

1H2021 Financials (Updates)

18 October 2021

1H2021 Financial Results (Updates)

- The Group had published a version of its financial results for the 6 months period ended 30 June 2021 on 4 August 2021 (the “4 August 2021 announcement”).
- The financial results contained herein has been updated to mainly take into account the following changes post the announcement of the 4 August 2021 announcement:
 - i. Updated the share of profit of associates and joint ventures and other relevant line items to take into account the actual results of the Group’s associates that were finalised subsequent to the 4 August 2021 announcement; and
 - ii. Reclassification of numbers between line items to better reflect the nature of the transactions.

Consolidated statements of financial position

	Group ¹	
	30 June 2021 US\$'000	31 December 2020 US\$'000
Assets		
Property, plant and equipment	4,104	4,031
Right-of-use assets	16,265	16,120
Intangible assets	416,012	410,465
Associates and joint ventures ²	1,441,830	1,023,868
Financial assets	609,847	654,263
Financial derivative assets	14,740	–
Deferred tax assets	1,436	1,347
Other non-current assets	8,634	3,757
Total non-current assets	2,512,868	2,113,851
Financial assets	64,298	54,222
Financial derivative assets	53	–
Trade receivables	39,198	46,070
Prepayments, other receivables and other assets	215,104	119,874
Cash and cash equivalents	544,326	311,419
	862,979	531,585
Assets held for sale	94,292	7,763
Total current assets	957,271	539,348
Total assets	3,470,139	2,653,199

Note 1: The consolidated statements of financial position include results of LOGOS. ARA's interest in LOGOS as at 30 June 2021 is 52%

Note 2: Associates and joint ventures comprise the Group's strategic investments in Cromwell Property Group, Kenedix, Inc., ARA US Hospitality Trust, the Manager of Hui Xian REIT and equity interests in certain private funds managed by the Group (including funds managed by Logos Property Group ("LOGOS") and Venn Partners LLP)

Consolidated statements of financial position (cont'd)

	Group	
	30 June 2021 US\$'000	31 December 2020 US\$'000
Equity		
Share capital	1,711	1,497
Reserves	1,110,738	800,683
Perpetual securities	704,764	704,860
Equity attributable to equity holders of the Company	1,817,213	1,507,040
Non-controlling interests	384,055	331,562
Total equity	2,201,268	1,838,602
Liabilities		
Loans and borrowings	994,615	434,219
Lease liabilities	13,348	13,122
Trade and other payables	16,066	15,693
Contingent consideration payables	–	2,302
Deferred tax liabilities	33,979	11,815
Total non-current liabilities	1,058,008	477,151
Loans and borrowings	35,400	35,113
Lease liabilities	4,751	4,648
Trade and other payables	116,019	264,037
Contingent consideration payables	8,542	16,747
Current tax payable	15,029	16,901
	179,741	337,446
Liabilities directly associated with the assets held for sale	31,122	–
Total current liabilities	210,863	337,446
Total liabilities	1,268,871	814,597
Total equity and liabilities	3,470,139	2,653,199

Consolidated statements of profit or loss

For the six months ended 30 June

	Group ³	
	30 June	
	2021	2020 ⁴
	US\$'000	US\$'000
Fee revenue	216,616	90,519
Co-investment income	14,421	12,849
Finance income	6,617	3,340
Share of profit of equity-accounted investees, net of tax ⁵	93,304	4,178
Other income	3,593	3,022
Total other income	117,935	23,389
Total income	334,551	113,908
Employee-related costs	(60,860)	(30,560)
Legal and professional fees	(9,893)	(7,438)
Property related expenses	(3,762)	(3,545)
Administrative expenses	(17,855)	(5,995)
Depreciation and amortisation	(6,690)	(4,538)
Fair value gains/(losses) and exchange differences	12,430	(4,469)
Finance costs	(11,238)	(5,592)
Total expenses	(97,868)	(62,137)
Transaction costs and one-off (expenses)/income	3,205	(11,181)
Profit before tax	239,888	40,590
Tax expense	(35,108)	(12,221)
Profit for the period	204,780	28,369
Profit attributable to:		
Ordinary equity holders of the Company	148,025	6,287
Perpetual securities holders	19,432	18,573
Non-controlling interests	37,323	3,509
Profit for the period	204,780	28,369

Note 3: The consolidated profit and loss statements include results of LOGOS. ARA's interest in LOGOS as at 30 June 2021 is 52%

Note 4: The financial results for the half year 30 June 2020 included adjustments that were passed subsequent to the finalisation of the audit for FY2020

