



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015

The financial information for the quarter ended 30 September 2015 in the announcement have been extracted from the interim financial statements for the period from 1 January 2015 to 30 September 2015, 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 2015**

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	1/7/15 to 30/09/15 S\$'000	1/7/14 to 30/09/14 S\$'000	Change %	1/1/15 to 30/09/15 S\$'000	1/1/14 to 30/09/14 S\$'000	Change %
Management fees	(a)	33,225	31,956	4%	95,001	92,940	2%
Acquisition, divestment and performance fees	(a)	1,151	16,263	(93%)	8,680	19,479	(55%)
Finance income	(b)	3,785	4,310	(12%)	8,662	15,925	(46%)
Other income	(c)	74	260	(72%)	220	2,480	(91%)
Total revenue		38,235	52,789	(28%)	112,563	130,824	(14%)
Administrative expenses	(d)	(10,449)	(15,457)	(32%)	(34,775)	(40,516)	(14%)
Operating lease expenses	(e)	(1,041)	(968)	8%	(3,035)	(2,860)	6%
Other expenses	(f)	(2,983)	(2,960)	1%	(8,390)	(8,747)	(4%)
Finance costs	(g)	(3,322)	(211)	n.m.	(8,016)	(519)	n.m.
Results from operating activities		20,440	33,193	(38%)	58,347	78,182	(25%)
Share of profit of associates, net of tax	(h)	719	1,202	(40%)	6,307	3,151	100%
Profit before tax	(i)	21,159	34,395	(38%)	64,654	81,333	(21%)
Tax expense	(j)	(3,538)	(3,002)	18%	(10,268)	(9,712)	6%
Profit for the period		17,621	31,393	(44%)	54,386	71,621	(24%)
Attributable to:							
Equity holders of the Company		17,083	30,686	(44%)	52,495	69,350	(24%)
Non-controlling interests		538	707	(24%)	1,891	2,271	(17%)
		17,621	31,393	(44%)	54,386	71,621	(24%)

n.m.: not meaningful

Net Profit ⁽¹⁾	17,083	30,686	(44%)	52,495	69,350	(24%)
Adjusted Net Profit ⁽²⁾	17,814	16,659	7%	51,926	47,752	9%

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

(2) Adjusted Net Profit refers to "Net Profit excluding one-off adjustments: (i) gain / (loss) on fair valuation / disposal of financial assets; (ii) acquisition, divestment and performance fees; (iii) negative goodwill arising from acquisition; (iv) impairment on available-for-sale financial assets; (v) gain / (loss) on disposal of investments and (vi) performance-based bonuses"

**Financial Results Announcement
For the quarter ended 30 September 2015**
1(a)(ii) Explanatory notes to the income statement of the Group
(a) Revenue

		3Q2015	3Q2014	Change	YTD2015	YTD2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Management fees		33,225	31,956	4%	95,001	92,940	2%
REIT base and performance fees	(i)	22,095	19,429	14%	64,269	56,771	13%
Portfolio management and service fees	(ii)	5,702	6,225	(8%)	14,882	18,424	(19%)
Real estate management services fees	(iii)	5,428	6,302	(14%)	15,850	17,745	(11%)
Acquisition, divestment and performance fees	(iv)	1,152	16,263	(93%)	8,680	19,479	(55%)
Acquisition, divestment and performance fees		839	16,261	(95%)	7,079	18,188	(61%)
Advisory and consultancy fees		312	2	n.m.	1,602	1,291	24%

