



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

### **FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The financial information for the year ended 31 December 2015 in the announcement have been extracted from the financial statements for the year ended 31 December 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 financial year ended 31 December 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	1/10/15 to 31/12/15 ("4Q2015") S\$'000	1/10/14 to 31/12/14 ("4Q2014") S\$'000	Change %	1/1/15 to 31/12/15 ("FY2015") S\$'000	1/1/14 to 31/12/14 ("FY2014") S\$'000	Change %
Management fees	(a)	34,596	32,577	6%	129,597	125,517	3%
Acquisition, divestment and performance fees	(a)	4,773	5,114	(7%)	13,453	24,593	(45%)
Finance income	(b)	6,387	5,449	17%	12,367	20,393	(39%)
Other income	(c)	390	75	420%	610	2,555	(76%)
<b>Total revenue</b>		<b>46,146</b>	<b>43,215</b>	<b>7%</b>	<b>156,027</b>	<b>173,058</b>	<b>(10%)</b>
Administrative expenses	(d)	(11,571)	(11,387)	2%	(46,346)	(51,903)	(11%)
Operating lease expenses	(e)	(1,021)	(958)	7%	(4,056)	(3,818)	6%
Other expenses	(f)	(2,707)	(6,186)	(56%)	(11,097)	(14,933)	(26%)
Finance costs	(g)	(1,211)	(3,554)	(66%)	(6,545)	(3,092)	112%
<b>Results from operating activities</b>		<b>29,636</b>	<b>21,130</b>	<b>40%</b>	<b>87,983</b>	<b>99,312</b>	<b>(11%)</b>
Share of profit of associates and joint venture, net of tax	(h)	1,158	1,154	0%	7,465	4,305	73%
<b>Profit before tax</b>	(i)	<b>30,794</b>	<b>22,284</b>	<b>38%</b>	<b>95,448</b>	<b>103,617</b>	<b>(8%)</b>
Tax expense	(j)	(3,827)	(3,175)	21%	(14,095)	(12,887)	9%
<b>Profit for the period</b>		<b>26,967</b>	<b>19,109</b>	<b>41%</b>	<b>81,353</b>	<b>90,730</b>	<b>(10%)</b>
<b>Attributable to:</b>							
Equity holders of the Company		25,563	18,160	41%	78,058	87,510	(11%)
Non-controlling interests		1,404	949	48%	3,295	3,220	2%
		<b>26,967</b>	<b>19,109</b>	<b>41%</b>	<b>81,353</b>	<b>90,730</b>	<b>(10%)</b>

<b>Net Profit <sup>(1)</sup></b>	<b>25,563</b>	<b>18,160</b>	<b>41%</b>	<b>78,058</b>	<b>87,510</b>	<b>(11%)</b>
<b>Adjusted Net Profit <sup>(2)</sup></b>	<b>20,130</b>	<b>14,468</b>	<b>39%</b>	<b>72,057</b>	<b>62,220</b>	<b>16%</b>

(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 of a subsidiary; (iv) impairment on available-for-sale financial assets; (v) gain / (loss) on disposal of investments and (vi) performance-based bonuses"

**Seed Capital Investment**

The fair value gains arising from ARA's seed capital investments into its private real estate funds under management from inception to date which are not recorded in the income statement but accounted for in the statement of comprehensive income amounted to approximately US\$21.7 million as at 31 December 2015. These gains reflect the underlying performance of the funds, excluding the impact of foreign exchange.

This amount has not been crystallised and there is no guarantee that such amount will be realised at the end of the fund life of each respective fund. Past performance of the funds is not indicative of the future prospects and returns.

ARA intends to hold these seed capital investments in its private real estate funds under management over the long term. The fair values of the respective funds may increase or decrease depending on various factors, risks and assumptions.

**Financial Results Announcement  
For the financial year ended 31 December 2015**

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

**(a) Revenue**

	4Q2015	4Q2014	Change	FY2015	FY2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Management fees</b>	<b>34,596</b>	<b>32,577</b>	<b>6%</b>	<b>129,597</b>	<b>125,517</b>	<b>3%</b>
REIT base and performance fees	(i) 22,514	20,369	11%	86,782	77,140	12%
Portfolio management and service fees	(ii) 6,139	6,006	2%	21,021	24,429	(14%)
Real estate management services fees	(iii) 5,943	6,202	(4%)	21,794	23,948	(9%)
<b>Acquisition, divestment and performance fees</b>	<b>4,773</b>	<b>5,114</b>	<b>(7%)</b>	<b>13,453</b>	<b>24,593</b>	<b>(45%)</b>
Acquisition, divestment and performance fees	4,338	4,744	(9%)	11,417	22,932	(50%)
Advisory and consultancy fees	435	370	18%	2,036	1,661	23%

