



ARA ASSET MANAGEMENT LIMITED FINANCIAL STATEMENTS ANNOUNCEMENT

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The financial information for the year ended 31 December 2016 in the announcement has been extracted from the financial statements for the year ended 31 December 2016, 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 the following business segments:

- Real estate investment trusts (“REITs”);
- Private real estate funds; and
- Real estate management 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.

**Financial Results Announcement
For the financial year ended 31 December 2016**
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	1/10/16 to 31/12/16 ("4Q2016") S\$'000	1/10/15 to 31/12/15 ("4Q2015") S\$'000	Change %	1/1/16 to 31/12/16 ("FY2016") S\$'000	1/1/15 to 31/12/15 ("FY2015") S\$'000	Change %
Management fees	(a)	37,907	34,596	10%	140,584	129,597	8%
Acquisition, divestment and performance fees	(a)	2,022	4,773	(58%)	5,410	13,453	(60%)
Finance income	(b)	5,141	6,387	(20%)	29,634	12,367	140%
Other income		477	390	22%	1,203	610	97%
Total revenue		45,547	46,146	(1%)	176,831	156,027	13%
Administrative expenses	(c)	(13,052)	(11,571)	13%	(52,929)	(46,346)	14%
Operating lease expenses	(d)	(1,076)	(1,021)	5%	(4,191)	(4,056)	3%
Other expenses	(e)	(4,267)	(2,707)	58%	(12,730)	(11,097)	15%
Finance costs	(f)	(5,510)	(1,211)	355%	(5,477)	(6,544)	(16%)
Total expenses		(23,905)	(16,510)	45%	(75,327)	(68,044)	11%
Results from operating activities		21,642	29,636	(27%)	101,504	87,983	15%
Share of profit of associates and joint ventures, net of tax	(g)	1,442	1,158	25%	5,205	7,465	(30%)
Profit before tax	(h)	23,084	30,794	(25%)	106,709	95,448	12%
Tax expense	(i)	(3,365)	(3,827)	(12%)	(14,592)	(14,095)	4%
Profit for the period		19,719	26,967	(27%)	92,117	81,353	13%
Attributable to:							
Equity holders of the Company		18,510	25,563	(28%)	88,661	78,058	14%
Non-controlling interests		1,209	1,404	(14%)	3,456	3,295	5%
		19,719	26,967	(27%)	92,117	81,353	13%

Net Profit ⁽¹⁾	18,510	25,563	(28%)	88,661	78,058	14%
Adjusted Net Profit ⁽²⁾	20,964	20,130	4%	78,930	72,057	10%

(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 comprising: (i) acquisition, divestment and performance fees; (ii) gain / (loss) on fair valuation / disposal of financial assets; (iii) gain / (loss) on disposal of investments; (iv) impairment on available-for-sale financial assets; (v) performance-based bonuses; and (vi) any other income / expense deemed non-recurrent.

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\$39.2 million as at 31 December 2016. 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 2016**
1(a)(ii) Explanatory notes to the income statement of the Group
(a) Revenue

		4Q2016	4Q2015	Change	FY2016	FY2015	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Management fees		37,907	34,596	10%	140,584	129,597	8%
REIT base and performance fees	(i)	23,231	22,514	3%	89,416	86,782	3%
Portfolio management and service fees	(ii)	7,593	6,139	24%	26,442	21,021	26%
Real estate management services fees	(iii)	7,083	5,943	19%	24,726	21,794	13%
Acquisition, divestment and performance fees	(iv)	2,022	4,773	(58%)	5,410	13,453	(60%)
Acquisition, divestment and performance fees		1,687	4,338	(61%)	4,210	11,417	(63%)
Advisory and consultancy fees		335	435	(23%)	1,200	2,036	(41%)

- (i) REIT management fees were higher at S\$89.4 million in FY2016 as compared to S\$86.8 million in FY2015. The increase was mainly due to higher REIT management fees arising from better asset performance post the asset enhancement initiatives undertaken, which resulted in an overall higher valuation of the property portfolios of the REITs under management. Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and investment in Southgate Complex, Melbourne in 4Q2015 and 4Q2016 respectively, as well as Cache Logistics Trust's ("Cache") acquisition of three properties located in Australia in 4Q2015 also contributed to the higher REIT management fees in FY2016.
- (ii) Portfolio management and service fees grew 26% year-on-year to S\$26.4 million in FY2016 from S\$21.0 million in FY2015, primarily attributed to (i) the ARA China Investment Partners, LLC ("CIP") following the acquisition of two commercial properties in China in September and December 2015, (ii) higher fee contributions from the ARA Harmony III (Malaysian Malls) ("Harmony III") and the ARA Harmony V (Park Mall) ("Harmony V"), which were launched in August and December 2015 respectively and (iii) fee contributions from the Peninsula Investment Partners L.P. ("PIP") and the ARA Harmony VI (Century Link) ("Harmony VI").
- (iii) Real estate management fees increased to S\$24.7 million in FY2016 from S\$21.8 million in FY2015, mainly due to (a) higher property management fees received by the APM Group of companies ("APM") following (i) the completion of the asset enhancement works at Suntec City and (ii) the rendering of property management services to two commercial properties acquired by the CIP in September and December 2015 and (b) higher marketing service fees recorded during the year.
- (iv) Acquisition, divestment and performance fees amounted to S\$5.4 million in FY2016 compared to S\$13.5 million in FY2015. The acquisition fees received in FY2016 were mainly in relation to (i) fees received from Suntec REIT's acquisition of 177 Pacific Highway and investment in Southgate Complex in Australia and (ii) AmFIRST REIT's acquisition of Mydin HyperMall in January 2016. In comparison, fees received in FY2015 were mainly attributed to (a) acquisition fees related to (i) Fortune REIT's acquisition of Laguna Plaza in January 2015, (ii) Cache's acquisition of six Australian properties and fees received from the completion of the development of the DHL Supply Chain Advanced Regional Centre in FY2015, (iii) the ARA Summit Development Fund I, L.P. ("SDF I")'s maiden acquisition in Australia, and (iv) Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two in December 2015, in addition to (b) divestment fees received in relation to (i) the sale of certain properties held under the Straits Investment Partners ("SIP") portfolio, (ii) Fortune REIT's divestment of Nob Hill Square which was completed in April 2015, (iii) Cache's divestment of Kim Heng Warehouse which was completed in June 2015, and (iv) Suntec REIT's divestment of Park Mall completed in December 2015. Advisory and consultancy fees declined to S\$1.2 million in FY2016 from S\$2.0 million in FY2015 mainly due to a decrease in 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 2016****(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 amounted to S\$29.6 million in FY2016, a significant increase from S\$12.4 million in FY2015. This was primarily attributed to a higher distribution income of S\$29.4 million in FY2016 compared to S\$11.9 million in FY2015, arising mainly from higher contribution from Suntec REIT following the further accumulation of unitholdings during the year, as well as ad-hoc distributions of approximately S\$9.5 million and S\$2.7 million from the ARA Asia Dragon Fund II ("ADF II") and the CIP respectively.