n.m.: not meaningful

- (i) REIT management fees increased to S\$64.3 million in YTD2015 from S\$56.8 million in YTD2014 due to higher REIT management fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuation of the property portfolios of the REITs under management. Fortune REIT's acquisition of Laguna Plaza in January 2015, Cache Logistics Trust's ("Cache") acquisition of 3 properties located in Australia in February 2015 and the acquisition of ARA Korea Limited ("ARA Korea") in April 2014 also contributed to the higher REIT management fees.
- (ii) Portfolio management and service fees declined to S\$14.9 million in YTD2015 from S\$18.4 million in YTD2014, mainly due to lower management fees from the ARA Asia Dragon Fund ("ADF I") which has entered into its divestment phase since 2012. The decline was partially offset by higher management fees from (i) the launch of the ARA Summit Development Fund I, L.P. ("SDF I") in May 2014; (ii) higher fees received from the Morningside Investment Partners, LLC ("MIP") subsequent to the acquisition of its first two properties in August and September 2014; (iii) higher valuation of the property in the ARA Harmony Fund II ("Harmony II") following the completion of asset enhancement works at Suntec Singapore Convention and Exhibition Centre ("SSICEC"); (iv) the establishment of the ARA Harmony Fund III ("Harmony III") in August 2015 and (v) higher fees received from the ARA China Investment Partners, LLC ("CIP") following the acquisition of a commercial property in China in September 2015.
- (iii) Real estate management fees declined to S\$15.9 million in YTD2015 from S\$17.7 million in YTD2014, mainly due to lower leasing commission recognised by the APM Group of companies ("APM") as a result of lower leasing activities during the period. This was partially offset by higher property management fees and convention and exhibition services fees received by the Group following the completion of Phases 1 and 2 of the asset enhancement works at the Suntec City Mall and SSICEC.
- (iv) Acquisition, divestment and performance fees were lower at S\$8.7 million in YTD2015 compared to S\$19.5 million in YTD2014. The acquisition fees received in YTD2015 were mainly in relation to Fortune REIT's acquisition of Laguna Plaza in January 2015, Cache's acquisition of three properties located in Australia in February 2015 and the maiden acquisition in Australia by SDF I. Divestment fees received were in relation to the sale of certain properties held under the SIP's portfolio, Fortune REIT's divestment of Nob Hill Square completed in April 2015 and Cache's divestment of Kim Heng Warehouse completed in June 2015. In comparison, fees received in YTD2014 included the acquisition fee in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 and the S\$16.1 million performance fee from Harmony II after having achieved an internal rate of return ("IRR") of 27.4% for its investors over the initial five-year term of the fund. Advisory and consultancy fees of S\$1.6 million received in YTD2015 were higher than the S\$1.3 million received in YTD2014 primarily due 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 2015****(b) Finance income**

Finance income comprises mainly distribution income, interest income, net gain on fair valuation / disposal of financial assets and net foreign exchange gain. Finance income declined to S\$8.7 million in YTD2015 from S\$15.9 million in YTD2014. A net gain on fair valuation / disposal of financial assets of S\$5.4 million was included in YTD2014 (YTD2015 had recorded a net loss on fair valuation / disposal of financial assets of S\$3.4 million under finance costs). The decrease was also partly due to lower distribution income of S\$8.3 million in YTD2015 compared to S\$9.5 million in YTD2014, of which the latter had included the distribution of profits by the ADF I post the divestment of certain properties under its portfolio.

(c) Other income

In YTD2014, other income comprised mainly negative goodwill arising from the acquisition of ARA Korea Limited amounting to S\$2.1 million.

(d) Administrative expenses

Administrative expenses comprise primarily staff-related expenses and advisory fees. Administrative expenses were S\$34.8 million in YTD2015 compared to S\$40.5 million in YTD2014. Included in YTD2015 was an adjustment to the bonus expenses as the actual payment made was lower than the amount accrued in the previous year. Higher performance based bonus was also accrued in YTD2014 due to the exceptional performance of Harmony II. Excluded from administrative expenses were staff-related expenses of S\$10.9 million (YTD2014: S\$9.5 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which were fully reimbursed from Harmony II.

(e) Operating lease expenses

Operating lease expenses increased marginally to S\$3.0 million in YTD2015 from S\$2.9 million in YTD2014, in line with the Group's continuing business expansion.

(f) Other expenses

Other expenses comprise primarily other staff-related expenses (such as travelling expenses), agency commission, telecommunications expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, continuing listing expenses, board meeting expenses and other miscellaneous expenses. Other expenses in YTD2015 were S\$8.4 million, as compared to S\$8.7 million in YTD2014. The higher other expenses recorded in YTD2014 were mainly due to higher professional fees incurred in relation to the acquisition of ARA Korea Limited in April 2014.

(g) Finance costs

Finance costs comprise net loss on fair valuation / disposal of financial assets, impairment on available-for-sale financial assets, net foreign exchange loss and interest expense. Finance costs in YTD2015 increased to S\$8.0 million from S\$0.5 million in YTD2014 mainly due to (i) a net loss on fair valuation / disposal of financial assets of S\$3.4 million (YTD2014 had recorded a net gain on fair valuation / disposal of financial assets of S\$5.4 million under finance income); (ii) an impairment on available-for-sale financial assets of S\$2.0 million (YTD2014: Nil) mainly attributable to the revaluation of those assets remaining in the ADF I property portfolio and weakening of currencies and (iii) higher interest expense of S\$1.6 million recorded by the Group on increased borrowings. (YTD2014: S\$0.5 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 the 40% equity interest in Cache Property Management Pte. Ltd., as well as 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 respectively. The Group's share of profits of associates increased to S\$6.3 million in YTD2015 from S\$3.2 million in YTD2014, mainly due to the acquisition fee recorded by Hui Xian Asset Management Limited in relation to Hui Xian REIT's acquisition of Metropolitan Oriental Plaza in Chongqing, China in March 2015. This was in addition to higher income contributions from Cache Property Management Pte. Ltd. and Hui Xian Asset Management Limited.