- (i) REIT management fees increased to S\$86.8 million in FY2015 from S\$77.1 million in FY2014, mainly 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 six properties located in Australia in FY2015 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\$21.0 million in FY2015 from S\$24.4 million in FY2014, 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 launch 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 two commercial properties in China in September and December 2015.
- (iii) Real estate management fees decreased to S\$21.8 million in FY2015 from S\$23.9 million in FY2014, 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 the asset enhancement works at Suntec City.
- (iv) Acquisition, divestment and performance fees were lower at S\$13.5 million in FY2015 compared to S\$24.6 million in FY2014. The acquisition fees received in FY2015 were mainly in relation to Fortune REIT's acquisition of Laguna Plaza in January 2015, Cache's acquisition of six properties located in Australia in FY2015, the maiden acquisition in Australia by the SDF I and Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two in December 2015. 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, Cache's divestment of Kim Heng Warehouse completed in June 2015 and Suntec REIT's divestment of Park Mall completed in December 2015. In comparison, fees received in FY2014 included (i) the acquisition fee in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014, (ii) fees received in relation to the divestment of certain properties under the SIP's portfolio and (iii) the S\$16.1 million performance fee from the 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\$2.0 million received in FY2015 were higher than the S\$1.7 million received in FY2014 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 financial year ended 31 December 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\$12.4 million in FY2015 from S\$20.4 million in FY2014. A net gain on fair valuation / disposal of financial assets of S\$9.7 million was included in FY2014 (FY2015 had recorded a net loss on fair valuation / disposal of financial assets of S\$0.8 million under finance costs). The decrease was partially offset by higher distribution income of S\$11.9 million in FY2015 compared to S\$10.5 million in FY2014.

**(c) Other income**

In FY2014, 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\$46.3 million in FY2015 compared to S\$51.9 million in FY2014. Accrued in FY2014 were higher performance based bonus due to the exceptional performance of the Harmony II as well as higher bonus provisions for acquisitions made within the Group. Excluded from administrative expenses were staff-related expenses of S\$14.7 million (FY2014: S\$13.3 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which were fully reimbursed from the Harmony II.

**(e) Operating lease expenses**

Operating lease expenses increased marginally to S\$4.1 million in FY2015 from S\$3.8 million in FY2014, 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 were S\$11.1 million in FY2015, as compared to S\$14.9 million in FY2014. The higher other expenses recorded in FY2014 were 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 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 FY2015 increased to S\$6.5 million from S\$3.1 million in FY2014 mainly due to (i) an impairment on available-for-sale financial assets of S\$2.0 million (FY2014: Nil) mainly attributable to the revaluation of those assets remaining in the ADF I property portfolio and weakening of currencies; (ii) higher interest expense of S\$2.6 million recorded by the Group (FY2014: S\$0.8 million) and (iii) a net loss on fair valuation / disposal of financial assets of S\$0.8 million (FY2014 had recorded a net gain on fair valuation / disposal of financial assets of S\$9.7 million under finance income). These increases were partially offset by a lower net loss on foreign exchange of S\$1.2 million in FY2015 (FY2014: S\$2.3 million).

**(h) Share of profit of associates and joint venture (net of tax)**

Share of profit of associates and joint venture (net of tax) comprise the Group's share of profit arising from the joint venture in ARA ShinYoung Residential Development Real Estate Investment Company, 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 profit of associates and joint venture increased to S\$7.5 million in FY2015 from S\$4.3 million in FY2014, 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 financial year ended 31 December 2015**

**(i) Profit before income tax**

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

	4Q2015 S\$'000	4Q2014 S\$'000	Change %	FY2015 S\$'000	FY2014 S\$'000	Change %
<b>Finance income</b>						
Distribution income	3,644	1,018	258%	11,899	10,524	13%
Gain on fair valuation / disposal of financial assets	2,682	4,364	(39%)	-	9,744	n.m.
Interest income	50	67	(25%)	185	125	48%
Gain on disposal of investments	11	-	n.m.	283	-	n.m.
<b>Other income</b>						
Negative goodwill	-	-	n.m.	-	2,102	n.m.
<b>Other expenses</b>						
Amortisation of intangible asset	65	60	8%	244	169	44%
Depreciation of plant and equipment	197	186	6%	769	725	6%
<b>Finance costs</b>						
Foreign exchange loss, net	229	3,310	(93%)	1,196	2,329	(49%)
Interest expense	967	244	296%	2,556	763	235%
Impairment on available-for-sale financial assets	15	-	n.m.	2,039	-	n.m.
Loss on fair valuation / disposal of financial assets	-	-	n.m.	754	-	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**

