset	59	-	109	-
Depreciation of plant and equipment	176	179	539	525
Distribution income	(2,193)	(3,973)	(9,506)	(9,530)
(Gain) / loss on fair valuation / disposal of financial assets	(543)	(560)	(5,380)	1,019
Negative goodwill	-	-	(2,102)	-
Interest expense	211	221	519	416
Interest income	(18)	(15)	(58)	(87)
Gain on disposal of plant and equipment	(71)	-	(59)	(6)
Management fees received / receivable in units of REITs	(15,045)	(13,039)	(45,931)	(37,914)
Share of profit of associates	(1,202)	(1,069)	(3,151)	(3,007)
Tax expense	3,002	3,081	9,712	7,812
Operating profit before working capital changes	15,769	5,418	16,313	13,678
Changes in working capital:				
Change in trade and other receivables	(19,210)	(2,820)	(17,338)	(3,587)
Change in trade and other payables	7,911	426	3,138	(5,313)
Cash generated from operating activities	4,470	3,024	2,113	4,778
Distribution income received	2,211	3,842	9,563	9,309
Proceeds from sale of units in REITs	15,142	22,349	69,645	32,344
Tax paid	(4,004)	(4,536)	(9,660)	(10,210)
Cash flows generated from operating activities	(a) 17,819	24,679	71,661	36,221
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	(165)	-	(528)	-
Dividend received from associates	476	400	892	672
Interest received	18	15	58	87
Increase in shareholding of a subsidiary	-	(117)	-	(117)
Proceeds from disposal of plant and equipment	163	-	171	94
Purchase of plant and equipment	(517)	(158)	(1,016)	(429)
Purchase of available-for-sale securities, net	(28,512)	4,653	(42,423)	(69,996)
Cash flows (used in) / generated from investing activities	(b) (28,537)	4,793	(42,846)	(69,689)
Cash flows from financing activities				
Dividends paid	(20,267)	(20,879)	(43,086)	(44,498)
Interest paid	(211)	(221)	(519)	(416)
Proceeds / (payment) of finance lease liabilities, net	57	(14)	33	(64)
Drawdown of borrowings, net	32,023	-	27,402	18,000
Cash flows generated from / (used in) financing activities	(c) 11,602	(21,114)	(16,170)	(26,978)
Net increase / (decrease) in cash and cash equivalents	884	8,358	12,645	(60,446)
Cash and cash equivalents at beginning of period	50,539	31,930	39,060	100,258
Effect of exchange rate fluctuations on cash held	310	(162)	28	314
Cash and cash equivalents at end of period	51,733	40,126	51,733	40,126

Footnotes:

- (a) Cash flows from operating activities increased to S\$71.7 million in YTD2014 from S\$36.2 million in YTD2013 primarily due to higher 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 decreased to S\$42.8 million in YTD2014 from S\$69.7 million in YTD2013. The lower net cash outflow for investing activities in YTD2014 was primarily due to lower seed capital contributions to the private real estate funds.
- (c) Net cash outflow for financing activities was S\$16.2 million in YTD2014 compared to S\$27.0 million in YTD2013. The change was mainly due to the drawdown of loan facilities to part finance the investment in ARA Korea and seed capital contributions to certain private real estate funds, net of the repayment of S\$4.6 million during YTD2014 for the revolving credit facility taken up to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT. In YTD2013, the Group had drawn down S\$18.0 million from its revolving credit facility for general working capital purposes.

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

<u>Company</u>	Share capital S\$'000	Share premium S\$'000	Accumulated profits S\$'000	Total equity S\$'000
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
At 1 January 2014	1,690	74,859	66,935	143,484
Total comprehensive income for the period				
- Profit for the period	-	-	5,464	5,464
<i>Transactions with owners, recorded directly in equity</i>				
At 31 March 2014	1,690	74,859	72,399	148,948
Total comprehensive income for the period				
- Profit for the period	-	-	34,142	34,142
<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 2014	1,690	74,859	83,722	160,271
Total comprehensive income for the period				
- Profit for the period	-	-	13,873	13,873
<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 2014	1,690	74,859	78,157	154,706

