



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

### **FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014**

The financial information for the year ended 31 December 2014 in the announcement have been extracted from the financial statements for the year ended 31 December 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 financial year ended 31 December 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	1/10/14 to 31/12/14 S\$'000	1/10/13 to 31/12/13 S\$'000	Change %	1/1/14 to 31/12/14 S\$'000	1/1/13 to 31/12/13 S\$'000	Change %
Management fees	(a)	32,577	29,973	9%	125,517	114,003	10%
Acquisition, divestment and performance fees	(a)	5,114	11,761	(57%)	24,593	14,671	68%
Finance income	(b)	5,449	2,026	169%	20,393	11,583	76%
Other income	(c)	75	68	10%	2,555	139	n.m.
<b>Total revenue</b>		<b>43,215</b>	<b>43,828</b>	<b>(1%)</b>	<b>173,058</b>	<b>140,396</b>	<b>23%</b>
Administrative expenses	(d)	(11,387)	(13,026)	(13%)	(51,903)	(41,468)	25%
Operating lease expenses	(e)	(958)	(992)	(3%)	(3,818)	(3,784)	1%
Other expenses	(f)	(6,186)	(1,907)	224%	(14,933)	(6,264)	138%
Finance costs	(g)	(3,554)	(2,665)	33%	(3,092)	(4,387)	(30%)
<b>Results from operating activities</b>		<b>21,130</b>	<b>25,238</b>	<b>(16%)</b>	<b>99,312</b>	<b>84,493</b>	<b>18%</b>
Share of profit of associates, net of tax	(h)	1,154	906	27%	4,305	3,913	10%
<b>Profit before tax</b>	(i)	<b>22,284</b>	<b>26,144</b>	<b>(15%)</b>	<b>103,617</b>	<b>88,406</b>	<b>17%</b>
Tax expense	(j)	(3,175)	(3,463)	(8%)	(12,887)	(11,275)	14%
<b>Profit for the period</b>		<b>19,109</b>	<b>22,681</b>	<b>(16%)</b>	<b>90,730</b>	<b>77,131</b>	<b>18%</b>
Attributable to:							
Equity holders of the Company		18,160	22,130	(18%)	87,510	74,250	18%
Non-controlling interests		949	551	72%	3,220	2,881	12%
		<b>19,109</b>	<b>22,681</b>	<b>(16%)</b>	<b>90,730</b>	<b>77,131</b>	<b>18%</b>

n.m.: not meaningful

**Financial Results Announcement  
For the financial year ended 31 December 2014**
**1(a)(ii) Explanatory notes to the income statement of the Group**
**(a) Revenue**

		<b>4Q2014</b>	<b>4Q2013</b>	<b>Change</b>	<b>FY2014</b>	<b>FY2013</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>32,577</b>	<b>29,973</b>	<b>9%</b>	<b>125,517</b>	<b>114,003</b>	<b>10%</b>
REIT base and performance fees	(i)	20,369	18,214	12%	77,140	65,984	17%
Portfolio management and service fees	(ii)	6,005	6,432	(7%)	24,429	25,628	(5%)
Real estate management services fees	(iii)	6,203	5,327	16%	23,948	22,391	7%
<b>Acquisition, divestment and performance fees</b>	(iv)	<b>5,114</b>	<b>11,761</b>	<b>(57%)</b>	<b>24,593</b>	<b>14,671</b>	<b>68%</b>
Acquisition, divestment and performance fees		4,744	10,568	(55%)	22,932	11,120	106%
Advisory and consultancy fees		370	1,193	(69%)	1,661	3,551	(53%)