(c) Administrative expenses

Administrative expenses comprise primarily staff-related expenses and advisory fees. Administrative expenses were overall higher at S\$52.9 million in FY2016 compared to S\$46.3 million in FY2015, in line with the Group's higher profit achieved for the year. In comparison, administrative expenses in FY2015 included adjustments for bonus expenses as the actual payments were lower than the amount accrued in the previous year. Excluded from administrative expenses were staff-related expenses of S\$15.6 million (FY2015: S\$14.7 million) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd. which were fully reimbursed from the Harmony II.

(d) Operating lease expenses

Operating lease expenses increased marginally to S\$4.2 million in FY2016 from S\$4.1 million in FY2015, in line with the Group's continuing business expansion.

(e) 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 increased to S\$12.7 million in FY2016 from S\$11.1 million in FY2015. The higher other expenses in FY2016 were largely due to higher professional fees and higher depreciation expenses. These increases were partially offset by lower agency commission incurred during the year, which was in line with the lower acquisition, divestment and performance fees recorded in FY2016.

(f) 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 FY2016 declined to S\$5.5 million from S\$6.5 million in FY2015, primarily due to lower interest expense of S\$1.4 million incurred by the Group during the year (FY2015: S\$2.6 million).

(g) Share of profit of associates and joint ventures, net of tax

Share of profit of associates and joint ventures, net of tax comprise the Group's share of profit arising from the joint ventures in ARA-ShinYoung REIT and ARA-ShinYoung REIT No. 2, the 40% equity interest in Cache Property Management Pte. Ltd., as well as 30% equity interest in the following: 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 ventures decreased to S\$5.2 million in FY2016 from S\$7.5 million in FY2015, as the latter had included (i) 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 and (ii) a higher income contribution from Cache Property Management Pte Ltd.

**Financial Results Announcement
For the financial year ended 31 December 2016**
(h) Profit before income tax

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

	4Q2016 S\$'000	4Q2015 S\$'000	Change %	FY2016 S\$'000	FY2015 S\$'000	Change %
Finance income						
Distribution income	5,079	3,644	39%	29,363	11,899	147%
Gain on fair valuation / disposal of financial assets	-	2,682	(100%)	-	-	n.m.
Interest income	62	50	24%	271	185	46%
Gain on disposal of investments	-	11	(100%)	-	283	(100%)
Other expenses						
Amortisation of intangible asset	65	65	0%	262	244	7%
Depreciation of plant and equipment	300	197	52%	1,247	769	62%
Finance costs						
Foreign exchange loss, net	300	229	31%	803	1,196	(33%)
Interest expense	494	967	(49%)	1,414	2,556	(45%)
Impairment on available-for-sale financial assets	(15)	15	n.m.	1,824	2,039	(11%)
Loss on fair valuation / disposal of financial assets	4,731	-	n.m.	1,436	754	90%

n.m.: not meaningful

(i) 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

	4Q2016 S\$'000	4Q2015 S\$'000	Change %	FY2016 S\$'000	FY2015 S\$'000	Change %
Profit for the period	19,719	26,967	(27%)	92,117	81,353	13%
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	13,297	(1,179)	n.m.	4,737	12,121	(61%)
- Effective portion of changes in fair value of cash flow hedges	356	-	n.m.	341	-	n.m.
- Net change in fair value of available-for-sale financial assets	(9,990)	21,508	n.m.	17,212	(21,585)	n.m.
- Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(15)	15	n.m.	1,824	2,039	(11%)
Other comprehensive income / (loss) for the period, net of tax	3,648	20,344	(82%)	24,114	(7,425)	n.m.
Total comprehensive income / (loss) for the period	23,367	47,311	(51%)	116,231	73,928	57%
Total comprehensive income / (loss) attributable to:						
Equity holders of the Company	21,991	45,959	(52%)	112,596	70,691	59%
Non-controlling interests	1,376	1,352	2%	3,635	3,237	12%
Total comprehensive income / (loss) for the period	23,367	47,311	(51%)	116,231	73,928	57%