	4Q2015 S\$'000	4Q2014 S\$'000	Change %	FY2015 S\$'000	FY2014 S\$'000	Change %
Profit for the period	26,967	19,109	41%	81,353	90,730	(10%)
<b>Other comprehensive income/ (loss)</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
- Translation differences relating to financial statements of foreign subsidiaries	(1,179)	9,361	n.m.	12,121	9,551	27%
- Net change in fair value of available-for-sale financial assets	21,508	6,751	219%	(21,585)	9,005	n.m.
- Net change in fair value of available-for-sale financial assets reclassified to profit or loss	15	-	n.m.	2,039	(34)	n.m.
<b>Other comprehensive income/ (loss) for the period, net of tax</b>	20,344	16,112	26%	(7,425)	18,522	n.m.
<b>Total comprehensive income for the period</b>	<b>47,311</b>	<b>35,221</b>	<b>34%</b>	<b>73,928</b>	<b>109,252</b>	<b>(32%)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	45,959	34,281	34%	70,691	106,041	(33%)
Non-controlling interests	1,352	940	44%	3,237	3,211	1%
<b>Total comprehensive income for the period</b>	<b>47,311</b>	<b>35,221</b>	<b>34%</b>	<b>73,928</b>	<b>109,252</b>	<b>(32%)</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 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	
		31/12/15 S\$'000	31/12/14 S\$'000	31/12/15 S\$'000	31/12/14 S\$'000
<b>Assets</b>					
Plant and equipment		2,105	1,766	-	-
Intangible assets	(a)	1,147	1,055	-	-
Subsidiaries	(b)	-	-	292,008	197,006
Associates and joint venture	(c)	16,191	6,006	-	-
Financial assets	(d)	397,294	265,842	-	-
Deferred tax assets	(e)	712	745	-	-
Other receivables	(f)	5,566	5,871	-	-
<b>Total non-current assets</b>		<b>423,015</b>	<b>281,285</b>	<b>292,008</b>	<b>197,006</b>
Financial assets	(g)	33,509	38,454	-	-
Trade and other receivables	(h)	47,827	43,467	13,292	13,932
Cash and cash equivalents		76,742	64,430	31,517	2,310
<b>Total current assets</b>		<b>158,078</b>	<b>146,351</b>	<b>44,809</b>	<b>16,242</b>
<b>Total assets</b>		<b>581,093</b>	<b>427,636</b>	<b>336,817</b>	<b>213,248</b>
<b>Equity</b>					
Share capital		1,995	1,690	1,995	1,690
Reserves		255,616	112,555	225,287	74,859
Accumulated profits		262,702	226,901	102,912	101,374
<b>Equity attributable to equity holders of the Company</b>		<b>520,313</b>	<b>341,146</b>	<b>330,194</b>	<b>177,923</b>
<b>Non-controlling interests</b>	(i)	<b>7,295</b>	<b>6,988</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>527,608</b>	<b>348,134</b>	<b>330,194</b>	<b>177,923</b>
<b>Liabilities</b>					
Loan and borrowings	(j)	14,118	163	-	-
Other payables		1,832	1,192	5,280	19,000
Deferred tax liabilities		115	124	-	-
<b>Total non-current liabilities</b>		<b>16,065</b>	<b>1,479</b>	<b>5,280</b>	<b>19,000</b>
Trade and other payables	(k)	25,001	32,719	1,343	1,676
Loan and borrowings	(j)	45	34,194	-	14,649
Current tax payable		12,374	11,110	-	-
<b>Total current liabilities</b>		<b>37,420</b>	<b>78,023</b>	<b>1,343</b>	<b>16,325</b>
<b>Total liabilities</b>		<b>53,485</b>	<b>79,502</b>	<b>6,623</b>	<b>35,325</b>
<b>Total equity and liabilities</b>		<b>581,093</b>	<b>427,636</b>	<b>336,817</b>	<b>213,248</b>

**Financial Results Announcement  
For the financial year ended 31 December 2015**

**Footnotes:**

- (a) *Intangible assets primarily 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 31 December 2015, an accumulated amortisation of S\$414,000 (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 and joint venture relates to the Group's joint venture in ARA ShinYoung Residential Development Real Estate Investment Company, 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 31 December 2015 comprised primarily (i) 94.3 million Suntec REIT units held by the Group as a strategic stake; (ii) 17.9 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, the Harmony III and in ARA ShinYoung Residential Development Real Estate Investment Company; and (v) a 10.02% strategic stake in ARA-NPS Real Estate Investment Company. As at 31 December 2015, the APN SICAV-APN Asian Asset Income Fund (previously known as ARA Asian Asset Income Fund) had been fully liquidated.*
- (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 31 December 2015 relate to a non-current secured term loan of S\$14.0 million (31 December 2014: Nil) and finance lease liability of S\$163,000 (31 December 2014: S\$208,000). The Group's gearing ratio as at 31 December 2015 stood at approximately 3% (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 FY2015, partially offset by the accruals of Rights Issue expenses.*

**Financial Results Announcement  
For the financial year ended 31 December 2015**

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

	31/12/2015		31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	45	-	19,545	14,649
Amount repayable after one year	14,118	-	163	-
	<u>14,163</u>	<u>-</u>	<u>19,708</u>	<u>14,649</u>

**Footnotes:**

- (a) As at 31 December 2015, the Group's borrowings included the following:
- (i) a secured term loan facility of S\$14.0 million (31 December 2014: Nil) drawn for the Group's seed capital contributions into existing and new funds which it manages; and
  - (ii) finance lease liability of S\$163,000 (31 December 2014: S\$208,000) which relates to the purchase of certain plant and equipment.

The Group's borrowings as at 31 December 2014 included a secured revolving credit facility of S\$19.5 million drawn for the Group's general working capital purposes and seed capital contributions into the private real estate funds, an unsecured money market line of S\$14.6 million drawn to finance the Group's various investments and finance lease liability of S\$208,000 which relates to the purchase of certain plant and equipment.

- (b) As at 31 December 2015, the Group has the following facilities available for utilisation:
- (i) a multicurrency revolving credit facility of S\$49.6 million secured on the Group's strategic stake in Suntec REIT and Cache (31 December 2014: S\$30.1 million);
  - (ii) a term loan of S\$16.0 million secured on the Group's strategic stake in Suntec REIT (31 December 2014: Nil);
  - (iii) an unsecured money market line of S\$80.0 million (31 December 2014: S\$35.4 million); and
  - (iv) 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 31 December 2015, the Group has pledged 67.3 million units of Suntec REIT and 17.9 million units of Cache as security for the above facilities, which bear interest at a fixed spread over the corresponding benchmark rate of the available currencies.