- (i) REIT management fees increased to S\$77.1 million in FY2014 from S\$66.0 million in FY2013, 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. These are in addition to the acquisition of ARA Korea Limited ("ARA Korea") in April 2014.
- (ii) Portfolio management and service fees declined to S\$24.4 million in FY2014 from S\$25.6 million in FY2013 mainly due to lower management fees from the ARA Asia Dragon Fund ("ADF") which has entered into its divestment phase since 2012. The decline was partially offset by higher management fees arising from (i) the launch of a new separate account platform, the 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, L.P. ("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 to S\$23.9 million in FY2014 from S\$22.4 million in FY2013, mainly due to higher property management fees and convention and exhibition services fees received by the Group following the completion of Phases 1 and 2 asset enhancement works at the Suntec City Mall and Suntec Singapore.
- (iv) Acquisition, divestment and performance fees increased to S\$24.6 million in FY2014 from S\$14.7 million in FY2013, mainly due to (i) performance fees of S\$16.1 million received 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; (ii) divestment fees of S\$4.5 million in relation to the divestment of certain properties held under the portfolio of Straits Investment Partners ("SIP") and (iii) acquisition fees of S\$1.7 million received in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014. Included in FY2013 were acquisition fees received in relation to Cache's acquisition of Precise Two in April 2013, Fortune REIT's acquisition of Fortune Kingswood ("Kingswood") in October 2013 and S\$1.6 million of acquisition and financial advisory fees in relation to the acquisition of 177 Pacific Highway in December 2013. Advisory and consultancy fees of S\$1.7 million for FY2014 (FY2013: S\$3.6 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 financial year ended 31 December 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\$20.4 million in FY2014 from S\$11.6 million in FY2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S\$9.7 million (FY2013 had recorded a net loss on fair valuation / disposal of financial assets of S\$3.5 million under finance costs), partially offset by lower dividend income received.

**(c) Other income**

Other income comprises mainly negative goodwill arising from the acquisition of ARA Korea in April 2014 amounting to S\$2.1 million (FY2013: Nil).

**(d) Administrative expenses**

Administrative expenses comprise primarily of staff-related expenses and advisory fees. Administrative expenses increased to S\$51.9 million in FY2014 from S\$41.5 million in FY2013, mainly due to (i) an increase in headcount and staff-related expenses in line with the Group's continuing business expansion and (ii) performance-based bonus accrued in relation to the performance fees received from Harmony. Excluded from administrative expense was staff-related expenses of S\$12.4 million (FY2013: S\$11.9 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which was fully reimbursed from Harmony.

**(e) Operating lease expenses**

Operating lease expenses was S\$3.8 million in FY2014, comparable to that recorded in FY2013.

**(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 FY2014 were S\$14.9 million compared to S\$6.3 million in FY2013. The increase was mainly due to (i) higher agency commission incurred in relation to the divestment of certain properties held under the SIP portfolio as well as the securing of new leases for Suntec City and (ii) higher professional fees incurred in relation to the acquisition of ARA Korea in April 2014.

**(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 FY2014 decreased to S\$3.1 million from S\$4.4 million in FY2013. Included in FY2013 was a net loss on fair valuation / disposal of financial assets of S\$3.5 million (FY2014 recorded a net gain on fair valuation / disposal of financial assets of S\$9.7 million under finance income). The decline in FY2014 was partially offset by a higher net loss on foreign exchange of S\$2.3 million in FY2014 (FY2013: S\$0.3 million).

**(h) 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 2014

**(i) Profit before tax**

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

	4Q2014 S\$'000	4Q2013 S\$'000	Change %	FY2014 S\$'000	FY2013 S\$'000	Change %
<u>Finance income</u>						
Distribution income	1,018	1,954	(48%)	10,524	11,484	(8%)
Foreign exchange gain, net	-	60	(100%)	-	-	n.m.
Gain on fair valuation / disposal of financial assets	4,364	-	n.m.	9,744	-	n.m.
Interest income	67	12	458%	125	99	26%
<u>Other income</u>						
Negative goodwill	-	-	n.m.	2,102	-	n.m.
<u>Other expenses</u>						
Amortisation of intangible asset	60	-	n.m.	169	-	n.m.
Depreciation of plant and equipment	186	159	17%	725	684	6%
<u>Finance costs</u>						
Foreign exchange loss, net	3,310	-	n.m.	2,329	287	711%
Interest expense	244	201	21%	763	617	24%
Loss on fair valuation / disposal of financial assets	-	2,464	(100%)	-	3,483	(100%)