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 2016**
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	
		31/12/16 S\$'000	31/12/15 S\$'000	31/12/16 S\$'000	31/12/15 S\$'000
Assets					
Plant and equipment		2,219	2,105	-	-
Intangible assets	(a)	1,092	1,147	-	-
Subsidiaries	(b)	-	-	412,096	292,008
Associates and joint ventures	(c)	20,427	16,191	-	-
Financial assets	(d)	526,278	397,294	-	-
Financial derivatives	(e)	341	-	-	-
Deferred tax assets	(f)	796	712	-	-
Other receivables	(g)	5,057	5,566	1,102	-
Total non-current assets		556,210	423,015	413,198	292,008
Financial assets	(h)	35,443	33,509	-	-
Trade and other receivables	(i)	60,492	47,827	21,370	13,292
Cash and cash equivalents		109,067	76,742	6,327	31,517
Total current assets		205,002	158,078	27,697	44,809
Total assets		761,212	581,093	440,895	336,817
Equity					
Share capital		1,995	1,995	1,995	1,995
Reserves		279,561	255,616	225,297	225,287
Retained earnings		300,866	262,702	156,513	102,912
Equity attributable to equity holders of the Company		582,422	520,313	383,805	330,194
Non-controlling interests	(j)	7,052	7,295	-	-
Total equity		589,474	527,608	383,805	330,194
Liabilities					
Loan and borrowings	(k)	80,174	14,118	-	-
Other payables		2,384	1,832	53,180	5,280
Deferred tax liabilities		189	115	-	-
Total non-current liabilities		82,747	16,065	53,180	5,280
Trade and other payables	(l)	34,724	25,001	3,910	1,343
Loan and borrowings	(k)	41,853	45	-	-
Current tax payable		12,414	12,374	-	-
Total current liabilities		88,991	37,420	3,910	1,343
Total liabilities		171,738	53,485	57,090	6,623
Total equity and liabilities		761,212	581,093	440,895	336,817

**Financial Results Announcement
For the financial year ended 31 December 2016****Footnotes:**

- (a) *Intangible assets include the Group's contractual rights to receive the expected future economic benefits embodied in each of the management agreements between ARA Korea Limited ("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 2016, an accumulated amortisation of S\$676,000 (31 December 2015: S\$414,000) 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 ventures relates to the Group's joint venture in ARA-ShinYoung REIT and ARA-ShinYoung REIT No. 2, 40% equity interest in Cache Property Management Pte. Ltd., as well as 30% equity interest in the following: 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 2016 comprised primarily (i) 145.2 million Suntec REIT units held by the Group as a strategic stake (31 December 2015: 94.3 million units); (ii) 23.8 million Cache units held by the Group as a strategic stake (31 December 2015: 17.9 million units); (iii) 36.2 million AmFIRST REIT units held by the Group as strategic stake (31 December 2015: 36.2 million units); (iv) seed capital investments in the ARA Asia Dragon Fund ("ADF I"), the ADF II, the CIP, the Morningside Investment Partners, LLC ("MIP"), the Harmony III and the PIP; and (v) a 10.02% strategic stake in ARA-NPS Real Estate Investment Company.*
- (e) *Financial derivatives comprises interest rate swaps entered into by the Group to manage its interest rate risk exposure on its floating rate bank loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.*
- (f) *Deferred tax asset relates to unutilised tax losses carried forward.*
- (g) *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.*
- (h) *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.*
- (i) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The increase in trade and other receivables was mainly due to the accrual of REIT management fees in FY2016, partially offset by decreases in trade receivables and other receivables.*
- (j) *Non-controlling interests relate to the non-controlling shareholders' proportionate interest in ARA Fund Management (Harmony III) Limited, ARA-CWT Trust Management (Cache) Limited, Asia Property Management (China) Limited and its subsidiaries, APM (V) Consultancy Limited and its subsidiaries, ARA Korea, ARA Associates (Korea) Limited, ARA Real Estate Investors X Pte Ltd and ARAM Australia Pty Ltd.*
- (k) *Loan and borrowings as at 31 December 2016 relate to (i) a non-current secured term loan of S\$80.0 million (31 December 2015: S\$14.0 million); (ii) a current secured revolving credit facility of S\$41.7 million and (iii) finance lease liabilities of S\$327,000 (31 December 2015: S\$163,000). The Group's gearing ratio as at 31 December 2016 stood at approximately 21% (31 December 2015: 3%).*
- (l) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff-related benefits to employees and other payables.*

**Financial Results Announcement
For the financial year ended 31 December 2016**

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

	31/12/2016		31/12/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	41,853	-	45	-
Amount repayable after one year	80,174	-	14,118	-
	<u>122,027</u>	<u>-</u>	<u>14,163</u>	<u>-</u>

Footnotes:

- (a) As at 31 December 2016, the Group's borrowings included the following:
- (i) a secured term loan facility of S\$80.0 million (31 December 2015: S\$14.0 million) drawn for the Group's seed capital contributions and investments into the various funds which it manages;
 - (ii) a secured revolving credit facility of S\$41.7 million (31 December 2015: Nil) drawn for the Group's investments and for general working capital purposes; and
 - (iii) finance lease liabilities of S\$327,000 (31 December 2015: S\$163,000) which relates to the purchase of certain plant and equipment.
- (b) As at 31 December 2016, the Group has the following facilities available for utilisation:
- (i) a multicurrency revolving credit facility of S\$7.9 million secured on the Group's strategic stake in Suntec REIT and Cache (31 December 2015: S\$49.6 million);
 - (ii) an unsecured money market line of S\$100.0 million (31 December 2015: S\$80.0 million); and
 - (iii) unsecured overdraft facilities of S\$6.0 million (31 December 2015: S\$6.0 million and HK\$3.0 million).