**Financial Results Announcement  
For the financial year ended 31 December 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	4Q2015 S\$'000	4Q2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000
<b>Cash flows from operating activities</b>					
Profit for the period		26,967	19,109	81,353	90,730
Adjustments for:					
Amortisation of intangible assets		65	60	244	169
Depreciation of plant and equipment		197	186	769	725
Distribution income		(3,644)	(1,018)	(11,899)	(10,524)
(Gain) / Loss on fair valuation / disposal of financial assets		(2,693)	(4,364)	471	(9,744)
(Gain) / Loss on disposal of plant and equipment		(2)	6	(3)	(53)
Interest expense		967	244	2,556	763
Interest income		(50)	(67)	(185)	(125)
Impairment loss on available-for-sale financial assets		15	-	2,039	-
Management fees received / receivable in units of REITs		(17,169)	(15,857)	(65,573)	(61,788)
Negative goodwill		-	-	-	(2,102)
Share of profit of associates and joint venture		(1,158)	(1,154)	(7,465)	(4,305)
Tax expense		3,827	3,175	14,095	12,887
Operating profit before working capital changes		7,322	320	16,402	16,633
Changes in working capital:					
Change in trade and other receivables		(1,876)	14,650	(2,173)	(2,688)
Change in trade and other payables		1,985	4,052	(7,078)	7,190
Cash generated from operating activities		7,431	19,022	7,151	21,135
Distribution income received		3,654	1,024	12,006	10,587
Proceeds from sale of units in REITs		9,223	12,664	16,638	82,309
Tax paid		(2,834)	(2,200)	(12,831)	(11,860)
<b>Cash flows generated from operating activities</b>	<b>(a)</b>	<b>17,474</b>	<b>30,510</b>	<b>22,964</b>	<b>102,171</b>
<b>Cash flows from investing activities</b>					
Investment in joint venture		(6,027)	-	(6,027)	-
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		79	488	1,899	1,380
Interest received		50	67	185	125
Proceeds from disposal of plant and equipment		3	(5)	12	166
Software development expenditure		(336)	-	(336)	-
Purchase of plant and equipment		(395)	(202)	(1,108)	(1,218)
Contribution from a non-controlling interest		-	-	53	-
(Purchase) / Redemption of available-for-sale financial assets, net		(2,242)	4,505	(88,521)	(37,918)
<b>Cash flows from/ (used in) investing activities</b>	<b>(b)</b>	<b>(8,868)</b>	<b>7,144</b>	<b>(93,843)</b>	<b>(35,702)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(200)	(720)	(45,240)	(43,806)
Interest paid		(967)	(244)	(2,556)	(763)
Net proceeds from Rights Issue		150,733	-	150,733	-
(Payment) / Proceeds of finance lease liabilities, net		(11)	(15)	(45)	18
(Payment) / Proceeds from borrowings, net		(123,537)	(24,279)	(20,195)	3,123
<b>Cash flows from / (used in) financing activities</b>	<b>(c)</b>	<b>26,018</b>	<b>(25,258)</b>	<b>82,697</b>	<b>(41,428)</b>
<b>Net increase in cash and cash equivalents</b>					
		<b>34,624</b>	<b>12,396</b>	<b>11,818</b>	<b>25,041</b>
Cash and cash equivalents at beginning of period		42,261	51,733	64,430	39,060
Effect of exchange rate fluctuations on cash held		(143)	301	494	329
<b>Cash and cash equivalents at end of period</b>		<b>76,742</b>	<b>64,430</b>	<b>76,742</b>	<b>64,430</b>

**Footnotes:**

- (a) Cash flows from operating activities decreased to S\$23.0 million in FY2015 from S\$102.2 million in FY2014, mainly due to (i) lower proceeds received from the sale of REIT units received by the Group as part payment for REIT management fees and (ii) lower profit during the year.
- (b) Net cash outflow for investing activities increased to S\$93.8 million in FY2015 from S\$35.7 million in FY2014. This was mainly attributable to (a) the purchase of Suntec REIT units to increase the Group's strategic stake in Suntec and (b) seed capital contributions to (i) ARA ShinYoung Residential Development Real Estate Investment Company and (ii) the various private real estate funds.
- (c) Net cash inflow for financing activities was S\$82.7 million in FY2015 as compared to a net cash outflow of S\$41.4 million in FY2014. The cash inflow in FY2015 was mainly attributed to the net proceeds from the Rights Issue, partially offset by repayment of bank borrowings.