**Financial Results Announcement
For the quarter ended 30 September 2015**

(i) Profit before income tax

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

	3Q2015 S\$'000	3Q2014 S\$'000	Change %	YTD2015 S\$'000	YTD2014 S\$'000	Change %
<u>Finance income</u>						
Distribution income	3,745	2,193	71%	8,255	9,506	(13%)
Foreign exchange gain, net	-	1,556	n.m.	-	981	n.m.
Gain on fair valuation / disposal of financial assets	-	543	n.m.	-	5,380	n.m.
Interest income	37	18	106%	135	58	133%
Gain on disposal of investments	3	-	n.m.	272	-	n.m.
<u>Other income</u>						
Negative goodwill	-	-	n.m.	-	2,102	n.m.
<u>Other expenses</u>						
Amortisation of intangible asset	60	59	2%	179	109	64%
Depreciation of plant and equipment	188	176	7%	572	539	6%
<u>Finance costs</u>						
Foreign exchange loss, net	584	-	n.m.	967	-	n.m.
Interest expense	896	211	325%	1,589	519	206%
Impairment on available-for-sale financial assets	59	-	n.m.	2,024	-	n.m.
Loss on fair valuation / disposal of financial assets	1,783	-	n.m.	3,436	-	n.m.

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

	3Q2015 S\$'000	3Q2014 S\$'000	Change %	YTD2015 S\$'000	YTD2014 S\$'000	Change %
Profit for the period	17,621	31,393	(44%)	54,386	71,621	(24%)
Other comprehensive income/ (loss)						
Items that are or may be reclassified subsequently to profit or loss:						
- Translation differences relating to financial statements of foreign subsidiaries	10,598	1,809	486%	13,300	190	n.m.
- Net change in fair value of available-for-sale financial assets	(29,204)	1,438	n.m.	(43,093)	2,220	n.m.
- Net change in fair value of available-for-sale financial assets reclassified to profit or loss	59	-	n.m.	2,024	-	n.m.
Other comprehensive income/ (loss) for the period, net of tax	(18,547)	3,247	n.m.	(27,769)	2,410	n.m.
Total comprehensive income/ (loss) for the period	(926)	34,640	n.m.	26,617	74,031	(64%)
Total comprehensive income/ (loss) attributable to:						
Equity holders of the Company	(1,467)	33,933	n.m.	24,732	71,760	(66%)
Non-controlling interests	541	707	(23%)	1,885	2,271	(17%)
Total comprehensive income/ (loss) for the period	(926)	34,640	n.m.	26,617	74,031	(64%)

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 2015**
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	
		30/09/15 S\$'000	31/12/14 S\$'000	30/09/15 S\$'000	31/12/14 S\$'000
Assets					
Plant and equipment		1,909	1,766	-	-
Intangible assets	(a)	992	1,055	-	-
Subsidiaries	(b)	-	-	282,810	197,006
Associates	(c)	9,184	6,006	-	-
Financial assets	(d)	373,177	265,842	-	-
Deferred tax asset	(e)	685	745	-	-
Other receivables	(f)	5,781	5,871	-	-
Total non-current assets		391,728	281,285	282,810	197,006
Financial assets	(g)	25,293	38,454	-	-
Trade and other receivables	(h)	44,547	43,467	13,855	13,932
Cash and cash equivalents		42,261	64,430	1,761	2,310
Total current assets		112,101	146,351	15,616	16,242
Total assets		503,829	427,636	298,426	213,248
Equity					
Share capital		1,690	1,690	1,690	1,690
Reserves		84,792	112,555	74,859	74,859
Accumulated profits		237,139	226,901	90,806	101,374
Equity attributable to equity holders of the Company		323,621	341,146	167,355	177,923
Non-controlling interests	(i)	6,143	6,988	-	-
Total equity		329,764	348,134	167,355	177,923
Liabilities					
Loan and borrowings	(j)	60,266	163	60,000	-
Other payables		1,580	1,192	37,380	19,000
Deferred tax liabilities		125	124	-	-
Total non-current liabilities		61,971	1,479	97,380	19,000
Trade and other payables	(k)	23,268	32,719	1,791	1,676
Loan and borrowings	(j)	77,445	34,194	31,900	14,649
Current tax payable		11,381	11,110	-	-
Total current liabilities		112,094	78,023	33,691	16,325
Total liabilities		174,065	79,502	131,071	35,325
Total equity and liabilities		503,829	427,636	298,426	213,248

**Financial Results Announcement
For the quarter ended 30 September 2015**

Footnotes:

- (a) *Intangible assets represent 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 30 September 2015, an accumulated amortisation of S\$348,000 (31 December 2014: S\$169,000) had been made.*
- (b) *Interests 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) *Interests in associates relates to the Group's 40% equity interest in Cache Property Management Pte. Ltd., as well as 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 respectively.*
- (d) *Non-current financial assets as at 30 September 2015 comprised primarily (i) 94.3 million Suntec REIT units held by the Group as a strategic stake; (ii) 16.5 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 I, the ADF II, the CIP, the MIP and the Harmony III; (v) a 10.02% strategic stake in ARA-NPS Real Estate Investment Company; (vi) seed capital investments in ARA ShinYoung Residential Development Real Estate Investment Company and (vii) investment in the APN SICAV-APN Asian Asset Income Fund (previously known as ARA Asian Asset Income Fund). As at 30 September 2015, the liquidation of APN SICAV-APN Asian Asset Income Fund has been substantially completed, along with the receipt of the proportionate amount of liquidation proceeds by its investors.*
- (e) *Deferred tax asset 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 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.*
- (i) *Non-controlling interests relate to the non-controlling shareholders' proportionate interest in ARA-CWT Trust Management (Cache) Limited, Asia Property Management (China) Limited and its subsidiaries, ARA Korea, ARA Real Estate Investors X Pte Ltd and ARAM Australia Pty Ltd.*
- (j) *Loan and borrowings as at 30 September 2015 related to (i) a current unsecured money market line of S\$31.9 million (31 December 2014: S\$14.6 million); (ii) a current secured revolving credit facility of S\$45.5 million (31 December 2014: S\$19.5 million); (iii) finance lease liability of S\$174,000 (31 December 2014: S\$208,000) and (iv) a non-current unsecured shareholder's loan of S\$60.0 million (31 December 2014: Nil). The Group's gearing ratio as at 30 September 2015 stood at approximately 42% (31 December 2014: 10%).*
- (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 decrease in trade and other payables was primarily due to the payment of staff-related costs and other expenses in YTD2015.*

**Financial Results Announcement
For the quarter ended 30 September 2015**

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

	30/09/2015		31/12/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	45,545	31,900	19,545	14,649
Amount repayable after one year	129	60,137	163	–
	<u>45,674</u>	<u>92,037</u>	<u>19,708</u>	<u>14,649</u>

Footnotes:

- (a) As at 30 September 2015, the Group's borrowings included the following:
- (i) a secured revolving credit facility of S\$45.5 million (31 December 2014: S\$19.5 million) drawn for the Group's general working capital purposes and seed capital contributions into the private real estate funds;
 - (ii) an unsecured money market line of S\$31.9 million (31 December 2014: S\$14.6 million) drawn to finance the Group's various investments;
 - (iii) an unsecured shareholder's loan of S\$60.0 million (31 December 2014: Nil) drawn to finance the Group's investments; and
 - (iv) finance lease liability of S\$174,000 (31 December 2014: S\$208,000) which relates to the purchase of certain plant and equipment.
- (b) As at 30 September 2015, the Group has the following facilities available for utilisation:
- (i) a multicurrency revolving credit facility of S\$4.1 million secured on the Group's strategic stake in Suntec REIT and Cache (31 December 2014: S\$30.1 million);
 - (ii) an unsecured money market line of S\$48.1 million (31 December 2014: S\$35.4 million); and
 - (iii) unsecured overdraft facilities of S\$6.0 million and HK\$3.0 million (31 December 2014: S\$6.0 million and HK\$3.0 million).

Details of any collateral

As at 30 September 2015, the Group has pledged 34.1 million units of Suntec REIT and 16.5 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 2015**
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	3Q2015 S\$'000	3Q2014 S\$'000	YTD2015 S\$'000	YTD2014 S\$'000
Cash flows from operating activities					
Profit for the period		17,621	31,393	54,386	71,621
Adjustments for:					
Amortisation of intangible assets		60	59	179	109
Depreciation of plant and equipment		188	176	572	539
Distribution income		(3,745)	(2,193)	(8,255)	(9,506)
Loss / (Gain) on fair valuation / disposal of financial assets		1,780	(543)	3,164	(5,380)
Gain on disposal of plant and equipment		-	(71)	(1)	(59)
Interest expense		896	211	1,589	519
Interest income		(37)	(18)	(135)	(58)
Impairment loss on available-for-sale financial assets		59	-	2,024	-
Management fees received / receivable in units of REITs		(15,801)	(15,045)	(48,404)	(45,931)
Negative goodwill		-	-	-	(2,102)
Share of profit of associates		(719)	(1,202)	(6,307)	(3,151)
Tax expense		3,538	3,002	10,268	9,712
Operating profit before working capital changes		3,840	15,769	9,080	16,313
Changes in working capital:					
Change in trade and other receivables		(9,659)	(19,210)	(297)	(17,338)
Change in trade and other payables		2,359	7,911	(9,063)	3,138
Cash generated from / (used in) operating activities		(3,460)	4,470	(280)	2,113
Distribution income received		3,810	2,211	8,352	9,563
Proceeds from sale of units in REITs		6,344	15,142	7,415	69,645
Tax paid		(4,309)	(4,004)	(9,997)	(9,660)
Cash flows generated from operating activities	(a)	2,385	17,819	5,490	71,661
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		-	(165)	-	(528)
Dividend received from associates		1,348	476	1,820	892
Interest received		37	18	135	58
Proceeds from disposal of plant and equipment		-	163	9	171
Purchase of plant and equipment		(345)	(517)	(713)	(1,016)
Contribution from a non-controlling interest		-	-	53	-
Purchase of available-for-sale financial assets, net		(29,732)	(28,512)	(86,279)	(42,423)
Cash flows used in investing activities	(b)	(28,692)	(28,537)	(84,975)	(42,846)
Cash flows from financing activities					
Dividends paid		(19,510)	(20,267)	(45,040)	(43,086)
Interest paid		(896)	(211)	(1,589)	(519)
(Payment) / proceeds of finance lease liabilities, net		(12)	57	(34)	33
Proceeds from borrowings, net		27,037	32,023	103,342	27,402
Cash flows from / (used in) financing activities	(c)	6,619	11,602	56,679	(16,170)
Net (decrease) / increase in cash and cash equivalents		(19,688)	884	(22,806)	12,645
Cash and cash equivalents at beginning of period		61,434	50,539	64,430	39,060
Effect of exchange rate fluctuations on cash held		515	310	637	28
Cash and cash equivalents at end of period		42,261	51,733	42,261	51,733