Note 5: Comprise the Group's proportionate share of profits of Cromwell Property Group, Kenedix, Inc., ARA US Hospitality Trust, the Manager of Hui Xian REIT, certain private funds managed by the Group (including funds managed by LOGOS and Venn Partners LLP)

Consolidated statements of other comprehensive income

For the six months ended 30 June



	Group	
	2021 US\$'000	2020 US\$'000
Profit for the period	204,780	28,369
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Net fair value changes in financial assets carried at fair value through other comprehensive income ("FVOCI")	37,834	(89,149)
Share of fair value reserve of associates and joint ventures	4,430	(1,699)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences relating to financial statements of foreign operations	(17,800)	(36,601)
Share of other comprehensive income of associate and joint ventures	(2,826)	5,388
Other comprehensive income for the period, net of tax	21,638	(122,061)
Total comprehensive income for the period	226,418	(93,692)
Total comprehensive income attributable to:		
Ordinary equity holders of the Company	153,986	(110,758)
Perpetual securities holders	19,432	18,573
Non-controlling interests	53,000	(1,507)
Total comprehensive income for the period	226,418	(93,692)

Consolidated statements of cash flows

For the six months ended 30 June

	Group	
	2021 US\$'000	2020 US\$'000
Cash flows from operating activities		
Profit for the period	204,780	28,369
Adjustments for:		
Amortisation of intangible assets	3,050	1,927
Bad debts written off	178	–
Depreciation of property, plant and equipment	855	791
Depreciation of right-of-use assets	2,785	1,820
Distribution income	(14,421)	(12,849)
Gain on disposal of assets held for sale	(741)	–
(Gain)/loss on partial disposal of quoted FVTPL financial assets	(2,404)	13
Gain on fair value of financial derivative assets	(14,705)	–
(Gain)/Loss on modification of lease contracts	10	(2)
Gain on previously held interest in an associate/joint venture	(404)	–
Interest expense	11,238	5,592
Interest income	(6,617)	(3,340)
Loss on partial disposal of interest in an associate	165	4,408
Management fees received/receivable in units of real estate investment trusts	(32,712)	(28,343)
Net (gain)/loss on fair value of financial assets	(1,931)	6,837
Property, plant and equipment written off	5	–
Share of profit of associates and joint ventures	(93,304)	(4,178)
Tax expense	35,108	12,221
	90,935	13,266
Change in trade and other receivables	(94,741)	37,560
Change in trade and other payables	(68,093)	(49,616)
Cash (used in)/generated from operations	(71,899)	1,210
Distribution income received	14,093	12,016
Proceeds from sale of units in real estate investment trusts	28,190	311
Tax paid	(14,469)	(9,449)
Net cash (used in)/from operating activities	(44,085)	4,088

Consolidated statement of cash flows (cont'd)

For the six months ended 30 June

	Group	
	2021	2020
	US\$'000	US\$'000
Cash flows from investing activities		
Capital contributions in associates and joint ventures	(157,657)	(6,160)
Dividends received from associates and joint ventures	30,129	15,631
Interest received	6,309	713
Net cash outflows arising from acquisition of subsidiaries	(4,203)	(208,821)
Payment of contingent consideration payables	(10,594)	–
Payment of software development expenditure	(303)	(87)
Proceeds from disposal of assets held for sale	8,504	–
Proceeds from partial disposal in an associate	–	14,270
Proceeds from redemption of financial assets	70,246	6,243
Purchase of assets held for sale	(37,188)	–
Purchase of club membership	(497)	–
Purchase of derivative financial assets	(53)	–
Purchase of financial assets	(69,378)	(16,899)
Purchase of property, plant and equipment	(834)	(286)
Net cash used in investing activities	(165,519)	(195,396)
Cash flows from financing activities		
Advances from immediate holding company	–	622,073
Contributions from non-controlling interests	–	118,552
Dividends paid to non-controlling interests	(4,162)	(84)
Distributions paid to perpetual securities holders	(19,528)	(18,634)
Interest paid	(11,982)	(5,097)
Issue of ordinary shares	502,369	–
Payment of lease liabilities	(2,712)	(1,235)
Proceeds from loans and borrowings	368,891	3,571
Repayment of advances from immediate holding company	(375)	(402,746)
Repayment of loans and borrowings	(389,851)	(45,907)
Net cash from financing activities	442,650	270,493
Net increase in cash and cash equivalents	233,046	79,185
Cash and cash equivalents at 1 January	311,419	163,558
	544,465	242,743
Effect of exchange rate fluctuations on cash held	(139)	1,503
Cash and cash equivalents at 30 June	544,326	244,246

These slides may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on the forward-looking statements in these slides, which are based on the current view of management on future events. Information from external sources in these slides has not been independently verified by us nor have the external sources quoted consented to the inclusion of the information.

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