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

<u>Company</u>	Share capital S\$'000	Share premium S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<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>
<b>At 1 January 2015</b>	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>				
<b>At 31 March 2015</b>	<b>1,690</b>	<b>74,859</b>	<b>110,784</b>	<b>187,333</b>
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)
<b>At 30 June 2015</b>	<b>1,690</b>	<b>74,859</b>	<b>91,555</b>	<b>168,104</b>
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)
<b>At 30 September 2015</b>	<b>1,690</b>	<b>74,859</b>	<b>90,806</b>	<b>167,355</b>
Total comprehensive income for the period				
- Profit for the period	-	-	12,106	12,106
<i>Transactions with owners, recorded directly in equity</i>				
Issue of ordinary shares related to Rights Issue, net of issue expenses	305	150,428	-	150,733
<b>At 31 December 2015</b>	<b>1,995</b>	<b>225,287</b>	<b>102,912</b>	<b>330,194</b>

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<b>Group</b>	<b>Share capital and premium S\$'000</b>	<b>Fair value reserve S\$'000</b>	<b>Foreign currency translation reserves S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Attributable to equity holders of the Company S\$'000</b>	<b>Non-controlling interests S\$'000</b>	<b>Total equity S\$'000</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>
<b>At 1 January 2015</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>
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
<b>At 31 March 2015</b>	<b>76,549</b>	<b>27,968</b>	<b>13,950</b>	<b>245,871</b>	<b>364,338</b>	<b>7,962</b>	<b>372,300</b>
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)
<b>At 30 June 2015</b>	<b>76,549</b>	<b>19,356</b>	<b>9,127</b>	<b>239,494</b>	<b>344,526</b>	<b>5,674</b>	<b>350,200</b>
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)
<b>At 30 September 2015</b>	<b>76,549</b>	<b>(9,792)</b>	<b>19,725</b>	<b>237,139</b>	<b>323,621</b>	<b>6,143</b>	<b>329,764</b>
Total other comprehensive income	-	21,575	(1,179)	-	20,396	(52)	20,344
Profit for the period	-	-	-	25,563	25,563	1,404	26,967
Total comprehensive income for the period	-	21,575	(1,179)	25,563	45,959	1,352	47,311
<i>Transactions with owners, recorded directly in equity</i>							
<i>Contributions by and distributions to owners</i>							
Dividend paid to non-controlling interest	-	-	-	-	-	(200)	(200)
Issue of shares in relation to Rights Issue, net of issue expenses	150,733	-	-	-	150,733	-	150,733
Total contributions by and distributions to owners	150,733	-	-	-	150,733	(200)	150,533
<b>At 31 December 2015</b>	<b>227,282</b>	<b>11,783</b>	<b>18,546</b>	<b>262,702</b>	<b>520,313</b>	<b>7,295</b>	<b>527,608</b>

**Notes:**

- Included in the share capital is a share premium account of S\$225.3 million as at 31 December 2015 (31 December 2014: S\$74.9 million).

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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

On 11 November 2015, the Company launched a 18-for-100 renounceable underwritten rights issue of 152,127,196 new shares at an issue price of S\$1.00 for each share ("Rights Issue"), to raise gross proceeds of S\$152.1 million.

On 16 December 2015, 152,127,196 new ordinary shares of S\$0.002 each in the capital of the Company, credited as fully paid, were allotted and issued to shareholders of the Company in relation to the Rights Issue announcement on 11 November 2015. Following the listing of these shares on 17 December 2015, the total number of issued shares in the Company increased from 845,151,093 to 997,278,289.

**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**

	As at	
	31/12/15	31/12/14
Total number of issued shares	997,278,289	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 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.

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**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)	4Q2015	4Q2014 (Restated)	4Q2014 (Previously reported)
Weighted average number of ordinary shares	886,806,126	865,285,575	845,151,093
Earnings per share ("EPS") – Basic and Diluted	2.88	2.10	2.15

(Singapore cents)	FY2015	FY2014 (Restated)	FY2014 (Previously reported)
Weighted average number of ordinary shares	870,709,933	865,285,575	845,151,093
Earnings per share ("EPS") – Basic and Diluted	8.96	10.11	10.35

The calculation of Basic and Diluted EPS for the relevant periods was based on the profit attributable to equity holders of the Company for the financial periods and weighted average ordinary shares on a pro-rata basis based on an adjustment factor calculated based on the market price and theoretical ex-rights price of an ordinary share. The Basic and Diluted EPS are the same as there is no dilutive instrument in issue at the reporting date.

**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	
	31/12/15	31/12/14	31/12/15	31/12/14
Net asset value per ordinary share	52.17	40.37	33.11	21.05
Net tangible asset per ordinary share	52.06	40.24	33.11	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 997,278,289 and 845,151,093 shares as at 31 December 2015 and 31 December 2014 respectively.

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 997,278,289 and 845,151,093 shares as at 31 December 2015 and 31 December 2014 respectively.