Footnotes:

- (a) Cash flows from operating activities decreased to S\$5.5 million in YTD2015 from S\$71.7 million in YTD2014 as a result of the significant proceeds received from the sale of certain REIT units received by the Group as part payment for REIT management fees in YTD2014.
- (b) Net cash outflow for investing activities increased to S\$85.0 million in YTD2015 from S\$42.9 million in YTD2014, mainly due to the purchase of Suntec REIT units to increase the Group's strategic stake in Suntec REIT as announced by ARA on 13 May 2015 and seed capital contributions to the private real estate funds which are classified as available-for-sale securities.
- (c) Net cash inflow for financing activities was S\$56.7 million in YTD2015 as compared to net cash outflow of S\$16.2 million in YTD2014. The cash inflow was mainly due (i) an unsecured shareholder's loan of S\$60.0 million drawn to fund the Group's strategic investment of Suntec REIT units as announced on 13 May 2015 and (ii) net S\$43.3 million drawn from the Group's revolving credit facility and money market line during YTD2015.

Financial Results Announcement
For the quarter ended 30 September 2015

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 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
At 1 January 2015	1,690	74,859	101,374	177,923
Total comprehensive income for the period				
- Profit for the period	-	-	9,410	9,410
<i>Transactions with owners, recorded directly in equity</i>				
At 31 March 2015	1,690	74,859	110,784	187,333
Total comprehensive income for the period				
- Profit for the period	-	-	3,590	3,590
<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 2015	1,690	74,859	91,555	168,104
Total comprehensive income for the period				
- Profit for the period	-	-	18,689	18,689
<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 2015	1,690	74,859	90,806	167,355

**Financial Results Announcement
For the quarter ended 30 September 2015**

Group	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
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
At 1 January 2015	76,549	31,271	6,425	226,901	341,146	6,988	348,134
Total other comprehensive income	-	(3,303)	7,525	-	4,222	20	4,242
Profit for the period	-	-	-	18,970	18,970	901	19,871
Total comprehensive income for the period	-	(3,303)	7,525	18,970	23,192	921	24,113
<i>Transactions with owners, recorded directly in equity</i>							
<i>Change in ownership interest in a subsidiary, without a change in control</i>							
Contribution from a non-controlling interest	-	-	-	-	-	53	53
Total change in ownership interest in a subsidiary	-	-	-	-	-	53	53
At 31 March 2015	76,549	27,968	13,950	245,871	364,338	7,962	372,300
Total other comprehensive income	-	(8,612)	(4,823)	-	(13,435)	(29)	(13,464)
Profit for the period	-	-	-	16,442	16,442	452	16,894
Total comprehensive income for the period	-	(8,612)	(4,823)	16,442	3,007	423	3,430
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(2,711)	(2,711)
Final tax-exempt dividend paid of S\$0.027 per share	-	-	-	(22,819)	(22,819)	-	(22,819)
Total contributions by and distributions to owners	-	-	-	(22,819)	(22,819)	(2,711)	(25,530)
At 30 June 2015	76,549	19,356	9,127	239,494	344,526	5,674	350,200
Total other comprehensive income	-	(29,148)	10,598	-	(18,550)	3	(18,547)
Profit for the period	-	-	-	17,083	17,083	538	17,621
Total comprehensive income for the period	-	(29,148)	10,598	17,083	(1,467)	541	(926)
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(72)	(72)
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)	(72)	(19,510)
At 30 September 2015	76,549	(9,792)	19,725	237,139	323,621	6,143	329,764

Notes:

- Included in the share capital is a share premium account of S\$74.9 million as at 30 September 2015 (30 June 2014: S\$74.9 million).