Details of any collateral

As at 31 December 2016, the Group has pledged 118.2 million units of Suntec REIT and 23.8 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 2016
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	4Q2016 S\$'000	4Q2015 S\$'000	FY2016 S\$'000	FY2015 S\$'000
Cash flows from operating activities					
Profit for the period		19,719	26,967	92,117	81,353
<u>Adjustments for:</u>					
Amortisation of intangible assets		65	65	262	244
Depreciation of plant and equipment		300	197	1,247	769
Distribution income		(5,079)	(3,644)	(29,363)	(11,899)
Loss / (Gain) on fair valuation / disposal of financial assets		4,731	(2,693)	1,436	471
Gain on disposal of plant and equipment		-	(2)	(21)	(3)
Interest expense		494	967	1,414	2,556
Interest income		(62)	(50)	(271)	(185)
Impairment loss on available-for-sale financial assets		(15)	15	1,824	2,039
Management fees received / receivable in units of REITs		(13,203)	(17,169)	(68,819)	(65,573)
Share of profit of associates and joint ventures		(1,442)	(1,158)	(5,205)	(7,465)
Tax expense		3,365	3,827	14,592	14,095
Operating profit before working capital changes		8,873	7,322	9,213	16,402
Changes in working capital:					
Change in trade and other receivables		(1,062)	(1,876)	(134)	(2,173)
Change in trade and other payables		5,712	1,985	10,285	(7,078)
Cash generated from / (used in) operating activities		13,523	7,431	19,364	7,151
Distribution income received		5,112	3,654	29,513	12,006
Proceeds from sale of units in REITs		2,437	9,223	37,133	16,638
Tax paid		(2,604)	(2,834)	(14,552)	(12,831)
Net cash from operating activities	(a)	18,468	17,474	71,458	22,964
Cash flows from investing activities					
Investment in joint ventures		(2,003)	(6,027)	(7,742)	(6,027)
Acquisition of non-controlling interests without a change in control		(100)	-	(1,722)	-
Dividend received from associates		-	79	1,045	1,899
Interest received		62	50	271	185
Proceeds from disposal of plant and equipment		289	3	311	12
Software development expenditure		(29)	(336)	(207)	(336)
Purchase of plant and equipment		(344)	(395)	(1,665)	(1,108)
Contribution from non-controlling interests		32	-	626	53
Purchase of available-for-sale financial assets, net		(6,134)	(2,242)	(82,975)	(88,521)
Net cash used in investing activities	(b)	(8,227)	(8,868)	(92,058)	(93,843)
Cash flows from financing activities					
Dividends paid		(78)	(200)	(53,279)	(45,240)
Interest paid		(494)	(967)	(1,414)	(2,556)
Net proceeds from Rights Issue		-	150,733	-	150,733
(Payment of) / Proceeds from finance lease liabilities, net		(25)	(11)	164	(45)
Proceeds / (Payment of) from borrowings, net		36,700	(123,537)	107,700	(20,195)
Net cash from financing activities	(c)	36,103	26,018	53,171	82,697
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of period		62,509	42,261	76,742	64,430
Effect of exchange rate fluctuations on cash held		214	(143)	(246)	494
Cash and cash equivalents at end of period		109,067	76,742	109,067	76,742

Footnotes:

- (a) Cash flows from operating activities increased to S\$71.5 million in FY2016 from S\$23.0 million in FY2015, mainly due to (i) higher proceeds received from the sale of REIT units received by the Group as part payment for REIT management fees, (ii) higher distribution income receipts and (iii) higher profit during the year.
- (b) Net cash outflow for investing activities was S\$92.1 million in FY2016 as compared to S\$93.8 million in FY2015. The lower cash outflow in FY2016 was largely due to lower net purchase of available-for-sale financial assets, partially offset by (i) higher investment in joint ventures and (ii) the acquisition of non-controlling interests without a change in control.
- (c) Net cash inflow from financing activities amounted to S\$53.2 million in FY2016, compared to S\$82.7 million in FY2015. The cash inflow in FY2016 was mainly attributed to proceeds from borrowings to finance (i) the accumulation of Suntec REIT units by the Group and (ii) investments and seed capital contributions to the various private real estate funds, partially offset by the dividends paid during the year.