n.m.: not meaningful

**(j) 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**

	4Q2014 S\$'000	4Q2013 S\$'000	Change %	FY2014 S\$'000	FY2013 S\$'000	Change %
<b>Profit for the period</b>	19,109	22,681	(16%)	90,730	77,131	18%
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Translation differences relating to financial statements of foreign subsidiaries	9,361	880	964%	9,551	2,759	246%
Net change in fair value of available-for-sale financial assets	6,785	(5,005)	n.m.	9,005	(1,497)	n.m.
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(34)	-	n.m.	(34)	-	n.m.
<b>Other comprehensive income for the year, net of tax</b>	16,112	(4,125)	n.m.	18,522	1,262	n.m.
<b>Total comprehensive income for the period</b>	<b>35,221</b>	<b>18,556</b>	<b>90%</b>	<b>109,252</b>	<b>78,393</b>	<b>39%</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	34,281	18,005	90%	106,041	75,512	40%
Non-controlling interests	940	551	71%	3,211	2,881	11%
<b>Total comprehensive income for the period</b>	<b>35,221</b>	<b>18,556</b>	<b>90%</b>	<b>109,252</b>	<b>78,393</b>	<b>39%</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 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	
		31/12/14 S\$'000	31/12/13 S\$'000	31/12/14 S\$'000	31/12/13 S\$'000
<b>Assets</b>					
Plant and equipment		1,766	1,390	-	-
Intangible assets	(a)	1,055	-	-	-
Subsidiaries	(b)	-	-	197,006	138,028
Associates	(c)	6,006	4,657	-	-
Financial assets	(d)	265,842	212,527	-	-
Deferred tax asset	(e)	745	-	-	-
Other receivables	(f)	5,871	6,289	-	-
<b>Total non-current assets</b>		<b>281,285</b>	<b>224,863</b>	<b>197,006</b>	<b>138,028</b>
Financial assets	(g)	38,454	49,837	-	-
Trade and other receivables	(h)	43,467	33,576	13,932	4,696
Cash and cash equivalents		64,430	39,060	2,310	2,344
<b>Total current assets</b>		<b>146,351</b>	<b>122,473</b>	<b>16,242</b>	<b>7,040</b>
<b>Total assets</b>		<b>427,636</b>	<b>347,336</b>	<b>213,248</b>	<b>145,068</b>
<b>Equity</b>					
Share capital		1,690	1,690	1,690	1,690
Reserves		112,555	94,024	74,859	74,859
Accumulated profits		226,901	181,856	101,374	66,935
<b>Equity attributable to equity holders of the Company</b>		<b>341,146</b>	<b>277,570</b>	<b>177,923</b>	<b>143,484</b>
<b>Non-controlling interests</b>	(i)	<b>6,988</b>	<b>2,827</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>348,134</b>	<b>280,397</b>	<b>177,923</b>	<b>143,484</b>
<b>Liabilities</b>					
Loan and borrowings	(j)	163	141	-	-
Other payables		1,192	-	19,000	-
Deferred tax liabilities		124	68	-	-
<b>Total non-current liabilities</b>		<b>1,479</b>	<b>209</b>	<b>19,000</b>	<b>-</b>
Trade and other payables	(k)	32,719	26,318	1,676	1,584
Loan and borrowings	(j)	34,194	30,329	14,649	-
Current tax payable		11,110	10,083	-	-
<b>Total current liabilities</b>		<b>78,023</b>	<b>66,730</b>	<b>16,325</b>	<b>1,584</b>
<b>Total liabilities</b>		<b>79,502</b>	<b>66,939</b>	<b>35,325</b>	<b>1,584</b>
<b>Total equity and liabilities</b>		<b>427,636</b>	<b>347,336</b>	<b>213,248</b>	<b>145,068</b>