**Financial Results Announcement
For the quarter ended 30 September 2015**

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 6 August 2015.

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

	30/09/15	As at 31/12/14
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 2015 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 preparation of the financial statements for the current period compared with the audited financial statements for the year ended 31 December 2014.

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

There is no change in the accounting policies and methods of computation adopted.

**Financial Results Announcement
For the quarter ended 30 September 2015**

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)	3Q2015	3Q2014	YTD2015	YTD2014
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	2.02	3.63	6.21	8.21
(ii) On a fully diluted basis	2.02	3.63	6.21	8.21

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 2015 and 30 September 2014 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	
	30/09/15	31/12/14	30/09/15	31/12/14
Net asset value per ordinary share	38.29	40.37	19.80	21.05
Net tangible asset per ordinary share	38.17	40.24	19.80	21.05

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 quarter ended 30 September 2015**

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

	3Q2015	3Q2014	Change	YTD2015	YTD2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total Revenue	38,235	52,789	(28%)	112,563	130,824	(14%)
Management fees	33,225	31,956	4%	95,001	92,940	2%
Acquisition, divestment and performance fees	1,151	16,263	(93%)	8,680	19,479	(55%)
Finance income	3,785	4,310	(12%)	8,662	15,925	(46%)
Other income	74	260	(72%)	220	2,480	(91%)
Total Expenses	(17,795)	(19,596)	(9%)	(54,216)	(52,642)	3%
Share of Profit of Associates, Net of Tax	719	1,202	(40%)	6,307	3,151	100%
Net Profit ⁽¹⁾	17,083	30,686	(44%)	52,495	69,350	(24%)
Adjusted Net Profit ⁽²⁾	17,814	16,659	7%	51,926	47,752	9%

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

(2) Adjusted Net Profit refers to "Net Profit excluding one-off adjustments: (i) gain / (loss) on fair valuation / disposal of financial assets; (ii) acquisition, divestment and performance fees; (iii) negative goodwill arising from acquisition; (iv) impairment on available-for-sale financial assets; (v) gain / (loss) on disposal of investments and (vi) performance-based bonuses"

3Q2015 vs 3Q2014

The Group's recurrent management fees increased to S\$33.2 million in 3Q2015 from S\$32.0 million in 3Q2014. This was mainly due to (a) higher REIT management fees arising from (i) better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuation of the property portfolios of the REITs under management, (ii) fee contribution from Fortune REIT's acquisition of Laguna Plaza in January 2015 and Cache's acquisition of three properties located in Australia in February 2015; (iii) fee contribution from the acquisition of ARA Korea in April 2014 and (b) higher portfolio management fees arising from (i) the launch of the SDF I in May 2014, (ii) the MIP's acquisition of its first two properties in August and September 2014, (iii) the higher valuation of SSICEC in Harmony II following the completion of asset enhancement works, (iv) the establishment of the Harmony III in August 2015 and (v) the CIP's acquisition of a commercial property in China in September 2015. These were partially offset by reduced management fees received from the ADF I which has entered into its divestment phase since 2012.

Acquisition, divestment and performance fees for 3Q2015 were significantly lower at S\$1.2 million compared to S\$16.3 million in 3Q2014. In 3Q2014, the Group received a performance fee of S\$16.1 million from Harmony II, having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund. Acquisition fees received in 3Q2015 were in relation to the completion of the development of the DHL Supply Chain Advanced Regional Centre by Cache.

Finance income declined to S\$3.8 million in 3Q2015 from S\$4.3 million in 3Q2014. This was primarily due to a net gain on fair valuation / disposal of financial assets of S\$0.5 million included in 3Q2014 (3Q2015 had recorded a net loss on fair valuation / disposal of financial assets of S\$1.8 million under finance costs).

Total expenses in 3Q2015 declined to S\$17.8 million from S\$19.6 million in 3Q2014, mainly due to lower administrative costs from lower staff costs, partially offset by higher finance costs as the Group recorded a net loss on fair valuation / disposal of financial assets of S\$1.8 million in 3Q2015 (3Q2014 had recorded a net gain on fair valuation / disposal of financial assets of S\$0.5 million under finance income), higher interest expenses and a foreign exchange loss of S\$0.6 million (against a foreign exchange gain of S\$1.6 million recorded in 3Q2014 under finance income).

**Financial Results Announcement
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The Group's share of profits of associates declined to S\$0.7 million in 3Q2015 from S\$1.2 million in 3Q2014, mainly due to lower income contribution received from World Deluxe Enterprises Limited during the quarter.