Financial Results Announcement
For the financial year ended 31 December 2016

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

	Share capital S\$'000	Share premium S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company				
At 1 January 2015	1,690	74,859	101,374	177,923
Profit for the period	-	-	9,410	9,410
Total comprehensive income for the period	-	-	9,410	9,410
At 31 March 2015	1,690	74,859	110,784	187,333
Profit for the period	-	-	3,590	3,590
Total comprehensive income for the period	-	-	3,590	3,590
<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)
Total contributions by and distributions to owners	-	-	(22,819)	(22,819)
At 30 June 2015	1,690	74,859	91,555	168,104
Profit for the period	-	-	18,689	18,689
Total comprehensive income for the period	-	-	18,689	18,689
<i>Transactions with owners, recorded directly in equity</i>				
<i>Contributions by and distributions to owners</i>				
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(19,438)	(19,438)
Total contributions by and distributions to owners	-	-	(19,438)	(19,438)
At 30 September 2015	1,690	74,859	90,806	167,355
Profit for the period	-	-	12,106	12,106
Total comprehensive income for the period	-	-	12,106	12,106
<i>Transactions with owners, recorded directly in equity</i>				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares related to Rights Issue, net of issue expenses	305	150,428	-	150,733
Total contributions by and distributions to owners	305	150,428	-	150,733
At 31 December 2015	1,995	225,287	102,912	330,194
At 1 January 2016	1,995	225,287	102,912	330,194
Profit for the period	-	-	1,067	1,067
Total comprehensive income for the period	-	-	1,067	1,067
<i>Transactions with owners, recorded directly in equity</i>				
<i>Contributions by and distributions to owners</i>				
Adjustment to issue expenses in relation to Rights Issue	-	10	-	10
Total contributions by and distributions to owners	-	10	-	10
At 31 March 2016	1,995	225,297	103,979	331,271
Profit for the period	-	-	20,334	20,334
Total comprehensive income for the period	-	-	20,334	20,334
<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	-	-	(26,927)	(26,927)
Total contributions by and distributions to owners	-	-	(26,927)	(26,927)
At 30 June 2016	1,995	225,297	97,386	324,678
Profit for the period	-	-	10,211	10,211
Total comprehensive income for the period	-	-	10,211	10,211
<i>Transactions with owners, recorded directly in equity</i>				
<i>Contributions by and distributions to owners</i>				
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	(22,937)	(22,937)
Total contributions by and distributions to owners	-	-	(22,937)	(22,937)
At 30 September 2016	1,995	225,297	84,660	311,952
Profit for the period	-	-	71,853	71,853
Total comprehensive income for the period	-	-	71,853	71,853
At 31 December 2016	1,995	225,297	156,513	383,805

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Group	Share capital and premium S\$'000	Fair value reserve S\$'000	Hedging reserve S\$'000	Foreign currency translation reserves S\$'000	Retained earnings S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
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
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
At 31 December 2015	227,282	11,783	-	18,546	262,702	520,313	7,295	527,608
At 1 January 2016	227,282	11,783	-	18,546	262,702	520,313	7,295	527,608
Total other comprehensive income	-	14,920	-	(11,873)	-	3,047	29	3,076
Profit for the period	-	-	-	-	19,354	19,354	687	20,041
Total comprehensive income for the period	-	14,920	-	(11,873)	19,354	22,401	716	23,117
<i>Transactions with owners, recorded directly in equity</i>								
<i>Contributions by and distributions to owners</i>								
Adjustment to issue expenses in relation to Rights Issue	10	-	-	-	-	10	-	10
Total contributions by and distributions to owners	10	-	-	-	-	10	-	10
At 31 March 2016	227,292	26,703	-	6,673	282,056	542,724	8,011	550,735
Total other comprehensive income	-	13,206	-	(602)	-	12,604	(17)	12,587
Profit for the period	-	-	-	-	19,324	19,324	935	20,259
Total comprehensive income for the period	-	13,206	-	(602)	19,324	31,928	918	32,846
<i>Transactions with owners, recorded directly in equity</i>								
<i>Contributions by and distributions to owners</i>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(1,600)	(1,600)
Final tax-exempt dividend paid of S\$0.027 per share	-	-	-	-	(26,927)	(26,927)	-	(26,927)
Total contributions by and distributions to owners	-	-	-	-	(26,927)	(26,927)	(1,600)	(28,527)
<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	-	-	-	-	-	-	65	65
Total change in ownership interest in a subsidiary	-	-	-	-	-	-	65	65
At 30 June 2016	227,292	39,909	-	6,071	274,453	547,725	7,394	555,119
Total other comprehensive income	-	903	(15)	3,915	-	4,803	-	4,803
Profit for the period	-	-	-	-	31,473	31,473	625	32,098
Total comprehensive income for the period	-	903	(15)	3,915	31,473	36,276	625	36,901
<i>Transactions with owners, recorded directly in equity</i>								
<i>Contributions by and distributions to owners</i>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(1,737)	(1,737)
Interim tax-exempt dividend paid of S\$0.023 per share	-	-	-	-	(22,937)	(22,937)	-	(22,937)
Total contributions by and distributions to owners	-	-	-	-	(22,937)	(22,937)	(1,737)	(24,674)
<i>Transactions with owners, recorded directly in equity</i>								
<i>Change in ownership interest in a subsidiary, without a change in control</i>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(596)	(596)	(1,026)	(1,622)
Contribution from a non-controlling interest	-	-	-	-	-	-	529	529
Total change in ownership interest in a subsidiary	-	-	-	-	(596)	(596)	(497)	(1,093)
At 30 September 2016	227,292	40,812	(15)	9,986	282,393	560,468	5,785	566,253
Total other comprehensive income	-	(10,172)	356	13,297	-	3,481	167	3,648
Profit for the period	-	-	-	-	18,510	18,510	1,209	19,719
Total comprehensive income for the period	-	(10,172)	356	13,297	18,510	21,991	1,376	23,367
<i>Transactions with owners, recorded directly in equity</i>								
<i>Contributions by and distributions to owners</i>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(78)	(78)
Total contributions by and distributions to owners	-	-	-	-	-	-	(78)	(78)
<i>Change in ownership interest in a subsidiary, without a change in control</i>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(37)	(37)	(63)	(100)
Contribution from a non-controlling interest	-	-	-	-	-	-	32	32
Total change in ownership interest in a subsidiary	-	-	-	-	(37)	(37)	(31)	(68)
At 31 December 2016	227,292	30,640	341	23,283	300,866	582,422	7,052	589,474

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For the financial year ended 31 December 2016**
Notes:

- Included in the share capital is a share premium account of S\$225.3 million as at 31 December 2016 (31 December 2015: S\$225.3 million).