**Financial Results Announcement  
For the financial year ended 31 December 2014**

**Footnotes:**

- (a) *Intangible assets 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 assets are measured at cost less accumulated amortisation and impairment losses. As at 31 December 2014, an accumulated amortisation of S\$169,000 (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 31 December 2014 comprise primarily (i) 34.1 million Suntec REIT units held by the Group as a strategic stake; (ii) 13.0 million Cache units held by the Group as a strategic stake; (iii) 36.2 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 31 December 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 31 December 2014 comprise REIT units received by the Group as part payment of management fees by certain REITs under management and REIT units received by the Group as payment for dividend income declared by an associate.*
- (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 divestment fees from SIP in relation to the divestment of certain properties held under its portfolio.*
- (i) *Non-controlling interest relates to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, Asia Property Management (China) Limited and its subsidiaries, ARA Korea Limited and ARA Real Estate Investors X Pte Ltd.*
- (j) *Loan and borrowings as at 31 December 2014 relate to (i) a current unsecured money market line of S\$14.6 million (31 December 2013: Nil); (ii) a current secured revolving credit facility of S\$19.5 million (31 December 2013: S\$25.7 million) and (iii) finance lease liability of S\$208,000 (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 31 December 2014. The Group's gearing ratio as at 31 December 2014 stood at 10% (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. The increase in trade and other payables was mainly due to higher performance-based bonus accrued in relation to the performance fees received from Harmony.*

**Financial Results Announcement**  
**For the financial year ended 31 December 2014**

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

	31/12/14		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	14,649	30,329	–
Amount repayable after one year	163	–	141	–
	<u>19,708</u>	<u>14,649</u>	<u>30,470</u>	<u>–</u>

**Footnotes:**

- (a) As at 31 December 2014, the Group's borrowings included:
- (i) a secured revolving credit facility of S\$19.5 million (31 December 2013: S\$25.7 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 31 December 2014;
  - (ii) an unsecured money market line of S\$14.6 million (31 December 2013: Nil) to finance the Group's various investments; and
  - (iii) finance lease liability of S\$208,000 (31 December 2013: S\$190,000) which relates to the purchase of certain plant and equipment.
- (b) As at 31 December 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\$35.4 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**

As at 31 December 2014, the Group has pledged 34.1 million units of Suntec REIT and 13.0 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 financial year ended 31 December 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	4Q2014 S\$'000	4Q2013 S\$'000	FY2014 S\$'000	FY2013 S\$'000
<b>Cash flows from operating activities</b>					
Profit for the period		19,109	22,681	90,730	77,131
Adjustments for:					
Amortisation of intangible assets		60	-	169	-
Depreciation of plant and equipment		186	159	725	684
Distribution income		(1,018)	(1,954)	(10,524)	(11,484)
(Gain) / loss on fair valuation / disposal of financial assets		(4,364)	2,464	(9,744)	3,483
Loss / (gain) on disposal of plant and equipment		6	-	(53)	(6)
Interest expense		244	201	763	617
Interest income		(67)	(12)	(125)	(99)
Management fees received / receivable in units of REITs		(15,857)	(23,916)	(61,788)	(61,830)
Negative goodwill		-	-	(2,102)	-
Share of profit of associates		(1,154)	(906)	(4,305)	(3,913)
Tax expense		3,175	3,463	12,887	11,275
Operating profit before working capital changes		320	2,180	16,633	15,858
Changes in working capital:					
Change in trade and other receivables		14,650	887	(2,688)	(2,700)
Change in trade and other payables		4,052	5,532	7,190	219
Cash generated from operating activities		19,022	8,599	21,135	13,377
Distribution income received		1,024	2,380	10,587	11,689
Proceeds from sale of units in REITs		12,664	2,631	82,309	34,975
Tax paid		(2,200)	(2,202)	(11,860)	(12,412)
<b>Cash flows generated from operating activities</b>	(a)	<b>30,510</b>	<b>11,408</b>	<b>102,171</b>	<b>47,629</b>
<b>Cash flows from investing activities</b>					
Acquisition of non-controlling interests		-	-	-	(117)
Acquisition of subsidiary, net of cash acquired		-	-	(528)	-
Divestment of interests in subsidiaries without loss of control		2,291	-	2,291	-
Dividend received from associates		488	-	1,380	672
Interest received		67	12	125	99
Proceeds from disposal of plant and equipment		(5)	2	166	96
Purchase of plant and equipment		(202)	(72)	(1,218)	(501)
Redemption / (Purchase) of available-for-sale securities, net		4,505	(19,951)	(37,918)	(89,947)
<b>Cash flows generated / (used in) from investing activities</b>	(b)	<b>7,144</b>	<b>(20,009)</b>	<b>(35,702)</b>	<b>(89,698)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(720)	-	(43,806)	(44,498)
Interest paid		(244)	(201)	(763)	(617)
(Payment) / proceeds of finance lease liabilities, net		(15)	(12)	18	(76)
(Repayment) / drawdown of borrowings, net		(24,279)	7,664	3,123	25,664
<b>Cash flows generated (used in) / from financing activities</b>	(c)	<b>(25,258)</b>	<b>7,451</b>	<b>(41,428)</b>	<b>(19,527)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of period		51,733	40,126	39,060	100,258
Effect of exchange rate fluctuations on cash held		301	84	329	398
<b>Cash and cash equivalents at end of period</b>		<b>64,430</b>	<b>39,060</b>	<b>64,430</b>	<b>39,060</b>