Net profit was lower at S\$17.1 million in 3Q2015 compared to S\$30.7 million in 3Q2014. However, the adjusted net profit after taking into account one-off adjustments was higher at S\$17.8 million in 3Q2015 compared to S\$16.7 million in 3Q2014, an increase of 7% year-on-year.

YTD2015 vs YTD2014

The Group's recurrent management fees increased to S\$95.0 million in YTD2015 from S\$92.9 million in YTD2014. This was mainly due to (a) higher REIT management fees arising from (i) better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuation of the property portfolios of the REITs under management, (ii) fee contribution from Fortune REIT's acquisition of Laguna Plaza in January 2015 and Cache's acquisition of three properties located in Australia in February 2015; (iii) fee contribution from the acquisition of ARA Korea in April 2014 and (b) higher portfolio management fees arising from (i) the launch of the SDF I in May 2014, (ii) the MIP's acquisition of its first two properties in August and September 2014, (iii) the higher valuation of SSICEC in Harmony II following the completion of asset enhancement works, (iv) the establishment of Harmony III in August 2015 and (v) the CIP's acquisition of a commercial property in China in September 2015. These were partially offset by reduced management fees received from the ADF I which has entered into its divestment phase since 2012 and lower leasing commissions from APM.

Acquisition, divestment and performance fees were lower at S\$8.7 million in YTD2015 compared to S\$19.5 million in YTD2014. The acquisition fees received in YTD2015 were mainly in relation to Fortune REIT's acquisition of Laguna Plaza in January 2015, Cache's acquisition of three properties located in Australia in February 2015 and the maiden acquisition in Australia by SDF I. Divestment fees received were in relation to the sale of certain properties held under the SIP's portfolio, Fortune REIT's divestment of Nob Hill Square completed in April 2015 and Cache's divestment of Kim Heng Warehouse completed in June 2015. In comparison, fees received in YTD2014 included the acquisition fee in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 and the S\$16.1 million performance fee from Harmony II after having achieved an internal rate of return ("IRR") of 27.4% for its investors over the initial five-year term of the fund. Advisory and consultancy fees of S\$1.6 million received in YTD2015 were higher than the S\$1.3 million received in YTD2014 primarily due to project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

Finance income declined to S\$8.7 million in YTD2015 from S\$15.9 million in YTD2014. A net gain on fair valuation / disposal of financial assets of S\$5.4 million was included in YTD2014 (YTD2015 had recorded a net loss on fair valuation / disposal of financial assets of S\$3.4 million under finance costs). The decline was also partly due to lower distribution income of S\$8.3 million in YTD2015 compared to S\$9.5 million in YTD2014, of which the latter had included the distribution of profits by the ADF I post the divestment of certain properties under its portfolio.

Other income was significantly lower in YTD2015 compared to YTD2014 due to a negative goodwill arising from the acquisition of ARA Korea amounting to S\$2.1 million which was recognised in YTD2014.

Total expenses for YTD2015 increased to S\$54.2 million from S\$52.7 million in YTD2014, mainly due to higher finance costs as the Group recorded a net loss of S\$3.4 million on fair valuation / disposal of financial assets in YTD2015 against a net gain recorded in YTD2014; impairment on available-for-sale financial assets of S\$2.0 million mainly attributable to the revaluation of those assets remaining in the ADF I property portfolio and weakening of currencies, in addition to higher interest expense incurred. These were partially offset by lower administrative expenses and other expenses incurred.

The Group's share of profits of associates rose to S\$6.3 million in YTD2015 from S\$3.2 million in YTD2014, mainly due to the acquisition fee recorded by Hui Xian Asset Management Limited in relation to Hui Xian REIT's acquisition of Metropolitan Oriental Plaza in Chongqing, China in March 2015, in addition to higher income contribution from Cache Property Management Pte. Ltd. and Hui Xian Asset Management Limited.

Net profit was lower at S\$52.5 million in YTD2015 compared to S\$69.4 million in YTD2014. However, the adjusted net profit after taking into account one-off adjustments was higher at S\$51.9 million in YTD2015 compared to S\$47.8 million in YTD2014, an increase of 9% year-on-year.

As at 30 September 2015, the Group's total assets under management stood at S\$28.8 billion (approximately US\$20.2 billion).

**Financial Results Announcement
For the quarter ended 30 September 2015****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 2015 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

In October 2015, the International Monetary Fund ("IMF") in its most recent forecast expects the global economy to grow at a lower forecast of 3.1 per cent and 3.6 per cent for 2015 and 2016 respectively, against expectations of an economic slowdown in China and its impact on lower commodity prices and other export-dependent economies. Its projection for China's growth is at a reduced rate of 6.8 per cent and 6.3 per cent for 2015 and 2016 respectively.

