ARA Asset Management Limited
and its Subsidiaries
(the "Group")

FY2019 Audited Financials

29 May 2020

FY2019 Audited Financial Statements

- The consolidated financial statements of ARA Asset Management Limited and its subsidiaries ("ARA Group" or the "Group") for the financial year ended 31 December 2019 as set out in this presentation have been extracted from the audited consolidated financial statements of ARA Group.

- ARA Group's auditors, KPMG LLP had issued an unmodified audit opinion. In their opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Statement of consolidated financial position
As at 31 December 2019

	Group	
	2019	**2018***
	S'000	**S'000**
Assets		
Property, plant and equipment	21,552	4,417
Intangible assets	44,052	44,434
Associates and joint ventures	1,177,577	983,213
Financial assets	832,102	722,076
Deferred tax assets	1,242	1,579
Trade and other receivables	65,646	1,816
Contract costs	899	449
Prepayments	–	84
Total non-current assets	2,143,070	1,758,068
Financial assets	14,040	11,380
Trade and other receivables	148,128	77,198
Cash and cash equivalents	219,920	125,336
Contract costs	131	57
Prepayments	1,933	1,561
	384,152	215,532
Assets held for sale	–	927,803
Total current assets	384,152	1,143,335
Total assets	2,527,222	2,901,403

Statement of consolidated financial position (cont'd)
As at 31 December 2019

	Group 2019 $'000	Group 2018* $'000
Equity		
Share capital	1,995	1,995
Reserves	238,659	258,973
Perpetual securities	959,978	606,587
Retained earnings	685,014	537,891
Equity attributable to equity holders of the Company	1,885,646	1,405,446
Non-controlling interests	10,434	6,376
Total equity	1,896,080	1,411,822
Liabilities		
Loans and borrowings	453,477	428,322
Trade and other payables	81,014	231,349
Deferred tax liabilities	7,590	7,620
Total non-current liabilities	542,081	667,291
Trade and other payables	65,142	51,197
Loans and borrowings	10,027	231
Current tax payable	13,892	12,349
	89,061	63,777
Liabilities directly associated with the assets held for sale	–	758,513
Total current liabilities	89,061	822,290
Total liabilities	631,142	1,489,581
Total equity and liabilities	2,527,222	2,901,403

* The Group initially applied SFRS(I) 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in retained earnings at the date of initial application.

Consolidated statement of profit or loss
Year ended 31 December 2019

	Group	
	2019	2018*
	$'000	$'000
Continuing operations		
Management fees	187,764	173,145
Acquisition, divestment and performance fees	9,825	8,005
Revenue	197,589	181,150
Finance income	67,890	51,364
Other income	2,813	15,323
	268,292	247,837
Administrative expenses	(89,746)	(78,494)
Lease expenses (2018: Operating lease expenses)	(1,157)	(4,751)
Depreciation of property, plant and equipment	(5,316)	(1,006)
Loss on partial disposal of interest in an associate	(14,104)	–
Other expenses	(26,343)	(14,616)
Finance costs	(42,671)	(9,352)
Results from operating activities	88,955	139,618
Share of profit of equity-accounted investees, net of tax	86,797	62,008
Profit before tax	175,752	201,626
Tax expense	(23,088)	(18,317)
Profit from continuing operations	152,664	183,309
Discontinued operation		
Profit/(loss) from discontinued operation, net of tax	67,051	(4,265)
Profit for the year	219,715	179,044
Profit attributable to:		
Equity holders of the Company	217,478	175,761
Non-controlling interests	2,237	3,283
Profit for the year	219,715	179,044
Earnings per share		
Basic and diluted earnings per share (cents)	17.90	14.69

* The Group initially applied SFRS(I) 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying SFRS(I) 16 is recognised in retained earnings at the date of initial application.