**Footnotes:**

- (a) Cash flows from operating activities increased to S\$102.2 million in FY2014 from S\$47.6 million in FY2013 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\$35.7 million in FY2014 from S\$89.7 million in FY2013. The lower net cash outflow for investing activities in FY2014 was primarily due to lower seed capital contributions to the private real estate funds relative to FY2013.
- (c) Net cash outflow for financing activities was S\$41.4 million in FY2014 compared to S\$19.5 million in FY2013. The net drawdown of loans in FY2014 was S\$3.1 million, lower than the S\$25.7 million in FY2013, resulting in the higher net cash outflow for financing activities during the year.

**Financial Results Announcement**  
**For the financial year ended 31 December 2014**

**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 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>
<b>At 1 January 2014</b>	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>				
<b>At 31 March 2014</b>	<b>1,690</b>	<b>74,859</b>	<b>72,399</b>	<b>148,948</b>
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)
<b>At 30 June 2014</b>	<b>1,690</b>	<b>74,859</b>	<b>83,722</b>	<b>160,271</b>
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)
<b>At 30 September 2014</b>	<b>1,690</b>	<b>74,859</b>	<b>78,157</b>	<b>154,706</b>
Total comprehensive income for the period				
- Profit for the period	-	-	23,217	23,217
<b>At 31 December 2014</b>	<b>1,690</b>	<b>74,859</b>	<b>101,374</b>	<b>177,923</b>

**Financial Results Announcement  
For the financial year ended 31 December 2014**

	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
<b>Group</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
<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>
<b>At 1 January 2014</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>
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
<b>At 31 March 2014</b>	<b>76,549</b>	<b>19,107</b>	<b>(3,640)</b>	<b>199,686</b>	<b>291,702</b>	<b>3,494</b>	<b>295,196</b>
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)
<b>At 30 June 2014</b>	<b>76,549</b>	<b>23,073</b>	<b>(4,745)</b>	<b>197,701</b>	<b>292,578</b>	<b>4,391</b>	<b>296,969</b>
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)
<b>At 30 September 2014</b>	<b>76,549</b>	<b>24,511</b>	<b>(2,936)</b>	<b>208,949</b>	<b>307,073</b>	<b>4,269</b>	<b>311,342</b>
Total other comprehensive income	-	6,760	9,361	-	16,121	(9)	16,112
Profit for the period	-	-	-	18,160	18,160	949	19,109
Total comprehensive income for the period	-	6,760	9,361	18,160	34,281	940	35,221
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(720)	(720)
Total contributions by and distributions to owners	-	-	-	-	-	(720)	(720)
<i>Changes in ownership interests in subsidiaries</i>							
Divestment of interests in subsidiaries without loss of control	-	-	-	(208)	(208)	2,499	2,291
Total changes in ownership interests in subsidiaries	-	-	-	(208)	(208)	2,499	2,291
<b>At 31 December 2014</b>	<b>76,549</b>	<b>31,271</b>	<b>6,425</b>	<b>226,901</b>	<b>341,146</b>	<b>6,988</b>	<b>348,134</b>

**Note:**

- Included in the share capital is a share premium account of S\$74.9 million as at 31 December 2014 (31 December 2013: S\$74.9 million).