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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**

	4Q2015 S\$'000	4Q2014 S\$'000	Change %	FY2015 S\$'000	FY2014 S\$'000	Change %
<b>Total Revenue</b>	<b>46,146</b>	<b>43,215</b>	<b>7%</b>	<b>156,027</b>	<b>173,058</b>	<b>(10%)</b>
Management fees	34,596	32,577	6%	129,597	125,517	3%
Acquisition, divestment and performance fees	4,773	5,114	(7%)	13,453	24,593	(45%)
Finance income	6,387	5,449	17%	12,367	20,393	(39%)
Other income	390	75	420%	610	2,555	(76%)
Total Expenses	(16,510)	(22,085)	(25%)	(68,044)	(73,746)	(8%)
Share of Profit of Associates and Joint Venture, Net of Tax	1,158	1,154	0%	7,465	4,305	73%
<b>Net Profit <sup>(1)</sup></b>	<b>25,563</b>	<b>18,160</b>	<b>41%</b>	<b>78,058</b>	<b>87,510</b>	<b>(11%)</b>
<b>Adjusted Net Profit <sup>(2)</sup></b>	<b>20,130</b>	<b>14,468</b>	<b>39%</b>	<b>72,057</b>	<b>62,220</b>	<b>16%</b>

(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 of a subsidiary; (iv) impairment on available-for-sale financial assets; (v) gain / (loss) on disposal of investments and (vi) performance-based bonuses"

**4Q2015 vs 4Q2014**

The Group's recurrent management fees increased to S\$34.6 million in 4Q2015 from S\$32.6 million in 4Q2014. 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 and (ii) fee contribution from Fortune REIT's acquisition of Laguna Plaza in January 2015 and Cache's acquisition of six properties located in Australia in FY2015 and (b) higher portfolio management fees arising from (i) the CIP's acquisition of two commercial properties in China in September and December 2015 and (ii) the launch of the Harmony III in August 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 4Q2015 were marginally lower at S\$4.8 million compared to S\$5.1 million in 4Q2014. The fees received by the Group in 4Q2015 were mainly related to (a) Cache's acquisition of three properties located in Australia in 4Q2015 and (b) Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and divestment of Park Mall in December 2015. Fees in 4Q2014 were mainly attributed to the divestment fee received in relation to the sale of certain properties held under the SIP portfolio.

Finance income was S\$6.4 million in 4Q2015, compared to S\$5.4 million in 4Q2014. This increase was mainly due to higher distribution income received in 4Q2015 of S\$2.6 million, partially offset by a lower net gain on fair valuation / disposal of financial assets of S\$1.7 million during the same period.

Total expenses in 4Q2015 declined to S\$16.5 million from S\$22.1 million in 4Q2014, mainly due to (i) lower other expenses in 4Q2015 as 4Q2014 had included agency commission amounting to S\$3.4 million incurred in relation to the divestment of certain properties held under the SIP portfolio and (ii) lower finance costs as the Group recorded a lower net foreign exchange loss of S\$0.2 million in 4Q2015 against S\$3.3 million in 4Q2014, which was partially offset by higher interest expenses of S\$0.7 million.

The Group's share of profit of associates and joint venture stayed relatively unchanged at S\$1.2 million in 4Q2015 compared to the same quarter last year.

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Net profit was higher at S\$25.6 million in 4Q2015 compared to S\$18.2 million in 4Q2014. Similarly, the adjusted net profit after taking into account one-off adjustments was higher at S\$20.1 million in 4Q2015 compared to S\$14.5 million in 4Q2014, an increase of 39% year-on-year.

**FY2015 vs FY2014**

The Group's recurrent management fees increased to S\$129.6 million in FY2015 from S\$125.5 million in FY2014. This was mainly due to 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 six properties located in Australia in FY2015; (iii) full year contribution from the acquisition of ARA Korea since April 2014. This was partially offset by (a) lower portfolio management fees attributable to reduced management fees received from the ADF I which has entered into its divestment phase since 2012, partially offset by higher 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 the Harmony II following the completion of asset enhancement works, (iv) the launch of the Harmony III in August 2015 and (v) the CIP's acquisition of two commercial properties in China in September and December 2015, and (b) lower leasing commissions from APM.

Acquisition, divestment and performance fees were lower at S\$13.5 million in FY2015 compared to S\$24.6 million in FY2014. The acquisition fees received in FY2015 were mainly in relation to Fortune REIT's acquisition of Laguna Plaza in January 2015, Cache's acquisition of six properties located in Australia in FY2015, the maiden acquisition in Australia by the SDF I and Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two in December 2015. 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, Cache's divestment of Kim Heng Warehouse completed in June 2015 and Suntec REIT's divestment of Park Mall completed in December 2015. In comparison, fees received in FY2014 included (i) the acquisition fee in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014, (ii) fees received in relation to the divestment of certain properties held under the SIP's portfolio and (iii) the S\$16.1 million performance fee received from Harmony II after having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund. Advisory and consultancy fees of S\$2.0 million received in FY2015 were higher than the S\$1.7 million received in FY2014 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\$12.4 million in FY2015 from S\$20.4 million in FY2014. A net gain on fair valuation / disposal of financial assets of S\$9.7 million was included in FY2014 (FY2015 had recorded a net loss on fair valuation / disposal of financial assets of S\$0.8 million under finance costs). The decrease was partially offset by higher distribution income of S\$11.9 million in FY2015 compared to S\$10.5 million in FY2014.

Other income was significantly lower in FY2015 compared to FY2014 due to a negative goodwill arising from the acquisition of ARA Korea amounting to S\$2.1 million which was recognised in FY2014.

Total expenses for FY2015 declined to S\$68.0 million from S\$73.7 million in FY2014, largely due to (i) lower administrative costs (included in FY2014 were higher performance based bonus due to the exceptional performance of the Harmony II as well as higher bonus provisions for acquisitions made within the Group) and (ii) lower other expenses, mainly attributable to lower agency commission costs and professional fees in FY2015. These were partially offset by higher finance costs incurred due to (i) impairment on available-for-sale financial assets, (ii) higher interest expense and (iii) a net loss on fair valuation / disposal of financial assets of S\$0.8 million (FY2014 had recorded a net gain on fair valuation / disposal of financial assets of S\$9.7 million under finance income).