**Financial Results Announcement
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	Share capital and premium S\$'000	Fair value reserve S\$'000	Foreign currency translation 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
Group							
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>							
<i>Acquisition of non-controlling interests without a change in control</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
At 1 January 2014	76,549	22,291	(3,126)	181,856	277,570	2,827	280,397
Total other comprehensive income	-	(3,184)	(514)	-	(3,698)	-	(3,698)
Profit for the period	-	-	-	17,830	17,830	667	18,497
Total comprehensive income for the period	-	(3,184)	(514)	17,830	14,132	667	14,799
At 31 March 2014	76,549	19,107	(3,640)	199,686	291,702	3,494	295,196
Total other comprehensive income	-	3,966	(1,105)	-	2,861	-	2,861
Profit for the period	-	-	-	20,834	20,834	897	21,731
Total comprehensive income for the period	-	3,966	(1,105)	20,834	23,695	897	24,592
<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 2014	76,549	23,073	(4,745)	197,701	292,578	4,391	296,969
Total other comprehensive income	-	1,438	1,809	-	3,247	-	3,247
Profit for the period	-	-	-	30,686	30,686	707	31,393
Total comprehensive income for the period	-	1,438	1,809	30,686	33,933	707	34,640
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(829)	(829)
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)	(829)	(20,267)
At 30 September 2014	76,549	24,511	(2,936)	208,949	307,073	4,269	311,342

Notes:

- Included in the share capital is a share premium account of S\$74.9 million as at 30 September 2014 (30 September 2013: S\$74.9 million).

**Financial Results Announcement
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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

There were no changes in the Company's share capital since the end of the last quarter financial results announcement, which was reported on 4 August 2014.

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

	30/9/14	As at 31/12/13
Total number of issued shares	845,151,093	845,151,093

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 2014 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 2013, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2014.

Financial Reporting Standards ("FRS") which became effective for the Group's financial period beginning 1 January 2014 are:

- FRS 110 Consolidated Financial Statements;
- FRS 112 Disclosures of Interests in Other Entities

**Financial Results Announcement
For the quarter ended 30 September 2014**

FRS 110 Consolidated Financial Statements

FRS 110 establishes a single control model as the basis for determining the entities that will be consolidated. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group is not required under FRS 110 to consolidate its investees.

FRS 112 Disclosures of Interests in Other Entities

FRS 112 sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there is no financial impact on the results and financial position of the Group and the Company from the adoption of this standard.

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

Please refer to item 4 above.

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)	3Q2014	3Q2013	YTD2014	YTD2013
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	3.63	2.37	8.21	6.17
(ii) On a fully diluted basis	3.63	2.37	8.21	6.17

The calculation of basic and diluted earnings per share for the relevant period was based on the profit for the period attributable to equity holders of the Company for the financial periods ended 30 September 2014 and 30 September 2013 and the issued share capital of 845,151,093 shares.

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	
	30/9/14	31/12/13	30/9/14	31/12/13
Net asset value per ordinary share	36.33	32.84	18.31	16.98
Net tangible asset per ordinary share	36.20	32.84	18.31	16.98

Net asset value per share was calculated based on the net assets of the Group, excluding non-controlling interests, as at the relevant dates and the issued share capital of 845,151,093 shares.

Net tangible asset per share was calculated based on the net assets of the Group, excluding intangible asset and non-controlling interests, as at the relevant dates and the issued share capital of 845,151,093 shares.

**Financial Results Announcement
For the quarter ended 30 September 2014**

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

	3Q2014 S\$'000	3Q2013 S\$'000	Change %	YTD2014 S\$'000	YTD2013 S\$'000	Change %
Total Revenue	52,789	33,069	60%	130,824	96,628	35%
Management fees	31,956	27,875	15%	92,940	84,030	11%
Acquisition, divestment and performance fees	16,263	618	n.m.	19,479	2,910	569%
Finance income	4,310	4,548	(5%)	15,925	9,617	66%
Other income	260	28	829%	2,480	71	n.m.
Net profit ⁽¹⁾	30,686	20,009	53%	69,350	52,120	33%

(1) Net profit refers to "Profit for the period attributable to equity holders of the Company".

3Q2014 vs 3Q2013

The Group's recurrent management fees increased to S\$32.0 million in 3Q2014 from S\$27.9 million in 3Q2013. This was mainly due to (i) higher REIT management fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuations achieved for the property portfolios of the REITs under management; (ii) fee contribution from Cache's acquisition of Precise Two in April 2013, Fortune REIT's acquisition of Kingswood in October 2013 and Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014; (iii) fee contribution from the acquisition of ARA Korea in April 2014; (iv) higher property management fees from APM following the completion of Phase 1 and 2 asset enhancement works at the Suntec City Mall and (v) higher portfolio management fees arising from the launch of MIP in November 2013, CIP's acquisition of its first property in July 2013, launch of SDF I in May 2014 and the higher valuation of Suntec Singapore for Harmony following the completion of asset enhancement works in the second half of 2013. These were partially offset by reduced management fees received from the ADF which has entered into its divestment phase since 2012.