Consolidated statement of comprehensive income
Year ended 31 December 2019

	Group 2019 $'000	Group 2018* $'000
Profit for the year	219,715	179,044
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net fair value changes in financial assets carried at fair value through other comprehensive income ("FVOCI")	(7,575)	(92,705)
Share of fair value reserve of associates	1,532	57
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences relating to financial statements of foreign operations	(14,451)	(2,520)
Share of other comprehensive income of associate	136	1,416
Effective portion of changes in fair value of cash flow hedges	31	(34)
Other comprehensive income for the year, net of tax	(20,327)	(93,786)
Total comprehensive income for the year	199,388	85,258
Total comprehensive income attributable to:		
Equity holders of the Company	196,688	81,976
Non-controlling interests	2,700	3,282
Total comprehensive income for the year	199,388	85,258

There is no income tax attributable to the items in other comprehensive income.

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Consolidated statement of cash flows
Year ended 31 December 2019

	Group	
	2019	**2018***
	$'000	**$'000**
Cash flows from operating activities		
Profit for the year	219,715	179,044
Adjustments for:		
Amortisation of intangible assets	478	408
Depreciation of property, plant and equipment	5,316	1,006
Intangible asset written off	–	109
Gain on unrealised foreign exchange	(369)	(3,669)
Distribution income	(58,233)	(48,310)
Net gain on fair value of financial assets	(1,652)	(395)
Interest expense	41,568	8,821
Interest income	(7,967)	(1,578)
Loss on disposal of property, plant and equipment	44	16
Gain on disposal of associates	–	(1,408)
Gain on previously held interest	–	(14,411)
Gain on sale of discontinued operation, net of tax	(61,456)	–
Loss on partial disposal of interest in an associate	14,104	–
Management fees received/receivable in units of real estate investment trusts	(75,720)	(71,740)
Share of profit of associates and joint ventures	(86,797)	(62,008)
Tax expense	23,088	18,317
	12,119	4,202
Change in trade and other receivables	(97,700)	(20,140)
Change in trade and other payables	21,777	8,260
Cash used in operations	(63,804)	(7,678)
Distribution income received	58,314	48,455
Proceeds from sale of units in real estate investment trusts	69,636	25,273
Tax paid	(21,238)	(19,968)
Cash flows from operating activities of continuing operations	42,908	46,082
Cash flows from operating activities of discontinued operation	22,506	19,784
Net cash from operating activities	65,414	65,866

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2019

	Group	
	2019	2018*
	$'000	$'000
Cash flows from investing activities		
Acquisition of interest in associates	(222,563)	(457,055)
Acquisition of subsidiaries and non-controlling interests, net of cash acquired	–	(50,601)
Dividends received from associates and joint ventures	42,305	14,761
Interest received	2,051	1,578
Proceeds from disposal of property, plant and equipment	14	230
Purchase of property, plant and equipment	(3,149)	(2,982)
Payment of software development expenditure	(119)	(25)
Purchase of financial assets	(221,806)	(92,797)
Proceeds from disposal of financial assets	15,903	6,076
Proceeds from partial disposal/disposal of associate	40,288	1,683
Proceeds from redemption of financial assets	87,403	67,405
Proceeds from disposal of discontinued operation, net of cash disposed	208,241	–
Cash flows used in investing activities of continuing operations	(51,432)	(511,727)
Cash flows used in investing activities of discontinued operation	–	(903,066)
Net cash used in investing activities	(51,432)	(1,414,793)

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2019

	Group	
	2019	2018*
	$'000	$'000
Cash flows from financing activities		
Contribution from non-controlling interests	1,969	912
Dividends paid	(63,161)	(90,267)
Interest paid	(39,020)	(7,072)
Issue of perpetual securities, net of issue costs	347,001	297,447
Payment of lease liabilities (2018: finance lease liabilities)	(3,014)	(207)
Repayment of loans and borrowings	(103,595)	(185,496)
Proceeds from loans and borrowings	125,008	427,576
Advances from immediate holding company	170,373	224,571
Repayment of advances from immediate holding company	(352,270)	–
Cash flows from financing activities of continuing operations	83,291	667,464
Cash flows from financing activities of discontinued operation	–	734,590
Net cash from financing activities	83,291	1,402,054
Net increase in cash and cash equivalents	97,273	53,127
Cash and cash equivalents at 1 January	125,336	93,323
	222,609	146,450
Cash and cash equivalents reclassified as held for sale	–	(20,596)
Effect of exchange rate fluctuations on cash held	(2,689)	(518)
Cash and cash equivalents at 31 December	219,920	125,336

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