The Group's share of profit of associates and joint venture rose to S\$7.5 million in FY2015 from S\$4.3 million in FY2014, 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\$78.1 million in FY2015 compared to S\$87.5 million in FY2014. However, the adjusted net profit after taking into account one-off adjustments was higher at S\$72.1 million in FY2015 compared to S\$62.2 million in FY2014, an increase of 16% year-on-year.

As at 31 December 2015, the Group's total assets under management stood at S\$29.8 billion (approximately US\$21.1 billion).

**Financial Results Announcement  
For the financial year ended 31 December 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 third quarter ended 30 September 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**

According to The World Bank in its January 2016 "Global Economic Prospects" report, global growth rate achieved in 2015 was 2.4 per cent, against the backdrop of weak capital flows, weak trade and low commodity prices. A modest upturn to 2.9 per cent is expected for 2016, underpinned by the projected economic recovery in advanced economies, stabilisation in commodity prices and China's gradual transition towards a more consumption and services-based growth model. However, downside risks stemming from a faster-than-expected slowdown in major emerging market economies, financial market volatility and heightened geopolitical tensions remain. The Asia Pacific region is projected to grow by 6.3 per cent in 2016, with China's projected GDP growth rate at 6.7 per cent in 2016 from 6.9 per cent in 2015.

The US Federal Open Market Committee had in its last meeting in December 2015 raised the US Federal Funds Rate by 25 basis points, on the back of its assessment of a considerable improvement seen in the US labour market conditions and balanced risks to the outlook of the US and international economies. Depending on prevailing economic conditions, gradual increases in the Federal Funds Rate is expected.

In Singapore, according to the Ministry of Trade and Industry's advance estimates, the economy grew by 2.0 per cent in the fourth quarter of 2015, slightly ahead of the 1.8 per cent growth registered in the previous quarter. For the whole of 2015, the economy is estimated to have grown by 2.1 per cent. China's economic growth for the fourth quarter of 2015 was at 6.8 per cent, recording an overall 6.9 per cent growth for 2015. In Hong Kong, weak external demand continued to weigh on the economy, with third quarter GDP growth moderating to 2.3 per cent year-on-year compared to 2.8 per cent in the preceding quarter. South Korea's third quarter year-on-year GDP growth was 2.7 per cent, up from 2.6 per cent in the second quarter, boosted by stronger private consumption and construction investment. Malaysia's economy grew 4.7 per cent in the third quarter and overall by 5.1% in the nine months of 2015. Australia's economy grew 2.5 per cent in the third quarter, up from 1.9% in the preceding quarter, mainly underpinned by stronger export growth.

**REITs**

A number of acquisitions announced by the respective REITs had successfully concluded during the quarter. In November 2015, Suntec REIT had successfully acquired three floors of strata office space at Suntec Tower Two at a purchase consideration of S\$101.6 million. Further to its maiden acquisition of three distribution warehouses in the first quarter of 2015, Cache Logistics Trust had in the fourth quarter further acquired three Australian properties worth approximately A\$93.8 million, ending the year with a total of six Australian properties acquired for a total purchase value of approximately A\$163.8 million.

In addition, Suntec REIT marked the official opening of a rejuvenated Suntec City as the enhanced shopping and MICE destination in October 2015, following the milestone completion of the three-year S\$410 million asset enhancement initiative which commenced in June 2012. Suntec City's retail footprint has now increased from approximately 855,000 square feet previously to approximately 960,000 square feet. In December 2015 it had also successfully completed the divestment of Park Mall for S\$411.8 million.

In December 2015, Fortune REIT sought and obtained unitholders' approval for the proposed conversion in listing status on the Singapore Exchange Securities Trading Limited from a primary listing to a secondary listing while maintaining its primary listing status on The Stock Exchange of Hong Kong Limited. The conversion was subsequently effected on 21 December 2015.

In the year ahead, the Group will continue to proactively enhance the properties in its REIT portfolio, pursue opportunistic acquisitions and divestments which add value to its stakeholders, as well as seek opportunities to further grow the platform through the establishment of new REITs in new markets and jurisdictions.



**Financial Results Announcement  
For the financial year ended 31 December 2015**

**Private Funds**

In December 2015 following the divestment of Park Mall by Suntec REIT, the ARA Harmony Fund V was established for the redevelopment of the property into a commercial development comprising two office blocks and an ancillary retail component.

Further to its earlier acquisition in the third quarter, 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 another commercial property in China. The CIP had in July 2015 received additional capital commitment of approximately US\$320 million, thereby scaling up the committed capital of the fund to over US\$820 million.

To date, the Group manages 10 private real estate funds under the respective fund franchises bearing various investment strategies. Moving forward, the Group will continue to further the growth of ARA Private Funds and seek to capitalise on investment and capital raising opportunities in the target markets of China, South Korea and Australia.

**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***

6 May 2016

***(d) Book Closure date***

Registrable transfers received by the Company up to 5.00 pm on 25 April 2016 will be registered before entitlements to the dividend are determined.