**Financial Results Announcement  
For the financial year ended 31 December 2014**

**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 10 November 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**

	31/12/14	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 year ended 31 December 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 financial year ended 31 December 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)	4Q2014	4Q2013	FY2014	FY2013
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	2.15	2.62	10.35	8.79
(ii) On a fully diluted basis	2.15	2.62	10.35	8.79

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 31 December 2014 and 31 December 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	
	31/12/14	31/12/13	31/12/14	31/12/13
Net asset value per ordinary share	40.37	32.84	21.05	16.98
Net tangible asset per ordinary share	40.24	32.84	21.05	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 assets and non-controlling interests, as at the relevant dates and the issued share capital of 845,151,093 shares.

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

	4Q2014 S\$'000	4Q2013 S\$'000	Change %	FY2014 S\$'000	FY2013 S\$'000	Change %
<b>Total Revenue</b>	<b>43,215</b>	<b>43,828</b>	<b>(1%)</b>	<b>173,058</b>	<b>140,396</b>	<b>23%</b>
Management fees	32,577	29,973	9%	125,517	114,003	10%
Acquisition, divestment and performance fees	5,114	11,761	(57%)	24,593	14,671	68%
Finance income	5,449	2,026	169%	20,393	11,583	76%
Other income	75	68	10%	2,555	139	n.m.
<b>Net profit <sup>(1)</sup></b>	<b>18,160</b>	<b>22,130</b>	<b>(18%)</b>	<b>87,510</b>	<b>74,250</b>	<b>18%</b>

n.m.: not meaningful

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

**4Q2014 vs 4Q2013**

The Group's recurrent management fees increased to S\$32.6 million in 4Q2014 from S\$30.0 million in 4Q2013. 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 Phases 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 4Q2014 were S\$5.1 million compared to S\$11.8 million in 4Q2013. Included in 4Q2014 was the divestment fee of S\$4.5 million in relation to the divestment of certain properties held under the SIP portfolio whilst in 4Q2013, the Group received S\$9.5 million of acquisition fees in relation to Fortune REIT's acquisition of Kingswood in October 2013 and S\$1.6 million of acquisition and financial advisory fees in relation to the acquisition of 177 Pacific Highway in December 2013.

Finance income was S\$5.4 million in 4Q2014, compared to S\$2.0 million in 4Q2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S\$4.4 million (4Q2013 had recorded a net loss on fair valuation / disposal of financial assets of S\$2.5 million under finance costs), partially offset by lower dividend income received.

Operating expenses in 4Q2014 was S\$22.1 million compared to S\$18.6 million in 4Q2013. The increase was mainly due to agency commission amounting to S\$3.4 million incurred in relation to the divestment of certain properties held under the SIP portfolio.

As a result of the lower acquisition, divestment and performance fees received in the quarter compared to a year ago, the net profit for 4Q2014 was lower at S\$18.2 million.

**Financial Results Announcement  
For the financial year ended 31 December 2014**

**FY2014 vs FY2013**

The Group's recurrent management fee income increased to S\$125.5 million in FY2014 from S\$114.0 million in FY2013. 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 FY2014 increased to S\$24.6 million from S\$14.7 million in FY2013. This was mainly due to (i) performance fees of S\$16.1 million received from Harmony in having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund; (ii) divestment fees of S\$4.5 million in relation to the divestment of certain properties held under the SIP portfolio and (iii) acquisition fees received in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014. Included in FY2013 were acquisition fees received in relation to Cache's acquisition of Precise Two in April 2013, Fortune REIT's acquisition of Kingswood in October 2013 and S\$1.6 million of acquisition and financial advisory fees in relation to the acquisition of 177 Pacific Highway in December 2013.

Finance income increased to S\$20.4 million in FY2014 from S\$11.6 million in FY2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S\$9.7 million (FY2013 had recorded a net loss on fair valuation / disposal of financial assets of S\$3.5 million under finance costs), partially offset by lower dividend income received.