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 8 November 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31/12/16	As at	31/12/15
Total number of issued shares	997,278,289		997,278,289

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 2016 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 2015.

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)	4Q2016	4Q2015
Weighted average number of ordinary shares	997,278,289	886,806,126
Earnings per share ("EPS") – Basic and Diluted	1.86	2.88

(Singapore cents)	FY2016	FY2015
Weighted average number of ordinary shares	997,278,289	870,709,933
Earnings per share ("EPS") – Basic and Diluted	8.89	8.96

The calculation of Basic and Diluted EPS for the relevant periods are based on the profit attributable to equity holders of the Company for the respective 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	
	31/12/16	31/12/15	31/12/16	31/12/15
Net asset value per ordinary share	58.40	52.17	38.49	33.11
Net tangible asset per ordinary share	58.29	52.06	38.49	33.11

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 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 997,278,289 shares.

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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

	4Q2016 S\$'000	4Q2015 S\$'000	Change %	FY2016 S\$'000	FY2015 S\$'000	Change %
Total Revenue	45,547	46,146	(1%)	176,831	156,027	13%
Management fees	37,907	34,596	10%	140,584	129,597	8%
Acquisition, divestment and performance fees	2,022	4,773	(58%)	5,410	13,453	(60%)
Finance income	5,141	6,387	(20%)	29,634	12,367	140%
Other income	477	390	22%	1,203	610	97%
Total expenses	(23,905)	(16,510)	45%	(75,327)	(68,044)	11%
Share of profit of associates and joint ventures, net of tax	1,442	1,158	25%	5,205	7,465	(30%)
Net Profit ⁽¹⁾	18,510	25,563	(28%)	88,661	78,058	14%
Adjusted Net Profit ⁽²⁾	20,964	20,130	4%	78,930	72,056	10%

n.m.: not meaningful

(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 comprising: (i) acquisition, divestment and performance fees; (ii) gain / (loss) on fair valuation / disposal of financial assets; (iii) gain / (loss) on disposal of investments; (iv) impairment on available-for-sale financial assets; (v) performance-based bonuses; and (vi) any other income / expense deemed non-recurrent.*

4Q2016 vs 4Q2015

The Group's recurrent management fees increased to S\$37.9 million in 4Q2016 from S\$34.6 million in 4Q2015. 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 an overall higher valuation of the property portfolios of the REITs under management and (ii) Suntec REIT's investment in Southgate Complex, Melbourne in 4Q2016; (b) higher portfolio management fees, mainly attributed to (i) fee contributions from the PIP, the MIP and the Harmony VI and (ii) higher fee contribution from the CIP following the acquisition of a commercial property in China in December 2015; and (c) higher real estate management services fees from higher property management fees and marketing service fees received by the Group.

Acquisition, divestment and performance fees for 4Q2016 were lower at S\$2.0 million compared to S\$4.8 million in 4Q2015. The fees received by the Group in 4Q2016 were primarily from Suntec REIT's investment in Southgate Complex in Australia in November 2016. Fees in 4Q2015 were mainly related to (i) Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and divestment of Park Mall in December 2015 and (ii) Cache's acquisition of three properties located in Australia in 4Q2015.

Finance income was lower at S\$5.1 million in 4Q2016 compared to S\$6.4 million in 4Q2015, as the latter had included a net gain on fair valuation / disposal of financial assets of S\$2.7 million (4Q2016 recorded a net loss on fair valuation / disposal of financial assets of S\$4.7 million under finance costs). This was partially offset by a higher distribution income from Suntec REIT following the Group's further accumulation of Suntec REIT units in FY2016.

Total expenses in 4Q2016 increased significantly to S\$23.9 million from S\$16.5 million in 4Q2015. This was mainly attributed to (i) higher finance costs primarily due to a net loss on fair valuation / disposal of financial assets of S\$4.7 million during the quarter (4Q2015 had recorded a net gain on fair valuation / disposal of financial assets of S\$2.7 million under finance income), partially offset by lower interest expenses of S\$0.5 million in 4Q2016 compared to S\$1.0 million in 4Q2015, (ii) higher administrative expenses and (iii) higher other expenses in 4Q2016, mainly attributable to higher professional fees.

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The Group's share of profit of associates and joint ventures, net of tax amounted to S\$1.4 million in 4Q2016, a 25% increase over that of the same quarter last year mainly due to higher income contribution from Cache Property Management Pte Ltd.

Net Profit was lower at S\$18.5 million in 4Q2016 compared to S\$25.6 million in 4Q2015. However, the Adjusted Net Profit was higher at S\$21.0 million in 4Q2016 compared to S\$20.1 million in 4Q2015, an increase of 4% year-on-year.

FY2016 vs FY2015

The Group's recurrent management fees grew 8% year-on-year to S\$140.6 million in FY2016 from S\$129.6 million in FY2015. 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 an overall higher valuation of the property portfolios of the REITs under management and (ii) fee contribution from Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and investment in Southgate Complex, Melbourne in 4Q2015 and 4Q2016 respectively, as well as Cache's acquisition of three Australian properties in the last quarter of 2015; (b) higher portfolio management fees primarily attributed to (i) higher fee contribution from the CIP following the acquisition of two commercial properties in China in September and December 2015, (ii) higher fee contributions from the Harmony III and the Harmony V, which were launched in August and December 2015 respectively and (iii) fee contributions from the PIP and the Harmony VI in FY2016; and (c) higher property management fees and marketing service fees recorded by the Group.