Acquisition, divestment and performance fees for 3Q2014 were S\$16.3 million compared to S\$0.6 million in 3Q2013. The increase was mainly due to the performance fees of S\$16.1 million (3Q2013: Nil) receivable from Harmony in having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund. Included in 3Q2013 were advisory and consultancy fees of S\$0.6 million which relates primarily to the project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

Finance income was S\$4.3 million in 3Q2014, 5% lower than the S\$4.5 million in 3Q2013. The decline was mainly due to a lower distribution income of S\$1.8 million, partially offset by a net gain on foreign exchange of S\$1.6 million in 3Q2014 (3Q2013 had recorded a net loss on foreign exchange of S\$0.4 million under finance costs). Included in the distribution income of 3Q2013 was the distribution of profits by the ADF arising from the divestment of properties under its portfolio during the quarter, while no dividends were paid out in 3Q2014.

Operating expenses in 3Q2014 was S\$19.6 million compared to S\$10.5 million in 3Q2013. The increase was mainly due to (i) higher performance-based bonus accrued in relation to the higher acquisition fees received from the REITs under management and the performance fees receivable from Harmony; (ii) higher professional fees incurred in relation to the acquisition of ARA Korea and (iii) higher agency commission incurred by APM in relation to new leases secured for Suntec City.

Net profit for the quarter was therefore up 53% to S\$30.7 million from S\$20.0 million in 3Q2013.

**Financial Results Announcement
For the quarter ended 30 September 2014****YTD2014 vs YTD2013**

The Group's recurrent management fee income increased to S\$92.9 million in YTD2014 from S\$84.0 million in YTD2013. This was mainly due to (i) higher REIT management fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuations achieved for the property portfolios of the REITs under management; (ii) fee contribution from Cache's acquisition of Precise Two in April 2013, Fortune REIT's acquisition of Kingswood in October 2013 and Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014; (iii) fee contribution from the acquisition of ARA Korea in April 2014 and (iv) higher portfolio management fees arising from the launch of MIP in November 2013, CIP's acquisition of its first property in July 2013, the launch of SDF I in May 2014 and the higher valuation of Suntec Singapore for Harmony following the completion of asset enhancement works in the second half of 2013. These were partially offset by reduced management fees received from the ADF which has entered into its divestment phase since 2012.

Acquisition, divestment and performance fees in YTD2014 increased to S\$19.5 million from S\$2.9 million in YTD2013. This was mainly due to the performance fees of S\$16.1 million receivable from Harmony in having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund as well as acquisition fees received in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 and Suntec REIT's year-to-date progress payments arising from its acquisition and development of 177 Pacific Highway. Included in YTD2013 was acquisition fees received in relation to Cache's acquisition of Precise Two in April 2013. Advisory and consultancy fees of S\$1.3 million for YTD2014 (YTD2013: S\$2.4 million) were mainly in relation to project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

Finance income increased to S\$15.9 million in YTD2014 from S\$9.6 million in YTD2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S\$5.4 million and a net gain on foreign exchange of S\$1.0 million in YTD2014 (YTD2013 had recorded a net loss on fair valuation / disposal of financial assets of S\$1.0 million and a net loss on foreign exchange of S\$0.3 million, both included under finance costs).

Other income comprises mainly negative goodwill arising from the acquisition of ARA Korea amounting to S\$2.1 million (YTD2013: Nil).

Operating expenses in YTD2014 was S\$52.6 million compared to S\$37.4 million in YTD2013. The increase was mainly due to (i) an increase in headcount and staff-related expenses in line with the Group's continuing business expansion; (ii) higher performance based bonus accrued in relation to the higher acquisition fees received from the REITs under management and the performance fees receivable from Harmony in 3Q2014; (iii) higher professional fees incurred in relation to the acquisition of ARA Korea and (iv) higher agency commission incurred by APM in relation to new leases secured for Suntec.

Net profit for YTD2014 was therefore up 33% to S\$69.4 million from S\$52.1 million in YTD2013.

As at 30 September 2014, the Group's total assets under management stood at S\$26.1 billion (approximately US\$20.5 billion).

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

The current results are broadly in line with the Company's commentary made in the Financial Results Announcement for the second quarter ended 30 June 2014 under item 10. The Company has not disclosed any financial forecast to the market.

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

During the quarter, weaker economic data had progressively emerged from the Eurozone, China and Japan, along with heightened geopolitical tensions in the Middle East and the threat of the Ebola health crisis. The uneven recovery seen across the major economies has been raised by the International Monetary Fund (the "IMF") in its downgraded outlook for the global economic growth. In its World Economic Outlook in October 2014, the IMF had said it expects the global economy to grow at a lower forecast of 3.3 per cent for 2014 and 3.8 per cent for 2015.