Other income comprises mainly negative goodwill arising from the acquisition of ARA Korea in April 2014 amounting to S\$2.1 million (FY2013: Nil).

Operating expenses in FY2014 was S\$73.7 million compared to S\$55.9 million in FY2013. 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) performance-based bonus accrued in relation to the performance fees received from Harmony; (iii) higher agency commission incurred in relation to the divestment of certain properties held under the SIP portfolio as well as the securing of new leases for Suntec City and (iv) higher professional fees incurred in relation to the acquisition of ARA Korea in April 2014.

Net profit for FY2014 was therefore up 18% to S\$87.5 million from S\$74.3 million in FY2013.

As at 31 December 2014, the Group's total assets under management stood at S\$26.3 billion (approximately US\$19.9 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 third quarter ended 30 September 2014 under item 10. The Company has not disclosed any financial forecast to the market.

**Financial Results Announcement  
For the financial year ended 31 December 2014**

**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 economic outlook remained subdued. The International Monetary Fund further trimmed its global growth forecast for 2015 and 2016, projecting that the world economy would expand by 3.5 per cent in 2015 and 3.7 per cent in 2016. On the same note, in January 2015 the European Central Bank announced the sovereign bond quantitative easing programme amounting to EUR 60 billion per month. The programme is intended to be carried out until at least September 2016.

The US Federal Open Market Committee in its latest meeting continues to reaffirm its view of maintaining the US Federal Funds Rate at 0.25%, in support of continued progress toward maximum employment and price stability. Economic activity is seen expanding at a solid pace, and if the projected inflation continues to run below the Committee's longer-term goal of two percent, it can be patient in commencing its monetary policy tightening.

In Asia, key economies continued to post muted growth. In Singapore, based on the Ministry of Trade and Industry's advance estimates, the economy grew by 1.5 per cent on a year-on-year basis in the fourth quarter of 2014, compared to 2.8 per cent in the third quarter. For the whole of 2014, the economy is estimated to have grown by 2.8 per cent. In China, the economy grew by 7.3 per cent year-on-year in the fourth quarter of 2014, unchanged from the third quarter. According to data released by the National Bureau of Statistics (NBS) in January 2015, China's economy expanded by 7.4 per cent in 2014 as a whole, maintaining steady growth. The Hong Kong economy regained some momentum in the third quarter of 2014, growing by 2.7 per cent, up from the 1.8 per cent growth in the second quarter. In Malaysia, GDP growth has tapered but remained healthy at 5.6 per cent in the third quarter.

**REITs**

In November 2014, Hui Xian REIT announced the proposed acquisition of the entire interest in an integrated commercial property development located at the Jiefangbei Central Business District of Chongqing in The People's Republic of China, for a purchase consideration of RMB 3,910 million. The proposed acquisition was approved by the unitholders at the Extraordinary General Meeting held on 28 November 2014, and completion of the acquisition is expected by the first quarter of FY2015.

In December 2014, Fortune REIT entered into a sale and purchase agreement to acquire Laguna Plaza in Kwun Tong, Hong Kong for HK\$1,918.5 million. The acquisition was successfully completed on 9 January 2015.

Moving forward, the Group will continue to focus on yield enhancing opportunities for the REITs under the Group's management to provide growth in future earnings. ARA also seeks to further broaden its existing multi-product/jurisdiction platform by listing new REITs in new markets and jurisdictions.

**Private Funds**

In January 2015, ARA announced the establishment of its Australian platform. With this, the Group's presence in the Asia Pacific region is further strengthened, in a regional network that spans 15 cities across six countries, namely Singapore, Hong Kong, China, South Korea, Malaysia and Australia. Along with South Korea, the Group will actively pursue investment and capital raising opportunities in these markets to grow the platforms over time.

ARA will continue to actively manage its portfolio of REITs and private real estate funds towards building sustainable growth for its shareholders.



**Financial Results Announcement  
For the financial year ended 31 December 2014**

**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**

19 May 2015

**(d) Book Closure date**

Registrable transfers received by the Company up to 5.00 pm on 5 May 2015 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 2014. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 24 April 2015.