In Singapore, according to the Ministry of Trade and Industry's advance estimates, the economy grew by 1.4 per cent in the third quarter of 2015, moderating from the 2.0 per cent growth registered in the previous quarter. China's economic growth for second quarter of 2015 was at 6.9 per cent, moderating slightly from the 7.0 per cent recorded in the second quarter. In Hong Kong, weak external trade was mitigated by a strong domestic demand, thereby lifting second quarter GDP growth to 2.8 per cent year-on-year. South Korea's third quarter year-on-year GDP growth was 2.6 per cent, a slight rebound from the 2.2 per cent in the previous quarter post the outbreak of Middle East Respiratory Syndrome which had led to a contraction in private consumption. Malaysia's economy grew 4.9 per cent in the second quarter and overall by 5.3 per cent in the first half of 2015.

REITs

During the quarter, the Group had launched a new privately-held Korean REIT (named ARA ShinYoung Residential Development Real Estate Investment Company) and had in October 2015 successfully completed its first investment in a residential development project in Seoul with a total development cost of approximately KRW43 billion. This is the third Korean REIT under management in addition to two existing privately-held Korean REITs, namely ARA-NPS Real Estate Investment Company and ARA-NPS REIT No. 2.

In early October, Fortune REIT had obtained in-principle approval for the proposed conversion in listing status on the SGX-ST from a primary listing to a secondary listing while maintaining its primary listing status on The Stock Exchange of Hong Kong Limited.

In addition, Cache had announced the proposed acquisition of a warehouse in Australia for A\$27 million, its fourth acquisition in Australia after its maiden acquisition of three distribution warehouses earlier in the year.

The Group will continue to proactively enhance the properties in its REIT portfolio and pursue opportunistic acquisitions and divestments which add value to its stakeholders.

Private Funds

In September 2015, ARA successfully raised US\$325 million in capital commitments for Peninsula Investment Partners, L.P., a new private real estate fund with a mandate to invest in real estate assets across Asia, including Australia, Singapore, Hong Kong, China and Japan.

The new platform is a closed-end fund with an initial term of 10 years, which may be extended. With the option to upsize its capital commitment, the establishment of this new fund creates a scalable platform to build up a larger fund size over time. A premier Asian-based sovereign wealth fund is the anchor investor of the platform.

The CIP, a long term, core-plus separate account vehicle with California Public Employees' Retirement System as its main investor, has during the quarter deployed capital towards the acquisition of a commercial property in China.

**Financial Results Announcement
For the quarter ended 30 September 2015**

The Group will continue to focus on further growing its private real estate funds under management through the establishment of new funds and expansion in its scalable platforms over time. The development of the various private real estate fund franchises ranging from development-focused products to core investment products is further gaining traction, and the Group continues to undertake the on-going evaluation of investment and capital raising opportunities in the target markets of South Korea and Australia.

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.

**Financial Results Announcement
For the quarter ended 30 September 2015**

13. Interested Person Transactions

A mandate was obtained from shareholders at the Company's Annual General Meeting held on 24 April 2015.

<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)	
	3Q2015 S\$'000	YTD2015 S\$'000	3Q2015 S\$'000	YTD2015 S\$'000
1) Straits Developments Private Limited ⁽ⁱ⁾	–	–	42	1,091
2) ARA Summit Development Fund I, L.P./ SRE Venture 1 Pte Ltd ⁽ⁱⁱ⁾	–	–	318	954
3) Straits Real Estate Pte. Ltd. ⁽ⁱⁱⁱ⁾	–	–	–	110
4) The Straits Trading Company Limited ^(iv)	529	795	–	–
5) ARA Harmony Fund III, L.P. ^(v)	–	–	387	387
	529	795	747	2,542

The interested person transactions have been entered into based on the following:

- (i) terms stipulated in the asset management and property management agreements where 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 Group (“STC Group”);
- (ii) terms stipulated in the limited partnership agreement and other related agreements in relation to ARA Summit Development Fund I, L.P. where the Group receives net portfolio management fees for its role as the fund manager of ARA Summit Development Fund I. ARA Summit Development Fund I, L.P. is an interested person of the Group as it is an associate of the STC Group;
- (iii) project advisory fees received from Straits Real Estate Pte. Ltd. for works performed in relation to a project in PRC, China;
- (iv) terms stipulated in the shareholder’s loan agreement with STC; and
- (v) terms stipulated in the limited partnership agreement in relation to ARA Harmony Fund III, L.P., where the Group receives portfolio management fees for its role as the fund manager of ARA Harmony Fund III. ARA Harmony Fund III, L.P. is an interested person of the Group as it is an associate of the STC Group.

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 2015 and for the nine months ended on that date to be false or misleading in any material aspect.

15. Undertakings confirmation pursuant to Rule 720(1)

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**Financial Results Announcement
For the quarter ended 30 September 2015**

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
6 November 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 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

6 November 2015

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 2015, and the related statements of income, comprehensive income, changes in equity and cash flows of the Group for the period from 1 January 2015 to 30 September 2015 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