**Financial Results Announcement
For the quarter ended 30 September 2014**

The US Federal Funds Rate continued to be maintained at 0.25%, with monthly bond purchases reduced by another \$10 billion starting October 2014 post the last Federal Open Market Committee ("FOMC") meeting held on 18 September 2014. The FOMC had reaffirmed its approach towards a highly accommodative monetary policy, and that it continues to anticipate that the current target range for the federal funds rate would be maintained at the current 0 to 1/4 per cent for a considerable time, contingent upon the ongoing assessment of the economic conditions.

China's economic growth for the third quarter was at 7.3 per cent, down from the previous quarter of 7.5 per cent. In response to concerns over the economic slowdown seen in the weak August data, the People's Bank of China had in mid-September injected 500 billion yuan worth of funds into China's five biggest banks for a three-month period in a bid to shore up growth through increased liquidity. Meanwhile, uncertainties over debt repayment in credit markets and increasing risks in shadow banking remain an overhang.

The key economies in Asia face risks to their growth prospects from unexpected slowdown in China and Japan, as well as increased financing costs stemming from the impending rate hike in the United States.

Hong Kong's weaker second quarter GDP of 1.8 per cent year-on-year had led to a cut in its 2014 growth forecast to between 2 per cent and 3 per cent. The outlook on Hong Kong has also turned cautious with the Occupy Central movement.

For Singapore, the Ministry of Trade and Industry has narrowed the 2014 growth forecast for the Singapore economy to between 2.5 and 3.5 per cent, weighed down by growth constraints in the labour market and macroeconomic risks. Advanced estimates for the third quarter of 2014 projects the Singapore economy to have grown by 2.4 per cent year-on-year. In the case of Malaysia, the economy grew 6.4 per cent in the second quarter and is expected to remain resilient in 2014. The GDP growth for 2015 is projected to be between 5 per cent and 6 per cent.

REITs

The Group is focused on executing active asset management strategies to add value to the properties managed under the Group's REITs platform. It continues to pursue growth in its multi-product/jurisdiction platform through seeking value-adding acquisitions and in opportunities to list new REITs in new markets and jurisdictions.

In early October, the Monetary Authority of Singapore ("MAS") released a consultation paper entitled "Enhancements to the Regulatory Regime Governing REITs and REIT Managers". The proposals aimed at fostering stronger governance practices and greater alignment of interest between REIT Managers and Unitholders whilst providing REITs with more operational flexibility are largely positive, in support of the further growth and strengthening of the S-REIT market over the long term.

Private Funds

In October 2014, ARA announced that the ARA Harmony Fund, a single-asset fund established on 30 September 2009 owning the award-winning Suntec Singapore Convention & Exhibition Centre, has crossed its initial five-year term in its fund cycle. Achieving an IRR of 27.4% with an equity multiple of 3.15 times¹ for its investors, the outperformance underscores ARA's core competence in enhancing the properties under management. Net of the performance fee of approximately S\$16.1 million, the IRR achieved was 26.3% with an equity multiple of over 3.0 times.

ARA Private Funds continues to actively manage its portfolio of properties within each of the private real estate funds, and stays focused on seeking good investment opportunities in the Group's core markets to deploy its remaining capital.

Outlook for FY2014

Barring unforeseen circumstances, the Directors expect the Group's performance in FY2014 to be better than FY2013.

¹ Before performance fees

**Financial Results Announcement
For the quarter ended 30 September 2014**

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

A mandate was obtained from shareholders at the Company's Annual General Meeting held on 25 April 2014.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	3Q2014 S\$'000	YTD2014 S\$'000	3Q2014 S\$'000	YTD2014 S\$'000
1) Straits Developments Private Limited ⁽ⁱ⁾	–	130	91	151
2) ARA Summit Development Fund I, L.P./ SRE Venture 1 Pte. Ltd. ⁽ⁱⁱ⁾	–	–	204	299
	–	130	295	450

**Financial Results Announcement
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The interested person transactions have been entered into based on terms stipulated in the following:

- (i) the asset management and property management agreements whereby the Group receives asset management fees, property management fees and divestment strategy fees for its role as the manager of a portfolio of properties which Straits Developments Private Limited owns or acts as a principal for; and
- (ii) the limited partnership agreement for ARA Summit Development Fund I, L.P. and other related agreements with SRE Venture 1 Pte. Ltd., being a local partner of ARA Summit Development Fund I, L.P., whereby the Group receives net portfolio management fees for its role as the fund manager of ARA Summit Development Fund I.

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 2014 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
10 November 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 any of the forward-looking statements in this announcement, which are based on the current view of management on future events. Information from external sources in this announcement 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

10 November 2014

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 2014, the related statements of income and comprehensive income of the Group for the quarter and nine-month period ended 30 September 2014, and the related statements of changes in equity and cash flows of the Group for the nine-month period ended 30 September 2014 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