Inclusive of the interim dividend of S\$0.023 per share paid out in 22 August 2014, the total dividend per share for FY2014 would be S\$0.050 (FY2013: S\$0.050).

**Financial Results Announcement**  
For the financial year ended 31 December 2014

**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	
	FY2014 S\$'000	FY2013 S\$'000	FY2014 S\$'000	FY2013 S\$'000
<u>Business Segments</u>				
REITs	94,145	79,361	63,255	48,999
Private real estate funds	44,991	25,631	21,391	13,434
Real estate management services	25,891	25,564	11,071	13,619
Investment holdings	7,993	9,287	7,034	8,975
Others <sup>(a)</sup>	38	553	325	846
	<u>173,058</u>	<u>140,396</u>	<u>103,076</u>	<u>85,873</u>
Unallocated expenses	-	-	(3,764)	(1,380)
	<u>173,058</u>	<u>140,396</u>	<u>99,312</u>	<u>84,493</u>

**Notes:**

(a) Comprises primarily 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.**

	FY2014 S\$'000	FY2013 S\$'000	Change %
<b>Revenue reported for first half year</b>	<b>78,610</b>	<b>64,130</b>	<b>23%</b>
Management fees	60,984	56,155	9%
Acquisition, divestment and performance fees	3,216	2,292	40%
Finance income	12,190	5,640	116%
Other income	2,220	43	n.m.
<b>Operating profit after tax before deducting non-controlling interests reported for first half year</b>	<b>40,228</b>	<b>33,857</b>	<b>19%</b>
<b>Revenue reported for second half year</b>	<b>94,448</b>	<b>76,266</b>	<b>24%</b>
Management fees	64,533	57,848	12%
Acquisition, divestment and performance fees	21,377	12,379	73%
Finance income	8,203	5,943	38%
Other income	335	96	249%
<b>Operating profit after tax before deducting non-controlling interests reported for second half year</b>	<b>50,502</b>	<b>43,274</b>	<b>17%</b>

n.m.: not meaningful

**Financial Results Announcement  
For the financial year ended 31 December 2014**

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

	FY2014 S\$'000	FY2013 S\$'000
Ordinary	42,257 <sup>(a)</sup>	42,257 <sup>(b)</sup>
Preference	-	-
Total:	42,257	42,257

**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 19 May 2015. Of the total dividends, S\$19.4 million relates to the interim dividend of S\$0.023 per share which was paid on 22 August 2014.
- (b) This comprises an interim dividend of S\$19.4 million or S\$0.023 per share which was paid on 29 August 2013 and a final dividend of S\$22.8 million or S\$0.027 per share which was paid on 20 May 2014.

**17. Interested Person Transactions**

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

<u>Name of interested person</u>	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)	
	4Q2014 S\$'000	FY2014 S\$'000	4Q2014 S\$'000	FY2014 S\$'000
1) Straits Developments Private Limited <sup>(i)</sup>	-	130	3,797	3,949
2) The Straits Trading Company Limited <sup>(i)</sup>	-	-	778	778
3) ARA Summit Development Fund I, L.P./ SRE Venture 1 Pte. Ltd. <sup>(ii)</sup>	-	-	203	502
	-	130	4,778	5,229

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 owned by The Straits Trading Company Limited and/or Straits Developments Private Limited ("SDPL") in which SDPL 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.

**Financial Results Announcement**  
**For the financial year ended 31 December 2014**

**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	34	Daughter of Dr Chiu Kwok Hung Justin (Chairman and Non-executive director).	Executive Director and Chief Executive Officer ("CEO"), ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of ARA Asset Management Limited.  Ms Chiu oversees the overall management of Fortune REIT including strategic planning, investor relations, asset management and investment activities of Fortune REIT.	Ms Chiu assumed the role of CEO with effect from 2 February 2015. Her previous title was Deputy CEO.

**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  
 16 February 2015

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

16 February 2015

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 2014, 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 notes (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*

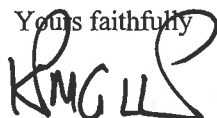
We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting 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**