**Financial Results Announcement  
For the financial year ended 31 December 2015**

**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 2015. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 15 April 2016.

Inclusive of the interim dividend of S\$0.023 per share paid out in 28 August 2015, the total dividend per share for FY2015 would be S\$0.050 (FY2014: S\$0.050).

**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 and joint venture, income tax and non-controlling interests	
	FY2015 S\$'000	FY2014 S\$'000	FY2015 S\$'000	FY2014 S\$'000
<u>Business Segments</u>				
REITs	100,854	94,145	69,969	63,255
Private real estate funds <sup>(a)</sup>	22,420	44,991	7,153	21,391
Real estate management services	24,413	25,891	9,369	11,071
Investment holdings	8,306	7,993	4,047	7,034
Others <sup>(b)</sup>	34	38	368	325
	156,027	173,058	90,906	103,076
Unallocated expenses	-	-	(2,923)	(3,764)
	156,027	173,058	87,983	99,312

**Notes:**

(a) Includes the S\$16.1 million performance fee received from the Harmony II in FY2014.

(b) 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.

**Financial Results Announcement**  
**For the financial year ended 31 December 2015**

**15. A breakdown of sales.**

	<b>FY2015 S\$'000</b>	<b>FY2014 S\$'000</b>	<b>Change %</b>
<b>Revenue reported for first half year</b>	<b>74,328</b>	<b>78,610</b>	<b>(5%)</b>
Management fees	61,776	60,984	1%
Acquisition, divestment and performance fees	7,529	3,216	134%
Finance income	4,877	12,190	(60%)
Other income	146	2,220	(93%)
<b>Profit after tax before deducting non-controlling interests reported for first half year</b>	<b>36,765</b>	<b>40,228</b>	<b>(9%)</b>
<b>Revenue reported for second half year</b>	<b>81,699</b>	<b>94,448</b>	<b>(13%)</b>
Management fees	67,821	64,533	5%
Acquisition, divestment and performance fees	5,924	21,377	(72%)
Finance income	7,490	8,203	(9%)
Other income	464	335	39%
<b>Profit after tax before deducting non-controlling interests reported for second half year</b>	<b>44,588</b>	<b>50,502</b>	<b>(12%)</b>

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

	<b>FY2015 S\$'000</b>	<b>FY2014 S\$'000</b>
Ordinary	46,365 <sup>(a)</sup>	42,257 <sup>(b)</sup>
Preference	-	-
Total:	<u>46,365</u>	<u>42,257</u>

**Notes:**

(a) This includes the proposed final dividend of S\$0.027 per share which amounts to S\$26.9 million and is payable on 6 May 2016. Of the total dividends, S\$19.4 million relates to the interim dividend of S\$0.023 per share which was paid on 28 August 2015.

(b) This comprises an interim dividend of S\$19.4 million or S\$0.023 per share which was paid on 22 August 2014 and a final dividend of S\$22.8 million or S\$0.027 per share which was paid on 19 May 2015.

**Financial Results Announcement  
For the financial year ended 31 December 2015**

**17. Interested Person Transactions**

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	4Q2015 S\$'000	FY2015 S\$'000	4Q2015 S\$'000	FY2015 S\$'000
1) Straits Developments Private Limited <sup>(i)</sup>	–	–	48	1,139
2) ARA Summit Development Fund I, L.P./ SRE Venture 1 Pte Ltd <sup>(ii)</sup>	–	–	57	1,010
3) Straits Real Estate Pte. Ltd. <sup>(iii)</sup>	–	–	–	110
4) The Straits Trading Company Limited <sup>(iv)</sup>	449	1,244	–	–
5) ARA Harmony Fund III, L.P. <sup>(v)</sup>	–	–	625	1,013
	<b>449</b>	<b>1,244</b>	<b>730</b>	<b>3,272</b>

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 the SDF I where the Group receives net portfolio management fees for its role as the fund manager. SDF I 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 Harmony III where the Group receives portfolio management fees for its role as the fund manager. Harmony III is an interested person of the Group as it is an associate of the STC Group.

**Financial Results Announcement**  
**For the financial year ended 31 December 2015**

**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	35	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 since 2 February 2015. Her previous title was Deputy CEO.

**19. 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.

**20. Update on the Use of Proceeds from the Renounceable Underwritten Rights Issue**

As at 31 December 2015, out of the gross proceeds of approximately S\$152.1 million that was raised from the Rights Issue, as at 31 December 2015 (i) S\$60.0 million has been utilised to repay the shareholder loan from the STC Group in full; and (ii) approximately S\$1.5 million has been used for partial payment of the estimated expenses of S\$2.5 million incurred in connection with the Rights Issue. Of the remaining proceeds from the Rights Issue of approximately S\$90.6 million, approximately S\$63.9 million has been used to repay short term debts, pending the deployment of such funds for their intended use.

The use of proceeds is in accordance with the stated use disclosed in the Offer Information Statement dated 19 November 2015.

**BY ORDER OF THE BOARD**  
**ARA ASSET MANAGEMENT LIMITED**

Lim Hwee Chiang  
 Director  
 4 February 2016

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

4 February 2016

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 2015, 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 this 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**