Acquisition, divestment and performance fees declined to S\$5.4 million in FY2016 compared to S\$13.5 million in FY2015. The fees received in FY2016 were mainly in relation to (i) fees received from Suntec REIT's acquisition of 177 Pacific Highway and investment in Southgate Complex in Australia and (ii) AmFIRST REIT's acquisition of Mydin HyperMall in January 2016. In comparison, fees received in FY2015 were mainly attributed to (a) acquisition fees related to (i) Fortune REIT's acquisition of Laguna Plaza in January 2015, (ii) Cache's acquisition of six Australian properties and fees received from the completion of the development of the DHL Supply Chain Advanced Regional Centre in FY2015, (iii) the SDF I's maiden acquisition in Australia, and (iv) Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two in December 2015; in addition to (b) divestment fees received in relation to (i) the sale of certain properties held under the Straits Investment Partners ("SIP") portfolio, (ii) Fortune REIT's divestment of Nob Hill Square which was completed in April 2015, (iii) Cache's divestment of Kim Heng Warehouse which was completed in June 2015, and (iv) Suntec REIT's divestment of Park Mall completed in December 2015. Advisory and consultancy fees was also lower at S\$1.2 million in FY2016 against S\$2.0 million in FY2015, mainly due to a decrease in project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

Finance income grew significantly to S\$29.6 million in FY2016 from S\$12.4 million in FY2015 and this was primarily attributed to higher distribution income arising from (i) the further accumulation of Suntec REIT unitholdings and (ii) ad-hoc distributions from the ADF II and the CIP.

Total expenses for FY2016 increased to S\$75.3 million from S\$68.0 million in FY2015, mainly due to (i) higher administrative costs, in line with the higher profit achieved during the year (included in FY2015 were adjustments for bonus expenses as the actual payments were lower than the amount accrued in the previous year) and (ii) higher other expenses, largely attributed to higher professional fees and depreciation expenses, partially offset by lower agency commission incurred during the year. These increases were partially offset by lower finance costs incurred by the Group during the year, mainly due to a lower interest expense of S\$1.4 million in FY2016 compared to S\$2.6 million in FY2015.

The Group's share of profit of associates and joint ventures, net of tax was lower at S\$5.2 million in FY2016 compared to S\$7.5 million in FY2015, as the latter had included (i) 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 and (ii) a higher income contribution from Cache Property Management Pte Ltd.

Net Profit grew 14% to S\$88.7 million in FY2016 from S\$78.1 million in FY2015. Similarly, the Adjusted Net Profit was higher at S\$78.9 million in FY2016 compared to S\$72.1 million in FY2015, an increase of 10% year-on-year.

As at 31 December 2016, the Group's total assets under management stood at approximately S\$35.6 billion (approximately US\$24.6 billion).

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For the financial year ended 31 December 2016**

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 2016 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

The International Monetary Fund ("IMF"), in its January 2017 "World Economic Outlook" report update, estimates 2016 global growth at 3.1 per cent. While 2017 global growth is projected to be higher at 3.4 per cent, the eventual outcome is much dependent on the policy stance of the incoming administration in the United States. 2017 growth projections for advanced economies and China have been revised upwards to 1.9 per cent and 6.5 per cent respectively. The IMF is of the view that notwithstanding the improved outlook for advanced economies, downside risks are still present.

Based on advanced estimates, the Singapore economy grew by 1.8 per cent year-on-year in the fourth quarter of 2016. For the whole of 2016, the economy is estimated to have grown by 1.8 per cent, above the official GDP growth forecast of between 1.0 and 1.5 per cent. China's economic growth for the fourth quarter of 2016 was 6.8 per cent year-on-year, recording an overall growth of 6.7 per cent in 2016.

Hong Kong's economy registered a growth of 1.9 per cent year-on-year in the third quarter of 2016, up from 1.7 per cent registered in the preceding quarter, on the back of rising private consumption expenditure, and favourable employment and earnings conditions. Overall 2016 GDP growth is projected at 1.5 per cent. Malaysia's economic growth increased 4.3 per cent year-on-year in the third quarter of 2016, higher than the 4.0 per cent growth rate achieved in the second quarter of 2016. Australia's GDP growth rate was 1.8 per cent in the third quarter of 2016, lower than the 3.3 per cent growth rate in the previous quarter. Based on advanced estimates, South Korea's GDP grew by 2.3 per cent year-on-year in the fourth quarter of 2016 compared to the 2.6 per cent growth rate in the preceding quarter. For the whole of 2016, growth is estimated at 2.7 per cent.

REITs

Despite the uncertain and volatile external environment and sector headwinds, the overall performance of ARA's REIT division for 2016 was stable. The division had during the year successfully delivered on its long-term growth strategies comprising both active asset management initiatives and growth via acquisitions. In addition, as part of its prudent approach towards optimising the returns of its property portfolio, opportunities to realise certain mature assets to recycle capital into higher performing assets were pursued.

The REIT division is expected to stay the course in 2017 with a key focus on maintaining a prudent capital structure whilst pursuing acquisition growth opportunities that may arise.

Suntec REIT had on 4 November 2016 jointly with the PIP, completed its acquisition of a 50% interest in Southgate Complex in Melbourne, further augmenting its presence in Australia. Cache Logistics Trust had during the quarter, entered into a sale and purchase agreement to divest Cache Changi Districentre 3 for S\$25.5 million, which was subsequently completed on 23 January 2017.

The Group had on 24 January 2017 completed investment via a newly-established privately held REIT named ARA-Alpharium REIT in two new Grade A office buildings situated in a newly-developed satellite business district near Seoul with approximate AUM of KRW 528 billion. This is the fifth privately held Korean REIT wholly-managed by ARA Korea Limited.

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Private Funds

2016 was a strong year of growth for ARA Private Funds, with 10 private real estate funds currently under management and more than US\$5.8 billion of capital raised since its inception in 2007.

The Group had during the quarter successfully established the ARA Harmony VI (Century Link) to invest in Century Link, a newly-completed premium-grade integrated commercial property located in the heart of Lujiazui Finance and Trade Zone in Pudong New District, Shanghai, China. It was the largest single-asset property transaction in Asia Pacific for the year.

With the completion of the joint acquisition together with Suntec REIT of a 50% interest in Southgate Complex in Melbourne, the PIP has during the quarter further deployed capital into the investment of an office property, thereby utilising its committed capital in full. Similarly, the MIP has also made investments during the quarter which rendered the full deployment of its committed capital.

Moving forward ARA Private Funds will focus on further scaling the growth of the division through various avenues including expanding its suite of private real estate funds and joint venture vehicles in pursuit of various investment strategies; securing additional committed capital in the ARA Investment Partners platform as well as tapping new sources of capital via the Group's Country Desk strategies in China, 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? 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

Not applicable.

(d) Book Closure date

Not applicable.

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

As set out in the joint announcement dated 8 November 2016, the Company has entered into an implementation agreement in relation to the proposed scheme of arrangement for the acquisition of shares in the Company. In accordance with the terms of the implementation agreement, no dividend has been declared or proposed for the period under review.

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For the financial year ended 31 December 2016

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 ventures, income tax and non-controlling interests	
	FY2016 S\$'000	FY2015 S\$'000	FY2016 S\$'000	FY2015 S\$'000
<u>Business Segments</u>				
REITs ^(a)	96,227	100,854	63,148	69,969
Private real estate funds	26,702	22,420	7,431	7,153
Real estate management services	27,048	24,413	11,078	9,369
Investment holdings ^(b)	26,789	8,306	23,153	4,047
Others	65	34	314	368
	<u>176,831</u>	<u>156,027</u>	<u>105,124</u>	<u>90,906</u>
Unallocated expenses	-	-	(3,620)	(2,923)
	<u>176,831</u>	<u>156,027</u>	<u>101,504</u>	<u>87,983</u>

Notes:

- (a) The lower revenue in FY2016 was mainly due to lower acquisition and divestment fees.
(b) The higher revenue and profit in FY2016 were primarily attributed to a higher distribution income for the year, arising mainly from higher contribution from Suntec REIT following the further accumulation of unitholdings as well as ad-hoc distributions from the ADF II and the CIP.

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

Please refer to preceding Paragraph 8.

15. A breakdown of sales

	FY2016 S\$'000	FY2015 S\$'000	Change %
Revenue reported for first half year	81,600	74,328	10%
Management fees	67,940	61,776	10%
Acquisition, divestment and performance fees	2,318	7,529	(69%)
Finance income	10,669	4,877	119%
Other income	673	146	361%
Profit after tax before deducting non-controlling interests reported for first half year	40,300	36,765	10%
Revenue reported for second half year	95,231	81,699	17%
Management fees	72,644	67,821	7%
Acquisition, divestment and performance fees	3,092	5,924	(48%)
Finance income	18,965	7,490	153%
Other income	530	464	14%
Profit after tax before deducting non-controlling interests reported for second half year	51,817	44,588	16%

**Financial Results Announcement
For the financial year ended 31 December 2016**

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

	FY2016 S\$'000	FY2015 S\$'000
Ordinary	22,937 ^(a)	46,365 ^(b)
Preference	-	-
Total:	22,937	46,365

Notes:

- (a) This includes the interim dividend of S\$0.023 per share which was paid on 23 August 2016.
- (b) This comprises an interim dividend of S\$19.4 million or S\$0.023 per share which was paid on 28 August 2015 and a final dividend of S\$26.9 million or S\$0.027 per share which was paid on 6 May 2016.

17. Interested Person Transactions

A mandate was obtained from shareholders at the Company's Annual General Meeting held on 15 April 2016.

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)	
	4Q2016 S\$'000	FY2016 S\$'000	4Q2016 S\$'000	FY2016 S\$'000
Straits Trading Company Limited ("STC") and its subsidiaries and associates				
- Portfolio Management fee	-	-	875	3,554
- Property Management fees	-	-	239	957
- Property letting fees	-	-	217	463
	-	-	1,331	4,974

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	36	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.	Nil

**Financial Results Announcement
For the financial year ended 31 December 2016****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 2016, out of the gross proceeds of approximately S\$152.1 million that was raised from the Rights Issue, (i) S\$60.0 million has been utilised to repay in full the STC Shareholder Loan; (ii) S\$2.3 million has been used to pay for the expenses incurred in connection with the Rights Issue; and (iii) S\$56.9 million has been utilised for strategic investments and seed capital for the existing funds which the Company manages. The remaining proceeds from the Rights Issue amount to approximately S\$32.9 million.

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

The Group has on 25 January 2017 made a subsequent announcement on the full disbursement of the gross proceeds from the Rights Issue.

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

Lim Hwee Chiang
Director
9 February 2017

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

9 February 2017

Dear Sirs

Report on review of 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 31 December 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and certain explanatory notes (the "Financial Information"). Management is responsible for the preparation and presentation of this Financial Information in accordance with Singapore Financial Reporting Standard ("FRS"). Our responsibility is to express a conclusion on this 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 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 Financial Information is 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 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 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

A handwritten signature in blue ink, appearing to be 'KING LL', written over a faint grid pattern.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore