SETTING SIGHTS ON NEW HEIGHTS

ARA ASSET MANAGEMENT LIMITED

ANNUAL REPORT 2014





SETTING SIGHTS ON NEW HEIGHTS

Conquering mountain peaks requires expertise, a clear vision, a strategic course, the proper gear and a determined spirit to embark on the ascent.
At ARA Asset Management Limited we employ these elements as we strive towards scaling new heights. No climb is exactly the same as another; we design our path with clear-cut strategies and objectives, ensuring that every step we take leads us to the altitudes we envisioned.



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CORPORATE PROFILE & CORE VALUES



ARA Asset Management Limited ("ARA" or the "Company" and together with its subsidiaries, the "Group") is a premier integrated real estate fund manager in Asia, founded on its core values of *Integrity*, *Excellence*, *Respect* and *Teamwork*.

Established in 2002, ARA is driven by a vision to be the best-of-class investment manager, offering bespoke solutions and enduring value to its investors and partners. Over the years, ARA has distinguished itself with its strong track record, extensive business network, local operational expertise and uncompromising fiduciary commitment.

ARA has built a diverse suite of real estate investment trusts ("REITs") and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region. Complemented by its in-house real estate management services and corporate finance advisory services, ARA creates value in every stage of the asset life cycle.

ARA is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") since November 2007. Today, it has over 1,100 professionals in 15 cities managing total assets in excess of S$26 billion.



LETTER TO SHAREHOLDERS

ENDURING SHAREHOLDER VALUE

"In the long term, we are confident that the synergies of ARA's multi-platform expertise and its strategic partnerships with CK Hutchison Holdings Limited and The Straits Trading Company Limited will create value for our shareholders for many years to come."



LETTER TO SHAREHOLDERS

On behalf of the Board of ARA, we are pleased to present the annual report of the Group for the financial year ended 31 December 2014 ("FY2014").

Setting our sights on new heights, the Group's focus in FY2014 was to build sustainable growth in our assets under management ("AUM") by broadening our suite of private real estate funds under management and to expand into new target markets. During the year we had successfully delivered on these key initiatives, through the acquisition of a real estate platform in South Korea which manages two privately-held Korean REITs and the establishment of the ARA Summit Development Fund I, L.P. ("SDF I"), a new development fund to complement its suite of private real estate funds under management.

As at 31 December 2014, we achieved a growth in the Group AUM to approximately S$26.3 billion (approximately US$19.9 billion[1]), despite uncertainties in the global economy.

BUSINESS EXPANSION INITIATIVES TO DRIVE FUTURE GROWTH

In April 2014, the Group completed the acquisition of Macquarie Real Estate Korea Limited, a real estate management company based in Seoul, which has been renamed as ARA Korea Limited. With this, ARA now manages two privately-held Korean REITs, namely ARA-NPS Real Estate Investment Company and ARA-NPS REIT No. 2, both of which are invested in office properties in South Korea with a combined value of KRW627.8 billion (approximately S$760 million[1]) as at 31 December 2014. ARA currently holds a strategic stake of 10.02% equity interest in ARA-NPS Real Estate Investment Company.

This was followed by the establishment of a new Asia-focused development fund, the SDF I, mandated to invest in real estate development projects and projects with value enhancement potential in Australia and South East Asia, in partnership with reputable developers with a good local track record in property development. The lead and anchor investor for the SDF I is Straits Real Estate Pte. Ltd. ("Straits Real Estate"), the co-investment vehicle established by The Straits Trading Company Limited ("Straits Trading") and Mr John Lim, with a capital commitment of US$80 million. With this, ARA has expanded its suite of private real estate funds under ARA Private Funds ranging from development-focused products to core investment products, each with the potential to develop its respective series of successor funds in the coming years.

In January 2015, the Group announced the establishment of its Australian platform, with the aim of seeking investment and capital raising opportunities that would support the future growth in our funds platforms over time and strengthen our presence in the Asia Pacific region. We have thus expanded our geographical reach to 15 cities in the Asia Pacific, across Singapore, Hong Kong, China, South Korea, Malaysia and Australia.

STRONG EARNINGS PERFORMANCE

In FY2014, total revenue for the Group grew approximately 23% to S$173.1 million and the net profit for the Group increased to S$87.5 million, a growth of approximately 18% year-on-year. The Group had during the year received performance fees of S$16.1 million from the ARA Harmony Fund, having achieved an internal rate of return ("IRR") of over 27% for its investors over the initial five-year term of the fund. Recurrent revenue comprising management fees earned from the REIT, private real estate fund and real estate management services divisions grew approximately 10% year-on-year and continues to account for a substantial portion of our total revenue.

The Group AUM grew to approximately S$26.3 billion as at 31 December 2014, achieved mainly from the successful asset acquisitions made by the REIT and private real estate fund divisions, as well

[1] Based on the exchange rates as at 31 December 2014

as the establishment and management of new fund products namely the two Korean REITs, the Straits Investment Partners ("SIP") comprising the real estate portfolio owned by Straits Trading and the SDF I, partially offset by the divestment of assets in the ARA Asia Dragon Fund ("ADF I").

REIT MANAGEMENT

Notwithstanding the initial weaker performance in the FTSE Straits Times REIT and Hang Seng REIT indices at the start of the year, the REIT indices had subsequently recovered and outperformed their respective market benchmark indices for FY2014, underpinned by expectations of benign interest rates for the rest of the year.

Our REITs under management continued to perform well. The REITs' AUM grew approximately 11% year-on-year, following the acquisition of ARA Korea Limited, acquisitions made by Prosperity REIT, Cache Logistics Trust ("Cache") and the progressive recognition of 177 Pacific Highway by Suntec REIT. The investment portfolio values are further strengthened by the underlying growth in net property income and ongoing active asset management initiatives.

On the capital management front, a key focus for the division was in mitigating refinancing and interest rate risks in a climate of rising interest rate expectations. Suntec REIT, Fortune REIT, Cache and Prosperity REIT had progressively refinanced their respective debt portfolios, achieving a longer debt maturity profile and higher hedged component of the total debt outstanding. Collectively, the REIT division had refinanced approximately S$2.6 billion worth of debt during the year.

2014 marked the 10th year anniversary of Suntec REIT's listing on the SGX-ST. As a testament to the strong track record in the past 10 years, the REIT was conferred the "Best Asian REIT Manager, 2014" award in the REIW Asia Awards for Excellence and in terms of total return for the year, was one of the best performing REITs in Singapore. Since inception, the REIT has grown its AUM from S$2.2 billion of office and retail properties in Suntec City to S$8.8 billion as at 31 December 2014. As Singapore's second-largest REIT by AUM, Suntec REIT currently owns a strong portfolio of strategically-located prime assets comprising 2.4 million square feet of office space and 1.1 million square feet of retail space. The major refurbishment of Suntec City is nearing completion - having achieved a committed occupancy of 91.3% to date with an overall committed passing rent of approximately S$12.27 per square foot per month on a stabilised basis.

FY2014 was also a significant year for Fortune REIT. Having completed the acquisition of its largest asset Fortune Kingswood the year before, in December 2014 Fortune REIT announced the proposed acquisition of Laguna Plaza for HK$1,918.5 million, which has since been completed in January 2015. Underpinned by an impressive 11.5% year-on-year growth in AUM to approximately HK$32.7 billion, a strengthened DPU of 41.68 Hong Kong cents and a significant unit price appreciation achieved for FY2014, Fortune REIT was also ranked one of the best performing REITs in Singapore alongside Suntec REIT, having delivered a total return of 32.2% for the year.

In April 2014, Cache entered into an agreement with DHL Supply Chain Singapore Pte Ltd ("DHL") to develop and lease a build-to-suit ("BTS") logistics warehouse located at Greenwich Drive, in the new Tampines LogisPark. This marked its first foray into BTS development and upon completion in the second half of FY2015, would increase the total portfolio gross floor area to approximately 6.1 million square feet under management.

Prosperity REIT completed the acquisition of 9 Chong Yip Street in January 2014, thus achieving a 16.1% year-on-year growth in AUM to approximately HK$9.9 billion as at 31 December 2014.

LETTER TO SHAREHOLDERS

In November 2014, Hui Xian REIT announced the proposed acquisition of the entire interest in an integrated commercial property development located at the Jiefangbei Central Business District of Chongqing in The People's Republic of China, for a purchase consideration of RMB3,910 million. The proposed acquisition was approved by the unitholders at the Extraordinary General Meeting held on 28 November 2014 and was subsequently completed in early March 2015.

PRIVATE REAL ESTATE FUNDS

During the year ARA Private Funds continued to focus on developing its franchises of private real estate funds, in tandem with the capital deployment of its existing funds. In addition to the Pan-Asian opportunistic funds, separate accounts and club deal fund series, FY2014 marked the establishment of a new development fund series, with the mandate to invest in real estate development projects and projects with value enhancement potential, in partnership with reputable developers with a good local track record in property development.

Within the opportunistic fund series, our flagship private real estate fund, the ADF I continues to progressively divest its properties within its investment portfolio. To date, it has returned to investors more than 100% of the capital deployed. The ARA Asia Dragon Fund II ("ADF II") has to date deployed more than 75% of its committed capital.

The Morningside Investment Partners, LLC ("MIP") which was established in late FY2013 has since acquired two income-producing properties in Hong Kong valued at approximately S$324 million as at 31 December 2014 and has deployed more than 50% of its committed capital to date.

The SIP was set up to manage the real estate portfolio owned by Straits Trading, with a portfolio value of approximately S$830 million at inception. To date, the SIP has realised close to S$500 million in asset divestments.

The ARA Harmony Fund, established in 2009 owning the award-winning Suntec Singapore Convention & Exhibition Centre ("SSICEC"), crossed the initial five-year term in its fund cycle. With the successful execution of the asset enhancement initiative in transforming and enhancing the yield of the property, the property value increased from S$235 million at fund inception to an average valuation[(2)] of S$663.25 million as at 30 September 2014, thus achieving an IRR of over 27% for the investors in the fund. The strong performance underscores our core competence in driving better asset performance in the properties we manage.

REAL ESTATE MANAGEMENT SERVICES

Our real estate management services division continues to provide integral support in the investment and effective management of the Group's properties within Asia Pacific, a distinguishing attribute of ARA's unique business model.

During the year, APM group, our in-house property management arm, had maintained its focus on the proactive lease management, execution of asset enhancement and value creation initiatives, as well as retail/project management initiatives undertaken by the various properties within its management, spanning Singapore, China and Malaysia.

Since the re-opening of SSICEC subsequent to the completion of the rebranding and modernisation programme in the second half of 2013, Suntec Singapore International Convention & Exhibition Services Pte. Ltd. ("Suntec Singapore") has hosted approximately 1,250 events in FY2014, including approximately 60 official site visits by more than 800 global guests from Europe and the Asia Pacific regions. SSICEC had also won two prestigious awards at the 2014 World Travel Awards, namely "Asia's Leading Meetings & Conference Centre" and "The World's Leading Meetings & Conference Centre". This year marked the ninth consecutive win for the "Asia's Leading Meetings & Conference Centre"

(2) The average of the independent valuations carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Knight Frank Pte Ltd

award and notably, the first-ever award conferred to an Asian convention venue in the case of "The World's Leading Meetings & Conference Centre" award.

DIVIDEND AND BONUS ISSUE

The Directors are pleased to propose a final dividend of 2.7 Singapore cents per share in respect of FY2014. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting ("AGM") to be held on 24 April 2015. Together with the interim dividend of 2.3 Singapore cents per share paid out on 22 August 2014, the total dividend for FY2014 will amount to 5.0 Singapore cents per share.

PROSPECTS

On an ongoing basis, the Group will continue to work on the conceptualisation and execution of active asset management strategies to add value to the properties managed under the REIT platform, whilst pursuing growth through value-adding acquisitions. We also seek to further broaden our existing multi-product/jurisdiction platform by listing new REITs in new markets and jurisdictions.

With the development of the various private real estate fund franchises over the last few years, the Group will continue to focus on further growing our private real estate fund platform. In the upcoming year, we look to launch new funds including the ARA Asia Dragon Fund III ("ADF III"). We are excited to be able to establish our footprint in South Korea and Australia, two of our identified target markets and are working to grow these fund platforms over time by tapping the investment and capital raising opportunities available.

We have strengthened our presence in the Asia Pacific region and built an extensive regional network of 15 cities across six countries with more than 1,100 experienced staff bearing investment and operational expertise. Our scalable business model continues to be optimal in pursuing further growth opportunities via mergers and acquisitions.

We are positioned to leverage on our networks, relationships and expertise to achieve the next phase of advancement for ARA. Moving forward, our focus is maintained upon the pursuit of further growth in ARA Private Funds, in tandem with the planned expansion of our new South Korea and Australia platforms. In the long term, we are confident that the synergies of ARA's multi-platform expertise and its strategic partnerships with CK Hutchison Holdings Limited ("Cheung Kong") and Straits Trading will create value for our shareholders for many years to come.

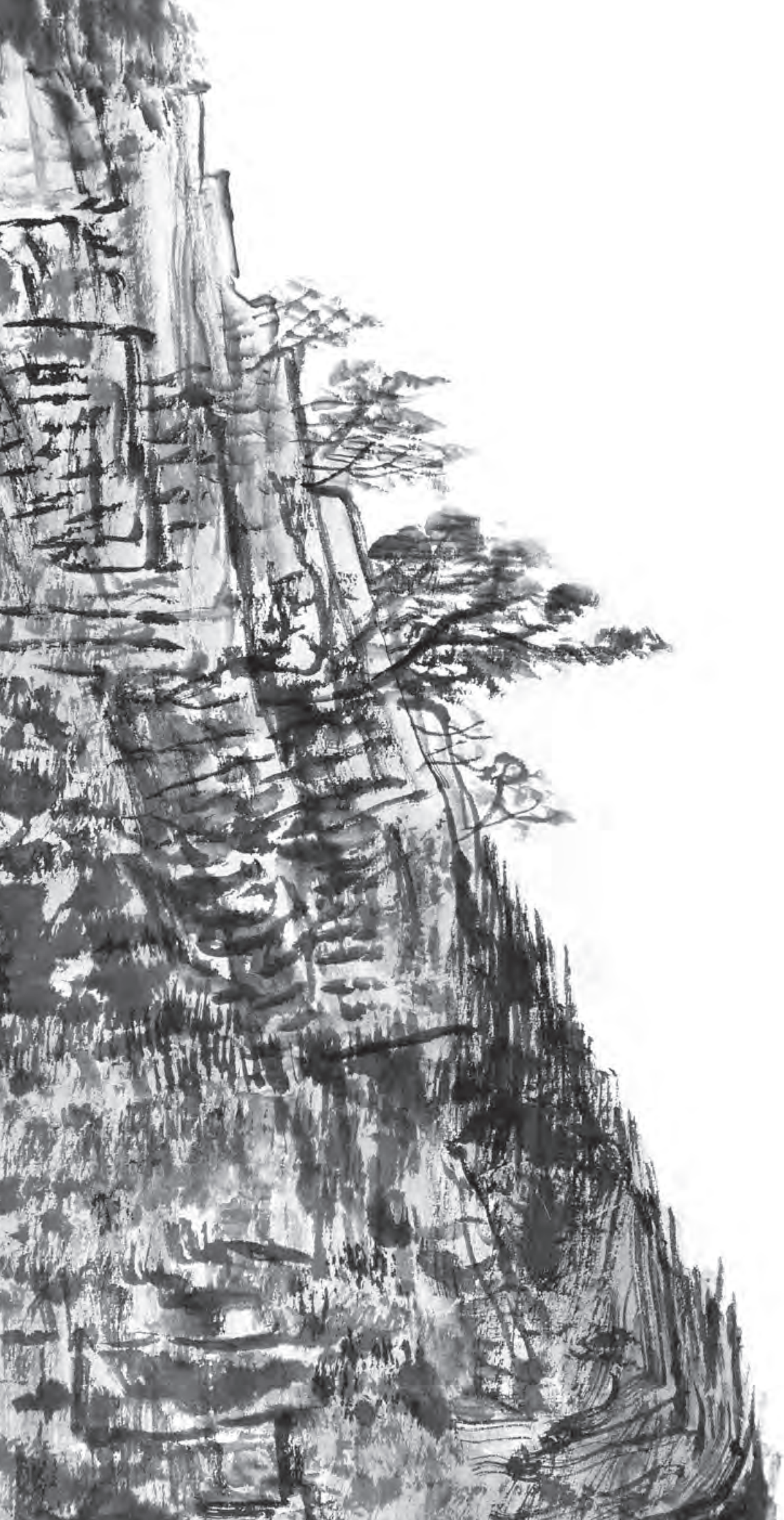
ACKNOWLEDGEMENT

In FY2014, ARA garnered the "Best CEO (Investor Relations), 4th Asian Excellence Awards 2014" award from Corporate Governance Asia 2014. It was also voted "Best Investment Manager – Singapore" in the Euromoney 10th Annual Real Estate Survey. The Group had during the year continued to receive various awards in recognition of its achievements in real estate funds management and corporate governance.

We extend our welcome to Ms Chew Gek Khim and Mr Yap Chee Keong to our Board. Their collective experience will further strengthen ARA's pursuit of future growth opportunities. We also take this opportunity to convey our appreciation to our fellow Board of Directors and to our dedicated staff for their strong contributions. Above all, we wish to thank our investors, business partners and stakeholders for their continued support in 2014.

DR CHIU KWOK HUNG JUSTIN
CHAIRMAN

MR LIM HWEE CHIANG JOHN
GROUP CHIEF EXECUTIVE OFFICER



YEAR IN REVIEW

ASTUTE & REINFORCED POSITIONING

Delivered strong financial outperformance and business expansion initiatives to drive future growth

HIGHLIGHTS OF THE YEAR

01

January

- Prosperity REIT completed the acquisition of 9 Chong Yip Street in Hong Kong
- Suntec REIT issued S$200 million 3.35% notes due 2020 under the US$1.5 billion Euro medium term note ("MTN") Programme

02

February

- Suntec REIT broke ground on 177 Pacific Highway in North Sydney, Australia

03

March

- Suntec REIT issued S$110 million 3.35% notes due 2020 under the US$1.5 billion Euro MTN Programme
- Suntec REIT launched and issued approximately 218.1 million units at an issue price of S$1.605 per new unit

04

April

- Fortune REIT entered into a HK$1,400 million facility agreement
- Cache entered into an agreement with DHL to develop and lease a BTS logistics warehouse
- ARA completed the acquisition of ARA Korea Limited
- Suntec REIT entered into a S$800 million five-year unsecured facility agreement

05

May

- ARA raised US$80 million for a new development fund, the SDF I
- Payment of FY2013 final dividend of 2.7 Singapore cents per share



08

August

- Payment of FY2014 interim dividend of 2.3 Singapore cents per share
- The MIP acquired strata space in Kowloon Commerce Centre in Hong Kong

09

September

- The MIP acquired Golden Digital in Hong Kong
- The ARA Harmony Fund crossed initial five-year mark, achieving an IRR of over 27%

10

October

- Cache entered into a S$400 million facility agreement
- The ADF I divested the International Capital Plaza in Shanghai, China

11

November

- Hui Xian REIT entered into a conditional sale and purchase agreement to acquire Metropolitan Oriental Plaza in Chongqing, China
- Prosperity REIT entered into a HK$2,500 million facility agreement

12

December

- Fortune REIT entered into a conditional sale and purchase agreement to acquire Laguna Plaza in Hong Kong
- Suntec REIT commemorated its 10th year anniversary
- The SIP divested the Straits Trading Building in Singapore



AWARDS AND ACCOLADES

ARA ASSET MANAGEMENT LIMITED

BEST CEO (INVESTOR RELATIONS)
4th Asian Excellence Awards 2014,
Corporate Governance Asia 2014

BEST INVESTMENT MANAGER – SINGAPORE
Euromoney 10th Annual Real Estate Survey 2014

SILVER AWARD (REAL ESTATE/REIT SECTOR) – EXCELLENCE IN DEVELOPMENT OF ANNUAL REPORT
2013 Vision Awards Annual Report Competition

TOP 80 ANNUAL REPORT IN ASIA PACIFIC REGION
2013 Vision Awards Annual Report Competition

MOST IMPROVED (HONOURS) ANNUAL REPORT IN ASIA PACIFIC REGION
2013 Vision Awards Annual Report Competition

SUNTEC REIT

BEST ASIAN REIT MANAGER
Awards for Excellence, The 13th Annual Real Estate Investment World Asia 2014



FORTUNE REIT



ASIA'S OUTSTANDING COMPANY ON CORPORATE GOVERNANCE
Corporate Governance Asia

BEST MANAGED COMPANY IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

BEST MID-CAP COMPANY IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

MOST COMMITTED TO A STRONG DIVIDEND POLICY IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

BEST CORPORATE GOVERNANCE IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

BEST CORPORATE SOCIAL RESPONSIBILITY IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

BEST INVESTOR RELATIONS IN HONG KONG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

BEST CEO IN HONG KONG - ANTHONY ANG (1ST)
Asia's Best Companies Poll 2014, FinanceAsia

TOP 5 GREEN COMPANIES IN ASIA
The Asia Corporate Excellence & Sustainability Awards, MORS Group

OUTSTANDING LISTED COMPANY AWARD 2014
Hong Kong Institute of Financial Analysts and Commentators Limited

2014 BEST MANAGED COMPANY AWARDS IN HONG KONG (MEDIUM CAP)
AsiaMoney Magazine

OUTSTANDING REAL ESTATE INVESTMENT TRUST AWARD 2013
Quamnet Oustanding Enterprise Awards 2013

GOLD AWARD (COVER PHOTO/DESIGN – REIT: RETAIL/SHOPPING CENTERS)
2014 International ARC Awards

SILVER AWARD (PRINTING AND PRODUCTION – REIT: RETAIL/SHOPPING CENTERS)
2014 International ARC Awards

BRONZE AWARD (NON-ENGLISH A.R. – REIT: RETAIL/SHOPPING CENTERS)
2014 International ARC Awards

SILVER AWARD – ANNUAL REPORTS – OVERALL PRESENTATION: REAL ESTATE INVESTMENT
2014 Galaxy Awards

U CHOICE LIFESTYLE BRAND AWARD 2014 – LEISURE LIFE: YOUR FAVOURITE SHOPPING MALL
Metro Radio

HONG KONG SMOKE FREE LEADING COMPANY 2013 – GOLD AWARD
Hong Kong Council on Smoking and Health

CARING COMPANY 2010-2014
Hong Kong Council of Social Services

INDOOR AIR QUALITY CERTIFICATE
Environmental Protection Department and the Indoor Air Quality Information Centre

U GREEN AWARDS 2013/14 – EXCELLENCE OF ENVIRONMENTAL CONTRIBUTIONS
U Magazine, Hong Kong Economic Times Holdings

BEST LANDSCAPE AWARD FOR PRIVATE PROPERTY, DEVELOPMENT 2014: NON-DOMESTIC PROPERTY, MERIT AWARD (FORTUNE CITY ONE)
Leisure and Cultural Services Department

PROSPERITY REIT

BEST SMALL – CAP COMPANY IN HONG KONG (3RD)
Best Managed Companies Poll 2014, FinanceAsia

CARING COMPANY AWARD 2014
The Hong Kong Council of Social Services

BEST LANDSCAPE AWARD (MERIT) – PROSPERITY PLACE
Leisure and Cultural Services Department

BEST SECURITY STAFF – BEST SECURITY SERVICES AWARDS 2014: PROSPERITY MILLENNIA PLAZA
Hong Kong Police Force (Hong Kong District)

BEST MANAGED PROPERTY – BEST SECURITY SERVICES AWARDS 2014: PROSPERITY MILLENNIA PLAZA
Hong Kong Police Force (Hong Kong District)

CACHE LOGISTICS TRUST

BEST INVESTOR RELATIONS (REITS & BUSINESS TRUSTS) – BRONZE AWARD
Singapore Corporate Awards 2014

PLATINUM AWARD (REAL ESTATE/REIT SECTOR) EXCELLENCE IN DEVELOPMENT OF ANNUAL REPORT
2013 Vision Awards Annual Report Competition

TOP 100 ANNUAL REPORTS WORLDWIDE
2013 Vision Awards Annual Report Competition

TOP 80 ANNUAL REPORTS IN ASIA PACIFIC REGION
2013 Vision Awards Annual Report Competition

MOST ENGAGING (SILVER) ANNUAL REPORT IN ASIA PACIFIC REGION
2013 Vision Awards Annual Report Competition

HUI XIAN REIT

CHINA DAILY ASIA PACIFIC RETAIL LEADERSHIP AWARD
Retail Asia Expo 2014 Retail Industry Trade Award

GOLD AWARD (PRINTING & PRODUCTION – REIT: VARIOUS & MULTI-USE)
2014 International ARC Awards

BRONZE AWARD (TRADITIONAL ANNUAL REPORT – REIT: VARIOUS & MULTI-USE)
2014 International ARC Awards

BRONZE AWARD (INTERIOR DESIGN – REIT: VARIOUS & MULTI-USE)
2014 International ARC Awards

SILVER AWARD (REAL ESTATE/REIT SECTOR) – EXCELLENCE IN DEVELOPMENT OF ANNUAL REPORT
2013 Vision Awards Annual Report Competition

BEST LETTER TO SHAREHOLDERS (HONOURS) ANNUAL REPORT IN ASIA PACIFIC REGION
2013 Vision Awards Annual Report Competition

SUNTEC SINGAPORE

WORLD'S LEADING MEETINGS & CONFERENCE CENTRE
World Travel Awards 2014

ASIA'S LEADING MEETINGS & CONFERENCE CENTRE
World Travel Awards 2014

APM PROPERTY MANAGEMENT

FASTEST GROWING 50 2014 AWARD
DP Infomation Group

FINANCIAL HIGHLIGHTS

- **ARA POSTS FY2014 NET PROFIT OF S$87.5 MILLION**
- **RECURRENT MANAGEMENT FEES UP 10% TO S$125.5 MILLION**
- **GROUP AUM GREW TO S$26.3 BILLION**
- **PROPOSED FINAL DIVIDEND OF 2.7 SINGAPORE CENTS PER SHARE, TOTAL PAYOUT OF 5.0 SINGAPORE CENTS PER SHARE FOR FY2014**

KEY FINANCIAL RESULTS		FY2014	FY2013	CHANGE (%)
Revenue				
Management fees	S$'000	125,517	114,003	10%
Acquisition, divestment and performance fees	S$'000	24,593	14,671	68%
Finance income	S$'000	20,393	11,583	76%
Other income	S$'000	2,555	139	n.m.
Total revenue	**S$'000**	**173,058**	**140,396**	**23%**
Results from operating activities	S$'000	99,312	84,493	18%
Share of profit of associates, net of tax	S$'000	4,305	3,913	10%
Net profit attributable to equity holders of the Company	S$'000	87,510	74,250	18%
Earnings per share [1]	**S cents**	**10.35**	**8.79**	**18%**

[1] Based on net profit attributable to equity holders of the Company and the issued share capital of 845,151,093 shares as at 31 December 2014

TOTAL ASSETS UNDER MANAGEMENT [2]		31 DEC 14	31 DEC 13	CHANGE
REITs - Real Estate [3]	S$ billion	20.7	18.7	2.0
Private Real Estate Funds - Real Estate	S$ billion	4.0	5.4	(1.4)
Private Real Estate Funds - Capital [4]	S$ billion	0.8	1.3	(0.5)
Real Estate Management Services [5]	S$ billion	0.9	0.4	0.5
Total	**S$ billion**	**26.3**	**25.9**	**0.4**

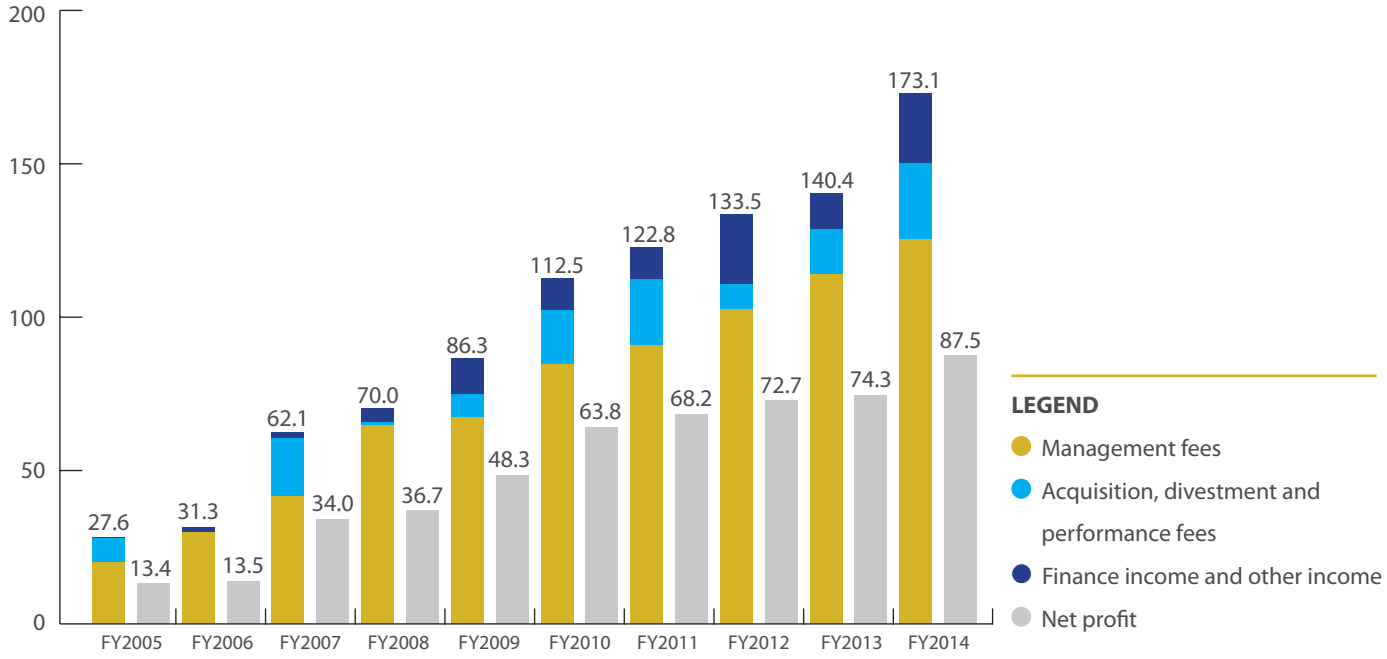
[2] Based on exchange rates as at 31 December 2014

[3] Comprises gross property value of REITs managed by subsidiaries and associated companies

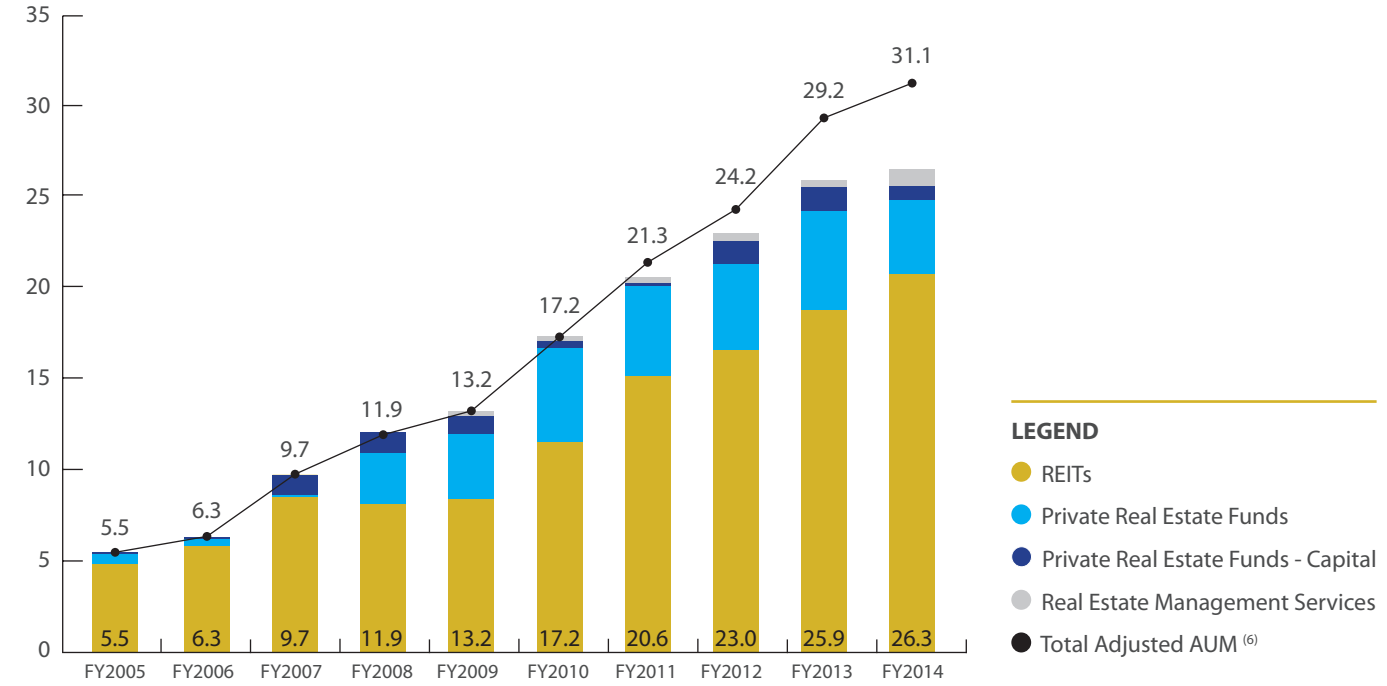
[4] Unutilised capital commitments excluding capital committed for projects pending completion

[5] Revenue base for real estate management services fee computation and gross property value of other properties under management

TOTAL REVENUE AND NET PROFIT (S$ MILLION)



TOTAL ASSETS UNDER MANAGEMENT (S$ BILLION)



(6) Total Adjusted AUM reflects the Group AUM before accounting for the effect of divestments

PERFORMANCE REVIEW

PERFORMANCE OVERVIEW

The Group achieved yet another record net profit of S$87.5 million for FY2014, a 18% increase from S$74.3 million in FY2013. The robust performance was achieved on the back of a 23% increase in total revenue to S$173.1 million. The Group AUM also grew to S$26.3 billion, up from S$25.9 million as at the same date last year. During the year, the Group continued to grow its core businesses. Notably, in April 2014, ARA acquired ARA Korea Limited, a real estate management company based in Seoul, South Korea, that manages two privately-held Korean REITs with combined assets under management of KRW627.8 billion. ARA's existing REIT platform also successfully added to its growing AUM with both acquisitions and numerous asset enhancement initiatives. The Group also successfully launched the SDF I in May 2014, adding to its private real estate fund platform. These transactions position ARA for sustainable growth going forward.

ASSETS UNDER MANAGEMENT

The Group AUM as at 31 December 2014 stood at S$26.3 billion. REIT real estate assets under management climbed 11% to S$20.7 billion from S$18.7 billion as at 31 December 2013, primarily from an increase in the valuation of the property portfolios of the REITs under management, Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 and the acquisition of ARA Korea Limited. For the Group's private real estate funds, assets under management decreased to S$4.8 billion from S$6.7 billion, mainly due to the divestment of properties by the ADF I as the fund is in its divestment phase since 2012. This was partially offset by the launch of the SDF I as well as successful acquisitions made by the MIP.

REVENUE

Another year of record revenue was achieved by the Group as revenue climbed 23% to S$173.1 million in FY2014 from S$140.4 million in FY2013. During the year, recurrent management fee income grew 10% to S$125.5 million from S$114.0 million in FY2013.

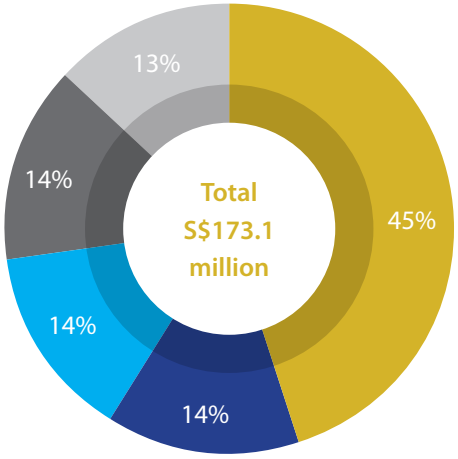
REIT management fees rose 17% to S$77.1 million in FY2014, primarily due to better asset performance post the asset enhancement initiatives undertaken, which resulted in higher valuations achieved for the property portfolios of the REITs under management. Cache's acquisition of 15 Gul Way ("Precise Two") in April 2013, Fortune REIT's acquisition of Fortune Kingswood in October 2013 and Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014 also contributed to the higher REIT management fees. These are in addition to the acquisition of ARA Korea Limited in April 2014.

Portfolio management fees declined to S$24.4 million in FY2014 from S$25.6 million in FY2013 mainly due to lower management fees from the ADF I which has entered into its divestment phase since 2012. The decline was partially offset by higher management fees arising from (i) the launch of a new separate account platform, the MIP in November 2013; (ii) higher fees received from the CIP subsequent to the acquisition of its first property in July 2013; (iii) the launch of the SDF I in May 2014 and (iv) higher valuation of the property in the ARA Harmony Fund following the completion of the asset enhancement initiatives at SSICEC.

Real estate management services fees increased to S$23.9 million in FY2014 from S$22.4 million in FY2013, mainly due to higher property management fees and convention and exhibition services fees received by the Group following the completion of Phases 1 and 2 of the asset enhancement works at the Suntec City Mall and SSICEC.

Acquisition, divestment and performance fees increased to S$24.6 million in FY2014 from S$14.7 million in FY2013, mainly due to (i) performance fees

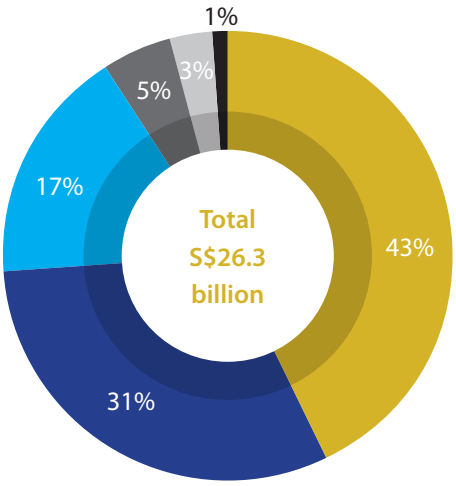
REVENUE BY SEGMENTS



LEGEND

- REIT management fees
- Portfolio management fees
- Real estate management services
- Acquisition, divestment and performance fees
- Finance income and other income

REAL ESTATE ASSETS UNDER MANAGEMENT BY COUNTRY



LEGEND

- Singapore
- Hong Kong
- China
- Malaysia
- South Korea
- Australia

of S$16.1 million received from the ARA Harmony Fund in having achieved an IRR of 27.4% for its investors over the initial five-year term of the fund; (ii) divestment fees of S$4.5 million in relation to the divestment of certain properties held under the portfolio of the SIP and (iii) acquisition fees of S$1.7 million received in relation to Prosperity REIT's acquisition of 9 Chong Yip Street in January 2014. Included in FY2013 were acquisition fees received in relation to Cache's acquisition of Precise Two in April 2013, Fortune REIT's acquisition of Fortune Kingswood in October 2013 and S$1.6 million of acquisition and financial advisory fees in relation to the acquisition of 177 Pacific Highway in December 2013. Advisory and consultancy fees of S$1.7 million for FY2014 (FY2013: S$3.6 million) were mainly in relation to project management services provided by APM and its related corporations to the properties it manages in Singapore, China and Malaysia.

Finance income increased to S$20.4 million in FY2014 from S$11.6 million in FY2013. The increase was mainly due to a net gain on fair valuation / disposal of financial assets of S$9.7 million, against a net loss on fair valuation / disposal of financial assets of S$3.5 million recorded under finance costs in FY2013, partially offset by lower distribution income received.

Other income comprised mainly negative goodwill arising from the acquisition of ARA Korea Limited in April 2014 amounting to S$2.1 million (FY2013: Nil).

PERFORMANCE REVIEW

EXPENSES

The Group's total expenses increased 32% to S$73.7 million in FY2014 from S$55.9 million in FY2013. Administrative expenses (primarily staff-related expenses and strategic advisory fees) rose to S$51.9 million in FY2014 from S$41.5 million in FY2013, mainly due to (i) an increase in headcount and staff-related expenses in line with the Group's continuing business expansion and (ii) performance-based bonus accrued in relation to the performance fees received from the ARA Harmony Fund.

Other expenses including operating lease expenses in FY2014 were S$18.7 million compared to S$10.0 million in FY2013. The increase was 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.

Finance costs in FY2014 decreased to S$3.1 million from S$4.4 million in FY2013. Included in FY2013 was a net loss on fair valuation / disposal of financial assets of S$3.5 million as compared to a net gain on fair valuation / disposal of financial assets of S$9.7 million under finance income recorded in FY2014. The decline in FY2014 was partially offset by a higher net loss on foreign exchange of S$2.3 million in FY2014 (FY2013: S$0.3 million).

EARNINGS

The Group's share of profits of associates totalled S$4.3 million for FY2014, increasing by S$0.4 million from S$3.9 million in FY2013. The effective tax rate of the Group for FY2014 was 13%, comparable to that of FY2013.

As a result of the above, net profit attributable to equity holders of the Company in FY2014 was S$87.5 million, 18% higher than the S$74.3 million in FY2013. Earnings per share improved to 10.35 Singapore cents, up 18% from the 8.79 Singapore cents per share achieved in FY2013.

PROPOSED FINAL DIVIDEND

The Directors are pleased to propose a final tax-exempt dividend of 2.7 Singapore cents per share for FY2014. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 24 April 2015. Inclusive of the interim dividend of 2.3 Singapore cents per share paid out in August 2014, the total dividend per share for FY2014 will amount to 5.0 Singapore cents per share, unchanged from FY2013.

ASSETS

As at 31 December 2014, the Group's total assets stood at S$427.6 million. This comprised primarily S$304.3 million of financial assets as well as S$64.4 million of cash and cash-equivalents. Financial assets, which included the Group's strategic stakes in Suntec REIT, AmFIRST REIT, Cache, ARA-NPS Real Estate Investment Company and seed investments in the private real estate funds under management, increased by 16% to S$304.3 million as at 31 December 2014 from S$262.4 million as at 31 December 2013, primarily due to better equity prices performance and seed capital contributions to the various private real estate funds under management.

BORROWINGS

As at 31 December 2014, the Group's loans and borrowings related to (i) a secured revolving credit facility for the Group's general working capital purposes and seed capital contributions to the private funds; (ii) an unsecured money market line to finance the Group's various investments; and (iii) finance lease liability for the purchase of certain plant and equipment. As at 31 December 2014, the Group's gearing ratio stood at 10% (31 December 2013: 11%).

The Group achieved yet another record net profit of S$87.5 million for FY2014, a 18% jump from S$74.3 million in FY2013.

SHAREHOLDERS' EQUITY

The issued and paid-up ordinary share capital of the Company as at 31 December 2014 was S$1.7 million, comprising 845.2 million ordinary shares of S$0.002 each. There were no outstanding options or convertible securities of the Company as at 31 December 2014.

The Group's total reserves amounted to S$339.5 million as at 31 December 2014 while total shareholders' equity stood at S$348.1 million. Net tangible assets per share was 40.2 Singapore cents, 23% higher than the 32.8 Singapore cents as at 31 December 2013.

CASH FLOWS AND LIQUIDITY

The Group's main sources of operating cash flow are fees from the management of REITs and private real estate funds as well as the provision of real estate management services. The fees for the provision of these services are generally received in cash, except for management fees in respect of certain REITs, which are received in cash and/or REIT units. The Group's practice for REIT units received as part payment of REIT management fees is to realise them into cash as soon as practicable and outside of the corresponding black-out periods for the respective REITs.

Additionally, the Group maintains the following facilities:

- a secured multicurrency revolving credit facility of S$50.0 million which bears interest at a fixed spread over the corresponding benchmark rate of the available currencies, of which S$19.5 million has been utilised;
- an unsecured multicurrency money market line of S$50.0 million which bears interest at a fixed spread over the corresponding benchmark rate of the available currencies, of which S$14.6 million has been utilised; and
- unutilised unsecured overdraft facilities of S$6.0 million and HK$3.0 million which bears interest at the prime lending rate.

Cash flows from operating activities increased to S$102.2 million in FY2014 from S$47.6 million in FY2013 primarily due to higher proceeds received from the sale of certain REIT units received by the Group as part payment for REIT management and acquisition fees.

Net cash outflow for investing activities decreased to S$35.7 million in FY2014 from S$89.7 million in FY2013. The lower net cash outflow for investing activities in FY2014 was primarily due to lower seed capital contributions to the private real estate funds relative to FY2013.

Net cash outflow for financing activities was S$41.4 million in FY2014 compared to S$19.5 million in FY2013. The net drawdown of loans in FY2014 was S$3.1 million, lower than the S$25.7 million in FY2013, resulting in the higher net cash outflow for financing activities during the year.



OUR BUSINESS

PRUDENT AND DISCIPLINED APPROACH IN ASCENT

Building sustainable growth in our assets under management

BUSINESS SEGMENTS

ARA is Asia's premier integrated real estate fund manager with extensive expertise and experience investing and managing a wide range of real estate asset classes in REITs and private real estate funds. Supporting them are ARA's real estate management services and corporate finance advisory services divisions which provide in-house expertise in property management, convention & exhibition services and capital markets.

The revenues contributed by these business segments are as follows:

REAL ESTATE INVESTMENT TRUSTS

- Base Fees (Gross Property Value)
- Performance / Variable Fees (Net Property Income)
- Acquisition / Divestment Fees (Gross Property Value)

PRIVATE REAL ESTATE FUNDS

- Portfolio Management Fees (Committed Capital / Contributed Capital / Gross Property Value)
- Performance Fees (IRR above hurdle)
- Return on Seed Capital

REAL ESTATE MANAGEMENT SERVICES

- Property Management Fees (Property Gross Revenue)
- Convention & Exhibition Service Fees (Gross Revenue)
- Consultancy Fees (Project Value)

CORPORATE FINANCE ADVISORY SERVICES

- Advisory Fees (Purchase Value)

FUNDS AND SERVICES

DIVERSIFIED FUNDS MANAGEMENT PLATFORMS AND COMPLEMENTARY SERVICES

ARA has built a diverse suite of REITs and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and corporate finance advisory services.

REITS	FORTUNE REIT	SUNTEC Real Estate Investment Trust	PROSPERITY REIT	AmFIRST Real Estate Investment Trust	CACHE LOGISTICS TRUST	HUI XIAN REIT	ARA-NPS Real Estate Investment Company
Listing Venue	SGX-ST & HKEx[1]	SGX-ST	HKEx	Bursa	SGX-ST	HKEx	Private REITs
Listing Year	2003	2004	2005	2006	2010	2011	2007; 2010[2]
Focus	Suburban retail properties in Hong Kong	Prime office and retail properties in Singapore and Australia	Office and industrial/ office properties in Hong Kong	Commercial properties in Malaysia	Logistics properties in the Asia Pacific region	Commercial properties in China	Office properties in South Korea
Property Value [3]	HK$32,720m	S$8,674m	HK$9,890m	RM1,302m	S$1,120m	RMB37,040m	KRW627,800m

PRIVATE REAL ESTATE FUNDS	ADF ARA Asia Dragon Fund	ADF II ARA Asia Dragon Fund II	HARMONY ARA Harmony Fund	CIP ARA China Investment Partners	MIP Morningside Investment Partners	SIP Straits Investment Partners	SDF I ARA Summit Development Fund I
Description	Flagship strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia	Second strategic and opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia	Single-asset private real estate fund which owns SSICEC	Core-plus private real estate fund investing in high quality office and commercial properties in key cities in China	Value-add private real estate fund investing in high quality office and commercial properties primarily in Singapore and Hong Kong	Separate account to manage and divest the real estate portfolio belonging to Straits Trading	Mandated to invest in real estate developments primarily in Southeast Asia and Australia
Fund Size[3]	US$1,133m (Committed Capital)	US$441m (Committed Capital)	S$661.5m (Gross Asset Value)	US$503m (Committed Capital)	US$240m (Committed Capital)	S$436m (Gross Asset Value)	US$80m (Committed Capital)

REAL ESTATE MANAGEMENT SERVICES	APM (A Member of the ARA Group)	Suntec INTERNATIONAL Convention & Exhibition Services	Suntec SINGAPORE Convention & Exhibition Centre
Description	Property management services provider	Operations, sales and marketing services provider and consultant for convention, exhibition, meeting and event facilities	

[1] Refers to the Hong Kong Exchanges and Clearing Limited

[2] Two closed-end privately-held REITs with finite term of 10 years

[3] As at 31 December 2014

REAL ESTATE INVESTMENT TRUSTS

REITs are regulated investment vehicles with strategic focus on managing and growing its portfolio of properties to offer stable rental income for its unitholders.

Distinguishing features of REITs include a requirement to pay out a substantial portion of its income to investors in regular distributions generated mainly through rental income received from its property portfolio, with gearing and permissible investment activities undertaken within regulatory limits.

ARA currently manages eight REITs across four jurisdictions namely, Fortune REIT dual-listed in Singapore and Hong Kong; Suntec REIT and Cache Logistics Trust listed in Singapore; Hui Xian REIT and Prosperity REIT listed in Hong Kong; AmFIRST REIT listed in Malaysia; and two privately-held REITs in South Korea. The REITs portfolio has an aggregate gross property value of approximately S$20.7 billion (approximately US$15.6 billion) as at 31 December 2014.


Suntec City



Park Mall

SUNTEC REIT

First composite REIT in Singapore

Listed on 9 December 2004 on the SGX-ST, Suntec REIT is the first composite REIT in Singapore owning income-producing real estate that is primarily used for retail and/or office purposes.

Suntec REIT's portfolio comprises office and retail properties in Suntec City, Park Mall, a one-third interest in One Raffles Quay and a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall. Suntec REIT also owns a 60.8% interest in SSICEC and a commercial building located at 177 Pacific Highway, North Sydney, Australia, which is currently under development.

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA.

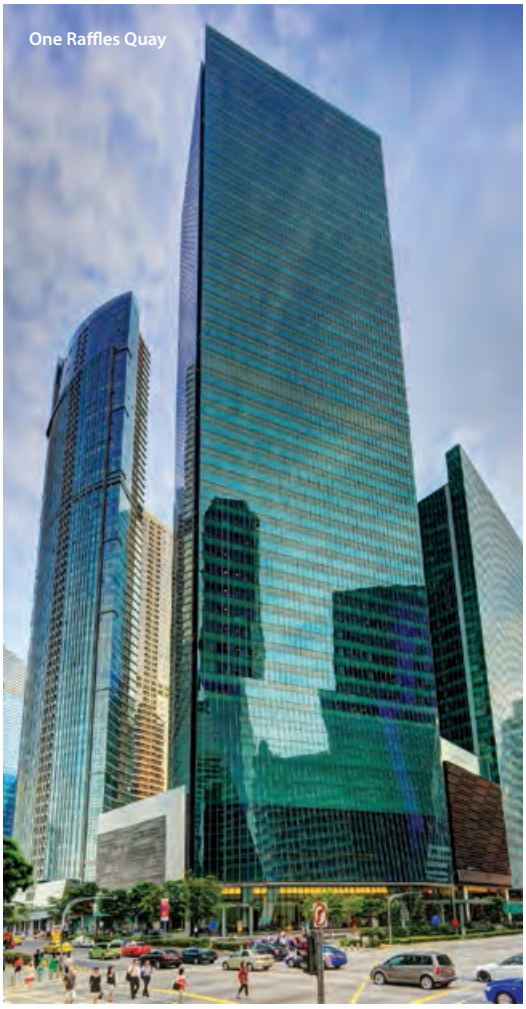
	PROPERTY	LOCATION	NET LETTABLE AREA (SQ FT)
1	Suntec City	Marina Bay, Singapore	2,897,463[1]
2	Park Mall	Orchard Road, Singapore	332,602[2]
3	One Raffles Quay	Marina Bay, Singapore	444,679 (one-third interest)
4	MBFC Properties[3]	Marina Bay, Singapore	581,392 (one-third interest)
5	177 Pacific Highway[4]	North Sydney, Australia	423,915
		TOTAL	4,680,051

[1] Inclusive of the net lettable area in SSICEC and reflects the total retail net lettable area upon completion of the asset enhancement works

[2] Includes the permissible gross lettable area of 65,454 square feet from the acquired land along Penang Road

[3] Refers to the Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall

[4] Currently under development


One Raffles Quay


MBFC Properties


177 Pacific Highway

REAL ESTATE INVESTMENT TRUSTS

FORTUNE REIT

Asia's first cross border and sole dual-listed REIT in Singapore and Hong Kong

Listed on 12 August 2003 on the SGX-ST with a dual primary listing on HKEx on 20 April 2010, Fortune REIT was Asia's first cross-border REIT and also the first REIT to hold assets in Hong Kong.

Following the completion of the acquisition of Laguna Plaza on 9 January 2015, Fortune REIT currently holds a portfolio of 18 private housing estate retail properties in Hong Kong comprising approximately 3.3 million square feet of retail space and 2,756 car parking lots.

The portfolio of 18 malls has been grouped under the asset brand of "Fortune Malls", sharing the spirit of enriching family lives and making a positive difference to the community. Fortune Malls are private housing estate retail properties catering to the day-to-day needs of the residents and households from these communities.

Fortune REIT is managed by ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of ARA.








Metro Town


Fortune Metropolis

	PROPERTY	LOCATION	GROSS RENTABLE AREA (SQ FT)
1	Fortune City One	Shatin	414,469
2	Fortune Kingswood	Tin Shui Wai	665,244
3	Ma On Shan Plaza	Shatin	310,084
4	Metro Town	Tseung Kwan O	180,822
5	Fortune Metropolis	Hung Hom	332,168
6	Laguna Plaza[1]	Kwun Tong	163,203
7	Belvedere Square	Tsuen Wan	276,862
8	Waldorf Avenue	Tuen Mun	80,842
9	Caribbean Square	Tung Chung	63,018
10	Provident Square	North Point	180,238
11	Jubilee Square	Shatin	170,616
12	Smartland	Tsuen Wan	123,544
13	Tsing Yi Square	Tsing Yi	78,836
14	Nob Hill Square[2]	Kwai Chung	91,779
15	Centre de Laguna	Kwun Tong	43,000
16	Hampton Loft	West Kowloon	74,734
17	Lido Avenue	Tsuen Wan	9,836
18	Rhine Avenue	Tsuen Wan	14,604
		TOTAL	3,273,899

[1] Acquired on 9 January 2015

[2] Announced proposed divestment on 11 February 2015 and expected to be completed in early April 2015

REAL ESTATE INVESTMENT TRUSTS



The Metropolis Tower

PROSPERITY REIT

First private sector REIT in Hong Kong

Listed on 16 December 2005 on the HKEx, Prosperity REIT was the first private sector REIT listed in Hong Kong. It currently owns a diverse portfolio of eight high-quality office, commercial, industrial/office and industrial properties in the decentralised business districts of Hong Kong, with a total gross rentable area of approximately 1.4 million square feet.

Prosperity REIT is managed by ARA Asset Management (Prosperity) Limited, a wholly-owned subsidiary of ARA.



Prosperity Place

	PROPERTY	LOCATION	GROSS RENTABLE AREA (SQ FT)
1	The Metropolis Tower	Hung Hom	271,418
2	Prosperity Millennia Plaza	North Point	217,955
3	9 Chong Yip Street	Kwun Tong	136,595
4	Harbourfront Landmark (portion)	Hung Hom	77,021
5	Prosperity Place	Kwun Tong	240,000
6	Trendy Centre	Lai Chi Kok	173,764
7	Prosperity Center (portion)	Kwun Tong	149,253
8	New Treasure Centre (portion)	San Po Kong	86,168
		TOTAL	1,352,174





Prosperity Millennia Plaza


9 Chong Yip Street

REAL ESTATE INVESTMENT TRUSTS

AmFIRST REIT

A commercial REIT in Malaysia

Listed on 21 December 2006 on Bursa Malaysia, AmFIRST REIT is a commercial REIT listed in Malaysia.

AmFIRST REIT currently holds a portfolio of nine commercial properties in Malaysia, of which three are located within the Kuala Lumpur Golden Triangle area, one each in Petaling Jaya, Kelana Jaya, Subang Jaya and Melaka and two properties in Cyberjaya. It also manages a 332-room four-star rated hotel and a retail mall located in Subang Jaya.

AmFIRST REIT is managed by Am ARA REIT Managers Sdn Bhd, a joint venture (in which ARA holds an effective 30% interest) with AmInvestment Group Berhad (70% interest) in Malaysia.



Kompleks Tun Sri Lanang (also known as Jaya 99)



Bangunan AmBank Group


Menara AmFIRST



Prima 9

	PROPERTY	LOCATION	NET LETTABLE AREA (SQ FT)
1	Bangunan AmBank Group	Kuala Lumpur Golden Triangle	360,166
2	Menara AmBank	Kuala Lumpur Golden Triangle	458,187
3	AmBank Group Leadership Centre	Kuala Lumpur Golden Triangle	57,801
4	Wisma AmFIRST	Kelana Jaya	285,461
5	Menara AmFIRST	Petaling Jaya	159,001
6	The Summit Subang USJ	Subang Jaya	1,024,505
7	Prima 9	Cyberjaya	111,224
8	Prima 10	Cyberjaya	100,272
9	Kompleks Tun Sri Lanang (also known as Jaya 99)	Majlis Bandaraya Melaka Bersejarah	227,662
		TOTAL	**2,784,279**

REAL ESTATE INVESTMENT TRUSTS

CACHE LOGISTICS TRUST

Asia Pacific - focused logistics REIT in Singapore

Listed on the SGX-ST on 12 April 2010, Cache is a REIT that invests in income-producing real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific.

Cache's portfolio comprises 14 high quality logistics warehouse properties (including the ongoing BTS logistics warehouse development for DHL) strategically located in established logistics clusters in Singapore and China. The portfolio has a total gross floor area of approximately 6.1 million square feet and a portfolio value of approximately S$1.1 billion as at 31 December 2014.

On 27 February 2015, Cache acquired three distribution warehouses in Australia, its first investment into Australia.

Cache is managed by ARA-CWT Trust Management (Cache) Limited, a joint-venture REIT management company between ARA (60% interest) and CWT Limited (40% interest).



CWT Commodity Hub



C&P Changi Districentre


Schenker Megahub

	PROPERTY	LOCATION	GROSS FLOOR AREA (SQ FT)
1	CWT Commodity Hub	Penjuru/Pandan, Singapore	2,295,927
2	CWT Cold Hub	Penjuru/Pandan, Singapore	341,947
3	Schenker Megahub	Airport Logistics Park of Singapore	439,789
4	Hi-Speed Logistics Centre	Airport Logistics Park of Singapore	308,632
5	C&P Changi Districentre	Changi International LogisPark (South), Singapore	364,361
6	C&P Changi Districentre 2	Changi International LogisPark (South), Singapore	111,359
7	6 Changi North Way (APC Distrihub)	Changi International LogisPark (North), Singapore	176,955
8	4 Penjuru Lane (Kim Heng Warehouse)	Penjuru/Pandan, Singapore	54,449
9	22 Loyang Lane (Air Market Logistics Centre)	Loyang Industrial Park, Singapore	67,564
10	Pan Asia Logistics Centre	Changi International LogisPark (North), Singapore	196,990
11	Pandan Logistics Hub	Penjuru/Pandan, Singapore	329,112
12	15 Gul Way (Precise Two)	Jurong Industrial Estate, Singapore	284,384
13	Jinshan Chemical Warehouse	Shanghai Chemical Industry Park, China	145,816
14	DHL Supply Chain Advanced Regional Centre[1]	Tampines LogisPark, Singapore	989,224
15	127 Orchard Road, Chester Hill [2]	Sydney , Australia	278,034
16	16-28 Transport Drive, Somerton [2]	Melbourne, Australia	229,047
17	51 Musgrave Road, Coopers Plains [2]	Brisbane, Australia	102,172
		TOTAL	**6,715,762**

[1] Currently under development and expected to complete in the second half of 2015

[2] Acquired on 27 February 2015





Hi-Speed Logistics Centre



Pandan Logistics Hub

REAL ESTATE INVESTMENT TRUSTS


Beijing Oriental Plaza

HUI XIAN REIT

First listed RMB-denominated REIT

Listed on 29 April 2011, Hui Xian REIT is the first offshore RMB-denominated equity offering to be listed on the HKEx.

Hui Xian REIT's real estate portfolio spans across retail, office, serviced apartments and hotels in China, comprising the Beijing Oriental Plaza, Sofitel Shenyang Lido and Metropolitan Oriental Plaza which was acquired on 2 March 2015.

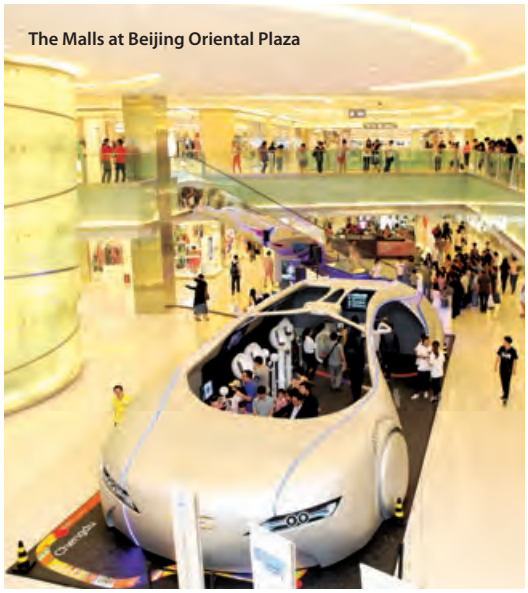
Beijing Oriental Plaza is one of the largest and most iconic mixed-use developments in Beijing with a combined gross floor area of approximately 8.5 million square feet. Sofitel Shenyang Lido is a five-star hotel in Shenyang offering 590 rooms. Metropolitan Oriental Plaza is an iconic mixed-use complex strategically located in Chongqing's Jiefangbei Central Business District with a combined gross floor area of approximately 1.8 million square feet.

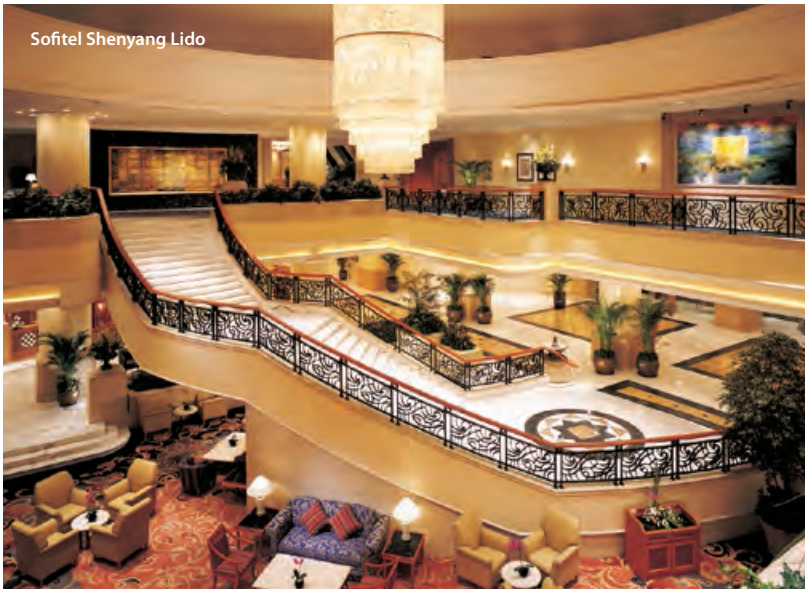
Hui Xian REIT is managed by Hui Xian Asset Management Limited, a joint venture between Cheung Kong Group (30% interest), CITIC Securities International Group Limited (40% interest) and ARA (30% interest).

	PROPERTY	LOCATION	GROSS FLOOR AREA (SQ FT)
1	Beijing Oriental Plaza (The Malls, The Tower Offices, The Tower Apartments, Grand Hyatt Beijing)	Beijing, China	8,471,833
2	Sofitel Shenyang Lido	Shenyang, China	847,615
3	Metropolitan Oriental Plaza (mall and office) [1]	Chongqing, China	1,769,156
		TOTAL	11,088,604

[1] Acquired on 2 March 2015


Beijing Oriental Plaza


The Malls at Beijing Oriental Plaza


Sofitel Shenyang Lido

REAL ESTATE INVESTMENT TRUSTS



CJ Cheil Jedang Center

ARA-NPS REITs

Privately-held REITs in South Korea

ARA currently manages two privately-held Korean REITs, namely ARA-NPS Real Estate Investment Company and ARA-NPS REIT No. 2, both of which are managed by ARA Korea Limited, a subsidiary of ARA incorporated in South Korea. The invested assets comprise commercial properties in Seoul with a total net floor area of approximately 1.5 million



YP Center

	PROPERTY	LOCATION	NET LETTABLE AREA (SQ FT)
1	ING Center	Seoul, South Korea	367,834
2	YP Center	Seoul, South Korea	231,059
3	CJ Cheil Jedang Center	Seoul, South Korea	860,605
		TOTAL	1,459,498



ING Center

square feet. The assets are mainly leased to anchor tenants for their main office operations. CJ Group is the anchor tenant for CJ Cheil Jedang Center whilst ING Life Korea is the anchor tenant for ING Center.

Both REITs are unlisted and mainly funded by the National Pension Service of Korea, one of the top five national pension funds in the world.

PRIVATE REAL ESTATE FUNDS

ARA Private Funds is one of the leading private equity real estate managers in Asia. A recipient of the 2012 PERE "Best Private Equity Real Estate Manager in Asia" award, ARA Private Funds has to date raised approximately US$3 billion in capital and invested in US$7 billion of retail, office, residential and meetings, incentives, conventions and exhibitions ("MICE") assets across Asia.

Embracing an investor-cum-operator philosophy, ARA Private Funds comprises an experienced team of over 600 real estate professionals located across 10 cities, to invest and manage properties in multiple asset classes across Asia for a broad range of investors, including public and private pension funds, sovereign wealth funds, endowment funds, global institutional investors and high-net-worth clients.

Placing investors' interests first, the focus and expertise is on adding value to the assets under management across the various stages of the life cycle - from deal sourcing and structuring, through asset enhancement, to disposition.

ARA Private Funds has established several franchises which represent different investment strategies catering to various investors' specific needs. Namely,

- **ARA Asia Dragon Funds - Pan-Asian opportunistic "blind pool" funds (the ADF I and the ADF II);**
- **ARA Investment Partners - Separate accounts for select investors (the ARA China Investment Partners, LLC ("CIP"), the MIP and the SIP)**
- **Club deals - (the ARA Harmony Fund and the Al Islamic Far Eastern Real Estate Fund)**
- **Development funds - Pan-Asian development funds (the SDF I)**

ARA ASIA DRAGON FUND

Flagship private real estate fund investing in Asia

Established in September 2007, the ADF I is the Group's flagship private real estate fund designed to provide a platform for global institutional investors to invest in a diversified portfolio of real estate investments in various growth economies of Asia. The fund has attracted a stellar group of institutional investors, including pension funds, endowment funds and a sovereign wealth fund. Leveraging on ARA's experience and intimate knowledge of real estate markets in Asia, the ADF I seeks to make strategic and opportunistic investments in a diversified portfolio located across Asia, with the goal of optimising total returns from a combination of income and capital appreciation. The investment mandate covers retail, office and residential real estate primarily in the main cities of China, Singapore, Hong Kong and Malaysia.

The ADF I is a closed-end fund with an aggregate capital commitment in excess of US$1.1 billion and has invested in 14 assets across four countries. The fund is currently in divestment phase.



Nanjing International Finance Center


Shanghai Ocean Towers

As the ADF I approached the end of its investment period, the Group established the ADF II, which adopts the same proven investment strategy of the ADF I. In 2012, the ADF II successfully closed with US$441 million in capital commitments.

To date, the ADF II has made investments in the retail, office and residential sectors in China and Malaysia.

ARA ASIA DRAGON FUND II

Successor fund to the ARA Asia Dragon Fund





Beijing Tongzhou Roosevelt Plaza

PRIVATE REAL ESTATE FUNDS



Dalian Roosevelt Plaza

ARA CHINA INVESTMENT PARTNERS

Core-plus private real estate fund investing in key cities in China

The CIP was established in June 2012 with an initial capital commitment of US$500 million. California Public Employees' Retirement System ("CalPERS") is the main investor, whereby upon full deployment of the initial capital commitment, additional capital commitments can be made at the investors' discretion.

Established to invest in prime income-producing office and retail properties in the key cities of China, the CIP has to date, invested in a large-scale shopping mall in China.



Kowloon Commerce Centre

The MIP was established in November 2013 with a capital commitment of US$240 million. A large United States public pension fund is its main investor and the fund is mandated to invest in income-producing office and retail properties primarily in Singapore and Hong Kong.

To date, the MIP has made investments in office and retail properties in Hong Kong.

MORNINGSIDE INVESTMENT PARTNERS

Value-add private real estate fund investing primarily in Singapore and Hong Kong



Golden Digital

PRIVATE REAL ESTATE FUNDS

STRAITS INVESTMENT PARTNERS

Separate account managing Straits Trading's real estate portfolio

The SIP was set up to manage the real estate portfolio belonging to Straits Trading, with a portfolio value of approximately S$830 million at inception. To date, the SIP has completed close to S$500 million in asset divestments.



Straits Trading Building


Good Class Bungalows

ARA SUMMIT DEVELOPMENT FUND I

Asia - focused development fund

The SDF I is an Asia-focused development fund established in May 2014 with a capital commitment of US$80 million, mandated to invest in real estate development projects with value enhancement potential in Australia and South East Asia. Straits Real Estate, the co-investment vehicle established by Straits Trading and Mr John Lim, are the anchor investors.




New retail lettable area in SSICEC

ARA HARMONY FUND

Private real estate fund investing in the award-winning Suntec Singapore Convention & Exhibition Centre

ARA HARMONY FUND I

The ARA Harmony Fund I ("Harmony I") was a single-asset private real estate fund established in September 2009 to acquire and manage SSICEC. Investors of Harmony I divested their interests in August 2011, achieving a gross IRR of 64.8%.


Suntec Singapore Convention & Exhibition Centre

ARA HARMONY FUND II

The ARA Harmony Fund II ("Harmony II") continued with new investors and the fund crossed its initial five-year term of its fund cycle on 30 September 2014. The successful implementation and completion of the asset enhancement initiative in 2013 transformed the asset and resulted in a significant uplift in the value and yield of the asset. Thus, over the initial five-year term, the fund achieved a gross IRR of 27.4% with an equity multiple of over 3.1x for its investors. Suntec REIT currently holds an effective 60.8% interest in the fund.

REAL ESTATE MANAGEMENT SERVICES



APM PROPERTY MANAGEMENT

APM Property Management Pte. Ltd. ("APM") is the Group's bespoke property management business, led by a team of dedicated professionals with years of leadership experience providing services for commercial real estate and retail mall management. APM's focused strengths lie in strategic marketing, retail business and office leasing as well as large scale project management. Development planning, retail advisory and consultancy, mall re-positioning and pre-opening services are the value-added services which APM provides in delivering its asset enhancement strategies. Over the last five years, APM's operations has spanned Singapore, China and Malaysia, managing approximately 13.5 million square feet of retail and commercial properties owned by Suntec REIT and ARA Private Funds.

In Singapore, APM is the property manager for Suntec City and is the managing agent of The Management Corporation Strata Title Plan No. 2197, responsible for the management and maintenance of the common property for Suntec City. Since 2012, APM has been the appointed project manager overseeing the major refurbishment of Suntec City into an even more vibrant and exciting shopping and destination for MICE. APM also manages Park Mall, an integrated office, lifestyle and home furnishing mall situated within the Orchard Road precinct.

In China, APM is the property manager for approximately 3.8 million square feet of prime retail and commercial space in Shanghai, Dalian and Beijing. In Malaysia, it provides property management, consultancy and project management services to approximately 5.9 million square feet of properties.

SUNTEC INTERNATIONAL

Suntec International Convention and Exhibition Services Pte. Ltd. ("Suntec International") is a wholly-owned subsidiary of ARA which provides a wide-ranging portfolio of services including but not limited to venue management, franchising and brand transfer opportunities as well as consultancy services, pre-opening and post-opening services specifically designed for the MICE and venue industries.

Leveraging on the expertise and success of the award-winning SSICEC, resident experts provide custom-designed solutions for clients by drawing upon their market knowledge and years of experience and success.



SUNTEC SINGAPORE

A wholly-owned subsidiary of ARA, Suntec Singapore comprises a team of highly driven and dedicated professionals with extensive local, regional and international experience in managing and hosting world-class events.

SSICEC has been recognised as the "World's Leading Meetings and Conference Centre" with the perfect location, the right space, a high level of flexibility and cutting-edge technology that is supported by qualified, motivated and service-orientated people.

With great versatility featuring 42,000 square metres of flexible customisable space, free Wi-Fi, digital signage, an excellent range of culinary choices and a dedicated team of service experts, this award-winning facility can cater to events from 10 to 10,000 persons.

Located at the heart of Asia's most integrated meetings, conventions and exhibitions hub and only 20 minutes from Changi International Airport, SSICEC is conveniently located in the Central Business District and just minutes from the city's entertainment and cultural attractions.

Seamlessly connected to over 5,200 five-star hotel rooms, 1,000 retail shops, 300 restaurants, 6 museums, a world-class performing arts centre and 7,000 parking spaces, SSICEC offers the convenience of first class accommodation and prime attractions for social activities all within a short 15-minute walk.





CORPORATE FINANCE ADVISORY SERVICES

GROUP INVESTMENT OFFICE

The Group Investment Office is responsible for corporate strategy and planning for all business expansion initiatives of ARA Group, including the establishment of new REITs, private funds and joint ventures and oversight of all mergers and acquisitions ("M&A") activities. Comprising ARA's corporate finance advisory division ARA Financial Pte. Ltd. ("ARA Financial"), and the group business development division including the respective Country Desks the Group Investment Office leads product development and implementation, deal sourcing and origination and all private capital raising efforts.

ARA FINANCIAL

ARA Financial is the Group's in-house corporate finance advisory division, which provides advisory services on capital markets and asset acquisitions in support of the investment management activities of all REITs managed by the Group.

GROUP BUSINESS DEVELOPMENT AND COUNTRY DESKS

Embracing a strong investor-focused philosophy, the Group Business Development team, together with ARA's Country Desks, is responsible for driving business and revenue growth and expanding ARA's industry relationships in the Asia Pacific region.



OUR PEOPLE

UNIFIED AND DETERMINED SPIRIT

Multi-platform expertise extended across 15 cities in the Asia Pacific,
with more than 1,100 dedicated professionals



BOARD OF DIRECTORS

01.

DR CHIU KWOK HUNG JUSTIN

Chairman and Non-Executive Director



Dr Chiu Kwok Hung Justin is the Founder Chairman and Non-Executive Director of the Company. He is also the chairman and non-executive director of ARA Asset Management (Fortune) Limited (the manager of Fortune REIT), and ARA Asset Management (Prosperity) Limited (the manager of Prosperity REIT). Fortune REIT is listed on the HKEx and SGX-ST while Prosperity REIT is listed on the Main Board of HKEx. Dr Chiu is also a director of ARA Fund Management (Asia Dragon) Limited (the manager of the ADF I). Dr Chiu was previously the chairman and non-executive director of ARA Trust Management (Suntec) Limited (the manager of Suntec REIT). Dr Chiu is a member of the standing committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a council member and a fellow of The Hong Kong Institute of Directors, a fellow of the Hong Kong Institute of Real Estate Administrators and a member of the Board of Governors of Hong Kong Baptist University Foundation.

Dr Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries and is one of the most respected professionals in the property industry in Asia. Dr Chiu is an executive director and member of the executive committee of CK Hutchison Holdings Limited, a company listed on HKEx since 18 March 2015, and an executive director of Cheung Kong Property Holdings Limited. Dr Chiu is also an executive director and member of executive committee of Cheung Kong (Holdings) Limited, whose listing status on HKEx was replaced by CK Hutchison Holdings Limited on 18 March 2015. He joined Cheung Kong (Holdings) Limited in 1997 and has been an executive director since 2000, heading the real estate sales, marketing and property management teams. Prior to joining Cheung Kong (Holdings) Limited, Dr Chiu was with Sino Land Company Limited from 1994 to 1997 and Hang Lung Development Company, Limited (now known as Hang Lung Group Limited) from 1979 to 1994, responsible for the leasing and property management in both companies. Both Sino Land Company Limited and Hang Lung Group Limited are listed on the Main Board of HKEx.

Dr Chiu holds Bachelor degrees in Sociology and Economics from Trent University in Ontario, Canada. Dr Chiu was conferred Doctor of Social Sciences, *honoris causa*, by the Hong Kong Baptist University in 2012. Dr Chiu was also conferred Doctor of Law, *honoris causa*, by Trent University in Ontario, Canada in 2013.

Mr John Lim is the Group Chief Executive Officer and Executive Director of ARA since its establishment. He is a non-executive director of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited (the manager of Suntec REIT), ARA Asset Management (Prosperity) Limited, ARA-CWT Trust Management (Cache) Limited (the manager of Cache) and Hui Xian Asset Management Limited (the manager of Hui Xian REIT). Suntec REIT and Cache are listed on the SGX-ST and Hui Xian REIT is listed on the Main Board of HKEx. Mr Lim is also the chairman of APM, Suntec Singapore and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an independent director and the chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited, the chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry, the managing director of Chinese Chamber Realty Private Limited and a director of the Financial Board of the Singapore Chinese Chamber of Commerce. He is also a member of the Consultative Committee to the Department of Real Estate, National University of Singapore.

Mr Lim has more than 30 years of experience in the real estate industry and has received many notable corporate awards. These include the Ernst & Young Entrepreneur Of the Year Singapore 2012, Ernst & Young Entrepreneur Of the Year – Financial Services 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.



02.

LIM HWEE CHIANG JOHN

Group Chief Executive Officer

BOARD OF DIRECTORS

03.

CHEW GEK KHIM

Deputy Chairman and Non-Executive Director

Ms Chew Gek Khim is the Deputy Chairman and Non-Executive Director of the Company and member of the Nominating and Remuneration Committees. She is also chairman of ARA Trust Management (Suntec) Limited. She has been the chairman of Straits Trading since 24 April 2008.

Ms Chew is also executive chairman of Tecity Group, which she joined in 1987, deputy chairman of the Tan Chin Tuan Foundation in Singapore and chairman of the Tan Sri Tan Foundation in Malaysia. She sits on the board of Singapore Exchange Limited and is a member of the Securities Industry Council of Singapore, the SSO Council and Board of Governors of S. Rajaratnam School of International Studies.

Ms Chew graduated from the National University of Singapore in 1984 and is a lawyer by training. She was awarded the *Chevalier de l'Ordre National du Mérite* in 2010.

04.

IP TAK CHUEN EDMOND

Non-Executive Director

Mr Ip Tak Chuen Edmond is a Non-Executive Director of the Company and member of the Remuneration Committee. He is also the non-executive director of ARA Asset Management (Fortune) Limited and Hui Xian Asset Management Limited.

Mr Ip is an executive director, deputy managing director and member of the executive committee of CK Hutchison Holdings Limited, a company listed on HKEx since 18 March 2015. He is also an executive director and deputy managing director of Cheung Kong Property Holdings Limited. He has been an executive director of Cheung Kong (Holdings) Limited, whose listing status on HKEx was replaced by CK Hutchison Holdings Limited on 18 March 2015, since 1993 and deputy managing director since 2005 as well as member of executive committee since 2013, responsible for overseeing all financial and treasury functions of Cheung Kong (Holdings) Limited and its subsidiaries, particularly in the fields of corporate and project finance. He has been an executive director of Cheung Kong Infrastructure Holdings Limited ("CK Infrastructure") since its incorporation in 1996 and deputy chairman since 2003, and the senior vice president and chief investment officer since 2002 and executive director since 2001 of CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences") respectively. He oversees matters relating to corporate finance, strategic acquisition and investment of both CK Infrastructure and CK Life Sciences. Mr Ip is also a non-executive director of TOM Group Limited ("TOM"), AVIC International Holding (HK) Limited ("AVIC"), Real Nutriceutical Group Limited (formerly known as Ruinian International Limited) ("Real Nutriceutical") and Shougang Concord International Enterprises



Company Limited ("Shougang"). CK Hutchison, CK Infrastructure, CK Life Sciences, TOM, AVIC, Real Nutriceutical and Shougang are listed on the Main Board of the HKEx. Mr Ip was previously a director of ARA Trust Management (Suntec) Limited.

Prior to joining Cheung Kong (Holdings) Limited, Mr Ip held a number of senior financial positions in major financial institutions and has extensive experience in the Hong Kong financial market covering diverse activities such as banking, capital markets, corporate finance, securities brokerage and portfolio investments.

Mr Ip holds a Bachelor of Arts in Economics and a Master of Science in Business Administration.

05.

LEE YOCK SUAN

Independent Non-Executive Director

Mr Lee Yock Suan is an Independent Non-Executive Director of the Company and chairman of the Audit Committee.

Mr Lee was elected as a Member of Parliament of Singapore in 1980 and remained a Member of Parliament until his retirement from politics in 2006. He was a Minister in the Singapore Cabinet from 1981 to 2004 and his portfolios included Finance, National Development, Education, Foreign Affairs, Information and the Arts, Trade and Industry, Environment and Labour. Mr Lee was also the chairman of the Singapore Labour Foundation from 1997 to 2002, deputy chairman of the People's Association from 1984 to 1991 and deputy managing director of the Petrochemical Corporation of Singapore Pte Ltd from 1980 to 1981. Mr Lee started his career in the Economic Development Board of Singapore in 1969.

Mr Lee holds a Bachelor of Science (First Class Honours) in Chemical Engineering from the Imperial College, London University and a Diploma in Business Administration from the University of Singapore. He was awarded the President's Scholarship in 1966.

06.

LIM HOW TECK

Independent Non-Executive Director

Mr Lim How Teck is an Independent Non-Executive Director of the Company and is the chairman of the Remuneration Committee with effect from 1 February 2015. He is also the chairman of ARA-CWT Trust Management (Cache) Limited, Heliconia Capital Management Pte. Ltd. and Swissco Holdings Ltd. Mr Lim is also an independent non-executive director of Mewah International Inc. and Rickmers Trust Management Pte Limited (trustee-manager of Rickmers Maritime), all of which are listed on SGX-ST. Mr Lim is also a governor of the Foundation for Development Cooperation.

Currently, Mr Lim is the chairman of Redwood International Pte. Ltd., an investment and consultancy company. From 1979 to 2005, Mr Lim was with Neptune Orient Lines Ltd ("NOL") where he held various positions including executive director, group chief financial officer, group chief operating officer and group deputy chief executive officer. He also held directorships in various subsidiaries, associated companies and investment interests of NOL. Prior to joining NOL, he was with Coopers & Lybrand, an international accounting firm and Plessey Singapore, a multinational trading and manufacturing company.

Mr Lim holds a Bachelor of Accountancy from the University of Singapore. He also completed the Corporate Financial Management Course and Advanced Management Programme at the Harvard Graduate School of Business. In addition, he is a fellow of the Chartered Institute of Management Accountants, Certified Public Accountants Australia, the Institute of Certified Public Accountants of Singapore and the Singapore Institute of Directors as well as an associate of the Australian Institute of Business Administration. Mr Lim was awarded the Public Service Star (BBM) and the Public Service Medal (PBM) by the Singapore Government in 2014 and 1999 respectively.

BOARD OF DIRECTORS

07.

COLIN STEVENS RUSSEL

Independent Non-Executive Director

Mr Colin Stevens Russel is an Independent Non-Executive Director of the Company and is the chairman of the Nominating Committee with effect from 1 February 2015. He is also an independent non-executive director of CK Infrastructure, CK Life Sciences and Husky Energy Inc..

Mr Russel is the founder and managing director of Emerging Markets Advisory Services Ltd., a company which provides advisory services on business strategy and planning, market development, competitive positioning and risk management. He is also the managing director of EMAS (HK) Limited. From 1972 to 2001, Mr Russel held various appointments in the Canadian Diplomatic Service, including ambassador to Venezuela, consul general in Hong Kong, director for China of the Department of Foreign Affairs (Ottawa), director for East Asia Trade (Ottawa), senior trade commissioner in Hong Kong, director for Japan Trade of the Department of External Affairs (Ottawa). He also served in the Canadian Trade Commissioner Service in Spain, Hong Kong, Morocco, the Philippines, London and India. Prior to that, Mr Russel was a project manager for RCA Limited in Canada, Liberia, Nigeria, Mexico and India and a development engineer with RCA Limited in Canada and with Associated Electrical Industries Limited in the United Kingdom.

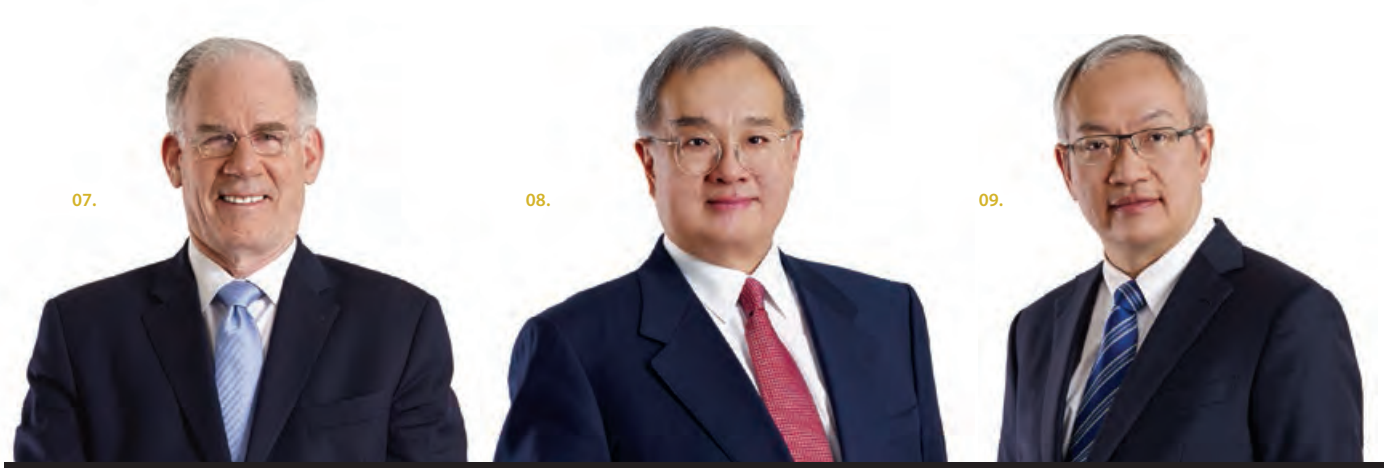
Mr Russel holds a degree in Electronics Engineering and a Master in Business Administration from McGill University, Canada. He is a qualified commercial mediator.

08.

CHENG MO CHI MOSES

Independent Non-Executive Director

Dr Cheng Mo Chi Moses is an Independent Non-Executive Director of the Company and member of the Audit, Nominating and Remuneration Committees. He is also an independent non-executive director of a number of public-listed companies which include China Mobile Limited, China Resources Enterprise



Limited, Towngas China Company Limited, Liu Chong Hing Investment Limited and Guangdong Investment Limited, all being public listed companies in Hong Kong. He is also a non-executive director of K.Wah International Holdings Limited, Kader Holdings Company Limited and Tian An China Investments Company Limited, all being public listed companies in Hong Kong. Dr Cheng is also the founder chairman of The Hong Kong Institute of Directors of which he is now the honorary president and chairman emeritus. Presently, Dr Cheng is the chairman of the Education Commission, the chairman of the Committee on Free Kindergarten Education, the chairman of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials, the chairman of the Advisory Committee on Post-service Employment of Civil Servants and the chairman of the Process Review Panel for the Securities and Futures Commission. Dr Cheng is also an active Rotarian and served as district governor of Rotary International District 3450 from 1993 to 1994. In addition, Dr Cheng is an active member of the Anglican Church and is the chancellor of the Province of the Hong Kong Sheng Kung Hui.

Dr Cheng is currently the senior partner of Messrs. P.C. Woo & Co., a law firm in Hong Kong. He served as a member of the Legislative Council of Hong Kong between 1991 and 1995 and was appointed a Justice of the Peace by the Hong Kong Special Administrative Region Government in 1996.

Dr Cheng holds a Bachelor of Laws from the University of Hong Kong, a Post-Graduate Certificate in Laws from the University of Hong Kong, a Doctor of Law from the Hong Kong Baptist University and the Hong Kong Lingnan University. Dr Cheng was awarded the Order of the British Empire ("OBE") by Her Majesty, the Queen of the United Kingdom in 1997 and the Gold Bauhinia Star medal by the Hong Kong Special Administrative Region Government in 2003.

09.

YAP CHEE KEONG

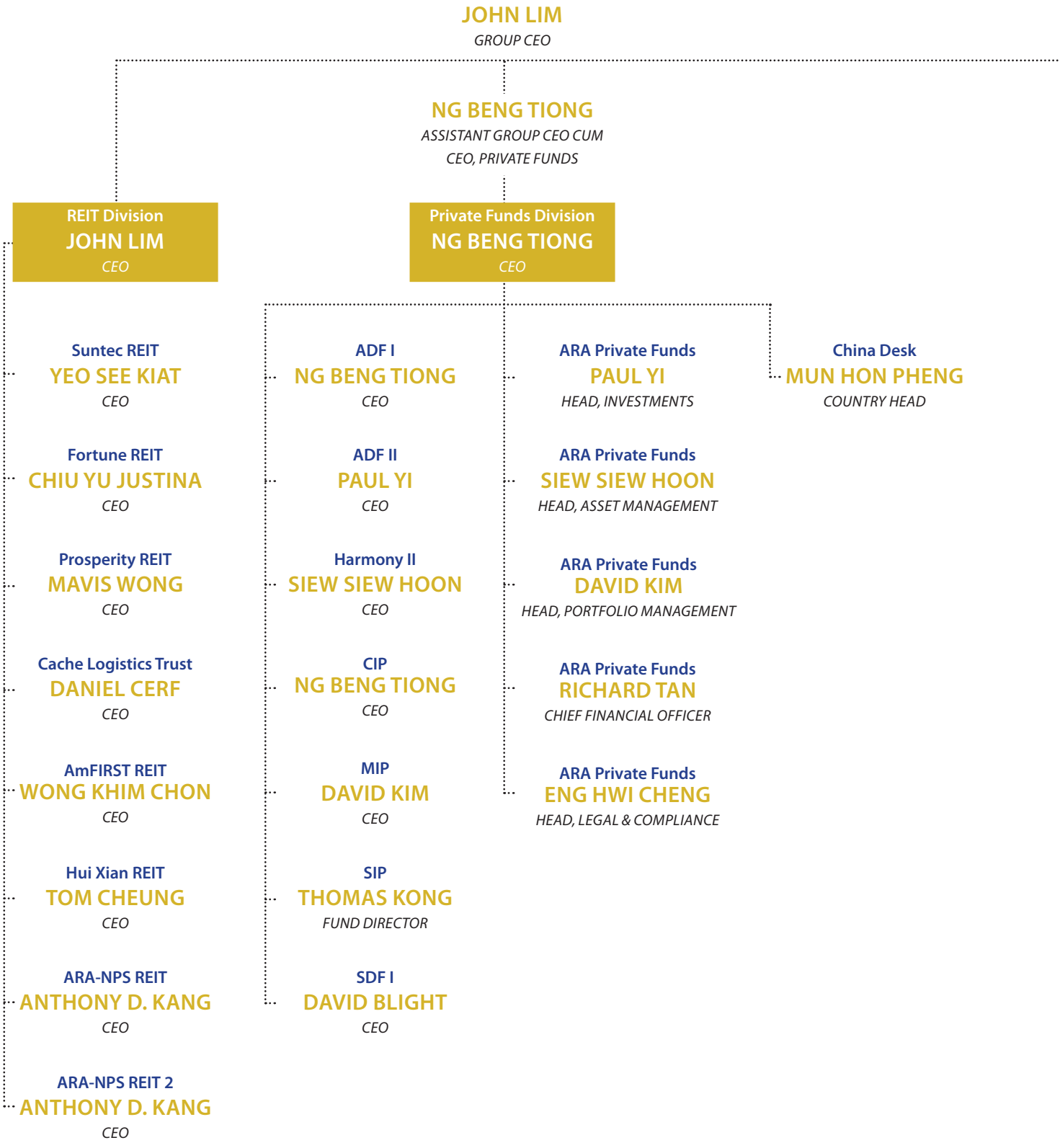
Non-Executive Director

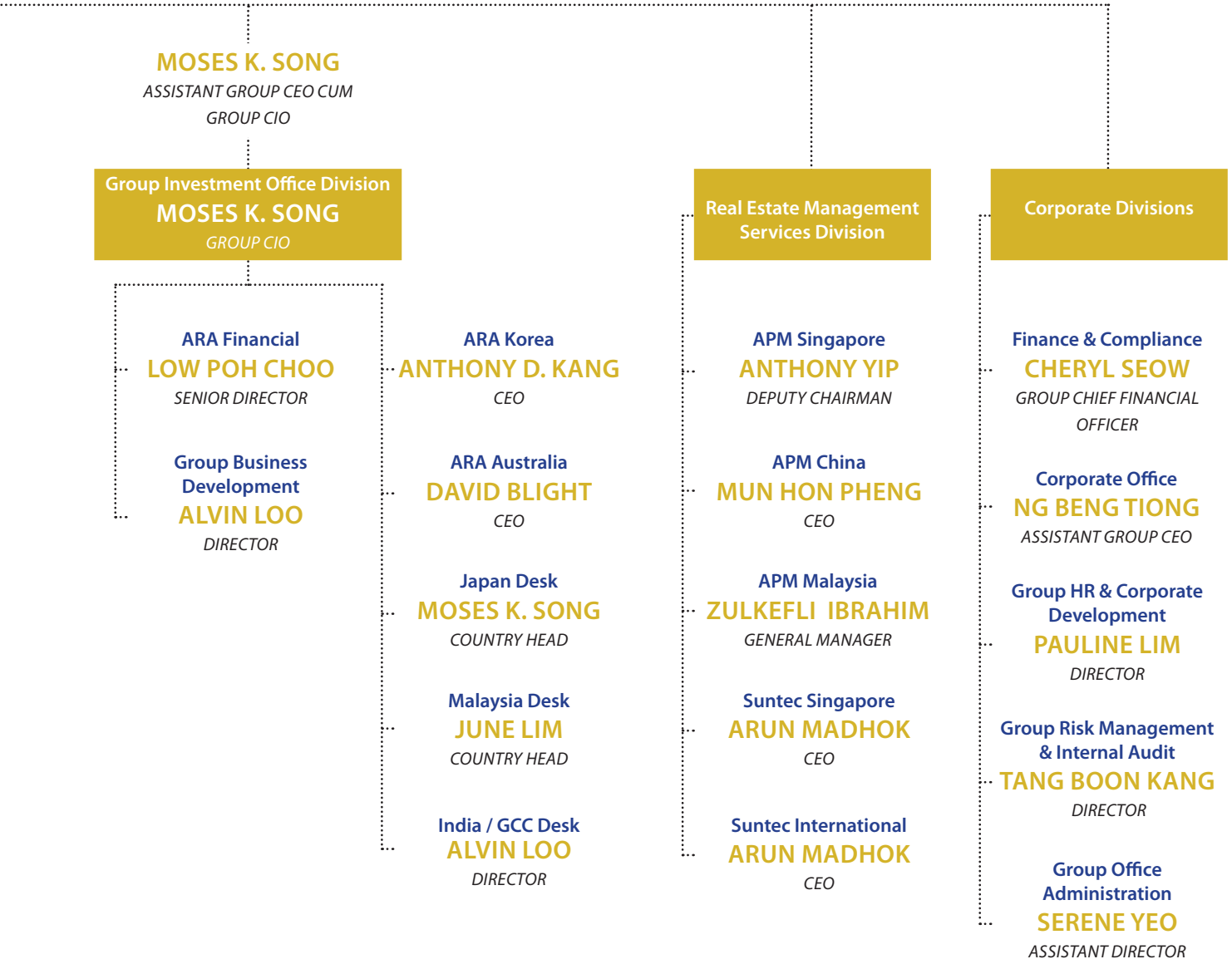
Mr Yap Chee Keong is the Non-Executive Director of the Company and a member of the Audit Committee. Mr Yap is the non-executive independent chairman of CityNet Infrastructure Management Pte. Ltd., the trustee manager of NetLink Trust. He is the lead independent director of Tiger Airways Holdings Ltd, an independent non-executive director of Citibank Singapore Limited, InterOil Corporation and Certis Cisco Security Pte Ltd and a non-executive director of Straits Trading. Mr Yap also serves as a board member of the Accounting and Corporate Regulatory Authority and as a member of the Public Accountants Oversight Committee.

Mr Yap was previously the executive director of Straits Trading and the chief financial officer of the Singapore Power Group. He had also held various senior management roles in multinational and listed companies.

Mr Yap holds a Bachelor of Accountancy from the National University of Singapore and is a fellow of the Institute of Singapore Chartered Accountants and Certified Public Accountants Australia.

MANAGEMENT TEAM STRUCTURE




MOSES K. SONG
ASSISTANT GROUP CEO CUM
GROUP CIO
Group Investment Office Division
MOSES K. SONG
GROUP CIO
ARA Financial
LOW POH CHOO
SENIOR DIRECTOR
Group Business Development
ALVIN LOO
DIRECTOR
ARA Korea
ANTHONY D. KANG
CEO
ARA Australia
DAVID BLIGHT
CEO
Japan Desk
MOSES K. SONG
COUNTRY HEAD
Malaysia Desk
JUNE LIM
COUNTRY HEAD
India / GCC Desk
ALVIN LOO
DIRECTOR
Real Estate Management Services Division
APM Singapore
ANTHONY YIP
DEPUTY CHAIRMAN
APM China
MUN HON PHENG
CEO
APM Malaysia
ZULKEFLI IBRAHIM
GENERAL MANAGER
Suntec Singapore
ARUN MADHOK
CEO
Suntec International
ARUN MADHOK
CEO
Corporate Divisions
Finance & Compliance
CHERYL SEOW
GROUP CHIEF FINANCIAL OFFICER
Corporate Office
NG BENG TIONG
ASSISTANT GROUP CEO
Group HR & Corporate Development
PAULINE LIM
DIRECTOR
Group Risk Management & Internal Audit
TANG BOON KANG
DIRECTOR
Group Office Administration
SERENE YEO
ASSISTANT DIRECTOR

MANAGEMENT TEAM

NG BENG TIONG

Assistant Group Chief Executive Officer
ARA Asset Management Limited

Chief Executive Officer
ARA Private Funds

Chief Executive Officer
ARA Asia Dragon Fund

Chief Executive Officer
ARA China Investment Partners, LLC

Mr Ng Beng Tiong is the assistant group chief executive officer of ARA, overseeing ARA Private Funds, China and corporate office. Under his concurrent appointment of chief executive officer of ARA Private Funds, he oversees all the private real estate funds in the ARA Group and is a member of the ARA Private Funds investment committee. Mr Ng also oversees ARA Group's China business and operations. In addition, he oversees the Group's human resource, corporate development and administration departments.

Prior to joining the Group, from 2003 to 2007, Mr Ng was the finance director of Low Keng Huat (Singapore) Ltd, a property, construction and hotel group listed on the SGX-ST. He was a director of Stone Forest M&A Pte. Ltd., a mergers and acquisitions advisory company from 2002 to 2003 and director of corporate planning and business development at Labroy Marine Limited, a shipping, shipbuilding and marine engineering company listed on the SGX-ST from 1997 to 2002. Mr Ng began his career with DBS Bank Ltd in 1989, initially as a corporate banker and subsequently as an investment banker.

Mr Ng holds a Master of Engineering (Software Engineering) (First Class Honours) from the Imperial College, London. He is also a CFA charterholder.

MOSES K. SONG

Assistant Group Chief Executive Officer
ARA Asset Management Limited

Group Chief Investment Officer
ARA Asset Management Limited

Mr Moses Song is the assistant group chief executive officer of ARA, responsible for leading the Group's corporate business expansion initiatives and overseeing the Group's regional operations in Korea, Australia and new markets. He holds the concurrent appointment of group chief investment officer and heads ARA's Group Investment Office where he leads the firm's private capital fundraising efforts and new product development. Mr Song serves on the investment and executive committees of ARA Private Funds and is an alternate director to Mr Lim Hwee Chiang John on the board of ARA-CWT Trust Management (Cache) Limited. He is also an executive board member of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV).

Prior to joining the Group, Mr Song was a principal and chief operating officer at Lubert-Adler Asia Advisors Pte. Ltd., the Asia investment platform of United States-based real estate private equity firm Lubert-Adler Partners L.P., where he was responsible for North Asia investment opportunities and with Marathon Asset Management (Singapore) Pte. Ltd. as managing director responsible for real estate finance and investments in Asia. He was based in Hong Kong from 2004 to 2007 with Merrill Lynch (Asia Pacific) Ltd. as a director in the global commercial real estate group and Morgan Stanley Asia Ltd. as a vice-president of Morgan Stanley International Real Estate Funds. Mr Song began his career as a corporate and real estate finance attorney in the United States. He moved to Asia in 2000 as a seconded attorney to Morgan Stanley International Real Estate Funds in Tokyo, Japan and was appointed general counsel of Morgan Stanley's real estate asset management platform in Korea in 2001.

Mr Song holds a Juris Doctor from the Vanderbilt University School of Law and a Bachelor of Science in Economics from Centre College. He is a member of the State Bar of Texas (inactive status).

YEO SEE KIAT

Chief Executive Officer

ARA Trust Management (Suntec) Limited, manager of Suntec REIT

Mr Yeo See Kiat is the chief executive officer and executive director of ARA Trust Management (Suntec) Limited. He is also a director of One Raffles Quay Pte. Ltd. and Suntec Harmony Pte. Ltd.. Mr Yeo is also a Partners' Representative of BFC Development LLP (formerly known as BFC Development Pte. Ltd.).

Mr Yeo has more than 30 years of experience in the real estate industry, managing and overseeing various joint-venture projects with Hwa Hong Corporation Limited, The Wharf Group, Parkway Holdings Limited and CapitaLand Limited. He has held senior management positions over the last 25 years. Mr Yeo began his career in Turquand Young (now Ernst & Young) and was with the firm from 1976 to 1980.

Mr Yeo holds a Bachelor of Accountancy from the University of Singapore and a Graduate Diploma in Management Studies from the Singapore Institute of Management. He is also a chartered accountant.

CHIU YU JUSTINA

Chief Executive Officer

ARA Asset Management (Fortune) Limited, manager of Fortune REIT

Ms Chiu Yu Justina, is the chief executive officer and executive director of ARA Asset Management (Fortune) Limited, responsible for the overall performance and direction of Fortune REIT.

Prior to her current appointment, she was the deputy chief executive officer of the manager responsible for day-to-day management of Fortune REIT from 2010 to 2015 and the chief operating officer of the manager overseeing strategic planning, investment, asset management and investor relations from 2009 to 2010.

Ms Chiu holds a Master of Science degree in Real Estate Economics and Finance, a Bachelor of Science degree in Accounting and Finance, a Postgraduate Certificate in Laws and a Postgraduate Diploma in Law. She is also a solicitor of the High Court of Hong Kong Special Administrative Region, a CFA Charterholder, a member of the American Institute of Certified Public Accountants and a member of the 13th Changzhou Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

MAVIS WONG

Chief Executive Officer

ARA Asset Management (Prosperity) Limited, manager of Prosperity REIT

Ms Mavis Wong is an executive director, the chief executive officer and a responsible officer of ARA Asset Management (Prosperity) Limited. Ms Wong has led and/or been a key member of the investment and asset management team since Prosperity REIT was listed in December 2005. Prior to her appointment as the acting chief executive officer and subsequently chief executive officer on 1 January 2013, Ms Wong was the director, investment and asset management overseeing the business plans of Prosperity REIT's properties including leasing, property management and asset enhancement strategies and was responsible for investment strategy and policy.

Ms Wong has over 20 years of real estate industry experience. Prior to joining the Group, she worked in the leasing, marketing and asset/property management departments of various developers, management companies and corporations including Cheung Kong (Holdings) Limited, New World

MANAGEMENT TEAM

Development Company Limited, Jardine Matheson & Co., Limited, Goodwill Management Limited (a wholly-owned subsidiary of Henderson Land Development Company Limited) and Yaohan Department Store (HK) Limited. Ms Wong is a member of The Hong Kong Institute of Directors.

Ms Wong holds a Bachelor of Arts degree from the Chinese University of Hong Kong, a Postgraduate Certification in HK Law from City University of Hong Kong and a Diploma in Property Development from SPACE, University of Hong Kong.

DANIEL CERF

Chief Executive Officer

ARA-CWT Trust Management (Cache) Limited, manager of Cache Logistics Trust

Mr Daniel Cerf is the chief executive officer of ARA-CWT Trust Management (Cache) Limited.

Mr Cerf has close to 30 years of experience in the real estate sector in Asia involving property development, investment and management consulting in Singapore, Hong Kong, China, Malaysia, Thailand, Philippines, Vietnam and Indonesia. Prior to joining the manager, Mr Cerf was the deputy chief executive officer of Keppel REIT Management Limited.

Mr Cerf was formerly a practising architect and holds a Bachelor of Architecture Degree (Dean's List) from the University of Oklahoma, USA, with emphasis on urban planning and architectural development.

WONG KHIM CHON

Chief Executive Officer

Am ARA REIT Managers Sdn. Bhd., manager of AmFIRST REIT

Mr Wong Khim Chon is the chief executive officer of Am ARA REIT Managers Sdn. Bhd..

Mr Wong has more than 30 years of experience in the real estate industry, in areas of building and civil construction, property development, project management and property management, including property-related asset management for a life insurance company.

Prior to joining the manager, his last position was senior general manager, property with Hap Seng Consolidated Berhad, a well-diversified public listed group of companies with business activities in both East Malaysia and Peninsular Malaysia. He was then head of the property management and leasing department, responsible for the group's investment properties in Peninsular Malaysia in addition to overseeing the sales and marketing department for commercial and residential properties in the property development business unit.

Mr Wong holds a Master of Business Administration Degree from the University of Strathclyde, Glasgow, Scotland, a Bachelor of Engineering (Hons) Degree in Civil Engineering from the University of Malaya and a postgraduate Diploma in Accounting and Finance from ACCA, United Kingdom.

TOM CHEUNG

Chief Executive Officer

Hui Xian Asset Management Limited, manager of Hui Xian REIT

Mr Tom Cheung is the chief executive officer and executive director of Hui Xian Asset Management Limited. He is also a responsible officer of the manager. Mr Cheung has held the position of chief operating officer since the listing of the units of Hui Xian REIT on HKEx in April 2011. Mr Cheung is also the general manager of Beijing Oriental Plaza Co., Ltd. ("BOP"), the Sino-foreign cooperative joint venture company through which Hui Xian REIT's investment in Beijing Oriental Plaza is held.

Mr Cheung has over 20 years of experience in real estate, encompassing office, retail and residential properties. He began his career at BOP as the general manager of the Tower Apartments at Beijing Oriental

Plaza in 2001 and assumed the role of general manager of The Tower Offices at Beijing Oriental Plaza in 2005. He became general manager of business development for the entire complex in 2006, before assuming the position of general manager of BOP in 2009. Prior to joining BOP, Mr Cheung spent seven years in Shanghai, where, as general manager, he set up the first Mainland China branch in Shanghai for CB Richard Ellis (now known as CBRE). Mr Cheung was previously involved in the sales, leasing and marketing of over 20 real estate projects located throughout Mainland China, including Shanghai, Guangzhou, Shenzhen, Hangzhou and Huizhou.

Mr Cheung holds a Bachelor of Business Administration in Finance and a Master's degree in Business Administration.

ANTHONY D. KANG

Chief Executive Officer
ARA Korea Limited,
manager of ARA-NPS REIT and ARA-NPS REIT No. 2

Country Head, Korea
ARA Asset Management Limited

Mr Anthony Kang is the chief executive officer and representative director on the board of ARA Korea Limited. He is also country head of ARA's Korea desk. Mr Kang leads ARA's activities in Korea, ranging from REIT management to private capital fundraising initiatives involving Korean investors.

Prior to ARA's acquisition of ARA Korea Limited (formerly a Macquarie Group-owned company known as Macquarie Real Estate Korea Limited) in April 2014, Mr Kang was chief executive officer as well as representative director of the company since 2010. During his time at Macquarie, he also served as a board member of Macquarie Asia Property Advisers Limited and six other Macquarie-controlled companies domiciled around the globe. Prior to joining Macquarie, he was with the Global Principal Investment Division at Merrill Lynch in Hong Kong and the Global Real Estate Group at Lehman Brothers in Tokyo. Mr Kang began his career as a corporate and real estate attorney and had worked in several major law firms based in Boston, Hong Kong and Seoul.

Mr Kang holds a Master's degree in Real Estate and Urban Development from Harvard University, a Juris Doctor degree from Boston College Law School and a Bachelor of Arts degree in Economics from Columbia University. Mr Kang also serves as a board member on The Korea Association of Real Estate Investment Trusts as well as LeeHeeJo Scholarship Foundation. He is also a member of The Alumni Representative Committee of Columbia University and The State Bar of Massachusetts (USA).

PAUL YI

Head of Investments
ARA Private Funds

Chief Executive Officer
ARA Asia Dragon Fund II

Mr Paul Yi is the head of investments for ARA Private Funds. He holds the concurrent appointment of chief executive officer of ARA Managers (Asia Dragon II) Pte. Ltd..

Prior to joining the Group, Mr Yi was based in Tokyo from 2005 to 2008 as a managing director at Capmark Finance Inc., responsible for the company's business development and funds management platform in Asia. From 2000 to 2005, Mr Yi was based in Seoul and Hong Kong with Merrill Lynch (Asia) as a director in the global principal investments group covering real estate investment activities in Asia ex-Japan. Mr Yi also worked for Blackrock Inc. from 1998 to 2000 as an associate. Mr Yi began his career in the United States, as an analyst at PNC Bank N.A in 1996.

Mr Yi holds a Master of Business Administration and Bachelor degree, both from the Pennsylvania State University, USA.

MANAGEMENT TEAM

SIEW SIEW HOON

Head of Asset Management
ARA Private Funds

Chief Executive Officer
ARA Harmony Fund

Ms Siew Siew Hoon is the head of asset management of ARA Private Funds where she is responsible for the overall asset management of the ARA Private Funds. She holds the concurrent appointment of chief executive officer of ARA Managers (Harmony) Pte. Ltd..

Ms Siew has more than 25 years of experience in the marketing, sales, leasing and management of real estate in both Singapore and Australia. She joined ARA in 2004, managing the Al Islamic Far Eastern Real Estate Fund which was fully divested in 2007. Prior to joining the Group, Ms Siew was the marketing manager of The Land Managers (S) Pte. Ltd., where she was involved in the development, sales and marketing of residential properties in Singapore. Prior to that, she was with SLF Management Service Pte Ltd, a subsidiary of the Singapore Labour Foundation, which provided project & property management, marketing and leasing services to the companies under the Foundation and related entities. Ms Siew began her career with the Far East Organization, one of the largest property developers in Singapore.

Ms Siew holds a Bachelor of Science (Estate Management) from the National University of Singapore.

DAVID KIM

Head of Portfolio Management
ARA Private Funds

Chief Executive Officer
Morningside Investment Partners, LLC

Mr David Kim is the head of portfolio management for ARA Private Funds, responsible for portfolio management and investor relations for ARA Private Funds. He holds the concurrent appointment of chief executive officer of the MIP.

Mr Kim has more than 15 years of real estate industry experience. Prior to joining the Group, Mr Kim was a managing director and chief operating officer of the Blackstone Group Asia based in Hong Kong where he was responsible for portfolio management. From 2000 to 2010, Mr Kim was a managing director and chief operating officer in the real estate principal investments group in Bank of America Merrill Lynch where he oversaw the launch and establishment of Bank of America Merrill Lynch's US$2.65 billion pan-Asian opportunity fund. Prior to that, Mr Kim was an analyst at Morgan Stanley in its mergers and acquisitions department and had started his career as an analyst at JP Morgan in its capital markets group in 1998.

Mr Kim holds a Bachelor of Science in Business Administration, a Bachelor of Arts in Economics and a minor in Asian Studies, both from the University of California, Berkeley, USA.

THOMAS KONG

Director, Asset Management
ARA Private Funds

Fund Director
Straits Investment Partners

Mr Thomas Kong is the director, asset management of ARA Private Funds. He holds the concurrent appointment of fund director of the SIP.

Mr Kong was actively involved in setting up the ADF I and has held various key positions including investment director and portfolio management director in the ADF. Prior to that, he was the fund manager for the Al Islamic Far Eastern Real Estate Fund, which was fully divested in 2007. He was also actively involved in the listing of Prosperity REIT in Hong Kong and AmFirst REIT in Malaysia in 2005 and 2006 respectively.

Prior to joining the Group, Mr Kong was with CapitaLand Group, one of the largest listed real estate developers in Southeast Asia, for over four years. He held positions in investments, business development and asset management, with the last position as vice president at TCC Capital Land, a joint venture between CapitaLand and T.C.C. Limited, a Thai conglomerate group. Mr Kong began his career with the Wing Tai Group, a listed real estate developer based in Singapore in 1996.

Mr Kong holds a Bachelor of Business Degree (Financial Analysis) from Nanyang Technological University, Singapore. He is also a CFA charterholder.

DAVID BLIGHT

Chief Executive Officer
ARA Australia

Chief Executive Officer
ARA Summit Development Fund I

Mr David Blight is the country head of ARA's Australia desk and is also the chief executive officer and director of ARA Australia, responsible for ARA's business expansion initiatives in Australia. He holds the concurrent appointment of chief executive officer of SDF I.

Mr Blight has more than 30 years of experience in real estate and global funds management. He is currently a non-executive independent director of Japara Healthcare Ltd listed on the Australian Securities Exchange ("ASX") and a director of Woodcliff Capital Pty Ltd, a private investment and management company. Mr Blight is also the founding chairman and non-executive director of Asia Pacific Real Estate Association (Australia).

Prior to joining the Group, he was the group managing director and chief executive officer of APN Property Group, a real estate fund manager listed on ASX. Prior to that, he had spent close to 20 years with ING Real Estate, where he was the managing director, then global chairman and chief executive officer of ING Real Estate Investment Management and subsequently vice chairman of ING Real Estate in the Netherlands. Mr Blight began his career with Edward Rushton Son & Kenyon (Australasia) Pty Ltd., Sydney, Australia.

Mr Blight holds a Bachelor of Applied Finance in Valuation from the University of Adelaide, Australia.

RICHARD TAN

Chief Financial Officer
ARA Private Funds

Mr Richard Tan is the chief financial officer of ARA Private Funds, responsible for the financial and treasury functions for all the private funds managed by the Group.

Prior to this, Mr Tan was the senior director, finance of ARA Trust Management (Suntec) Limited since 2008, where he had assisted its chief executive officer on all accounting, finance, treasury and capital management functions.

Mr Tan has more than 35 years of financial management experience in the banking and IT industries. He was previously the regional finance director and business manager for Hewlett-Packard's Sales & Marketing Division in South East Asia. Prior to joining the IT industry, Mr Tan also held various senior positions in banking both in Singapore and Hong Kong for over 18 years. He was the finance director of Schroders Singapore and was head of finance & operations for an investment bank in Hong Kong. Mr Tan had also held the position of country operations manager for American Express Bank Singapore.

Mr Tan holds a Bachelor of Accountancy Degree from the National University of Singapore.

MANAGEMENT TEAM

ENG HWI CHENG

Head of Legal & Compliance
ARA Private Funds

Ms Eng Hwi Cheng holds the position of head, legal and compliance of ARA Private Funds. She is responsible for the legal, corporate secretarial and compliance functions of ARA Private Funds.

Ms Eng has been with the Group for more than seven years and has more than 20 years of experience in the legal industry. Prior to joining the ARA Group, Ms Eng was the assistant vice-president, group legal and corporate secretariat at Ascendas Land (Singapore) Pte Ltd, a wholly-owned subsidiary of Jurong Town Corporation from 2005 to 2008. She started her career as an in-house counsel with Singapore Technologies Group of Companies for the period 2001 to 2005. Prior to becoming an in-house legal counsel, Ms Eng was a practising lawyer in the Conveyancing Department of Messrs Lee & Lee from 1993 to 2001 and in the Litigation Department of Messrs J S Yeh & Co from 1991 to 1993.

Ms Eng holds a Master of Laws from University of London and a Bachelor of Laws from National University of Singapore. She is currently a member of the Singapore Academy of Law.

LOW POH CHOO

Senior Director
ARA Financial Pte. Ltd.

Ms Low Poh Choo is the senior finance director of ARA Trust Management (Suntec) Limited. She oversees the finance team on finance, treasury and capital management functions for Suntec REIT and advises internally on corporate finance matters within the ARA Group.

Prior to joining the Group, Ms Low was vice president of global financial markets (asset backed structured products) at DBS Bank Ltd from 2003 to 2006. She was with the REIT origination team, where she had evaluated, advised, structured and marketed various primary and secondary REIT offerings. Ms Low began her career as an equity analyst and has had 17 years of experience in the field, including 11 years as a specialist in the real estate sector.

Ms Low holds a Bachelor of Arts from the University of California, Berkeley, USA.

ALVIN LOO

Director, Group Business Development
ARA Asset Management Limited

Mr Alvin Loo is the director, group business development of ARA, responsible for all business development within the Group including REIT initiatives, private fund products and new platforms. Mr Loo is also responsible for assisting the Group in capital raisings and M&A.

Prior to joining ARA, Mr Loo was an executive director in the Commercial Real Estate team in Standard Chartered Bank ("SCB"). Mr Loo helped build up SCB's real estate banking business, spending his first year in SCB in Singapore and the last four and a half years in Hong Kong covering the Greater China real estate sector. Prior to joining SCB, Mr Loo was an associate director of the real estate, lodging and leisure group at UBS, Singapore from 2006 to 2009. He began his career as a management associate of global financial markets (asset back structured products) at DBS Bank in 2005. In his 10 years covering investment banking in the real estate sector across Singapore, Hong Kong and China, Mr Loo has originated, structured and executed significant equity, debt and

M&A transactions, including close to 10 REIT initial public offerings listed on the Singapore and Hong Kong stock exchanges.

Mr Loo holds a Bachelor of Accountancy from Nanyang Technological University, Singapore.

MUN HON PHENG

Chief Executive Officer
Asia Property Management (China) Limited

Country Head, China
ARA Asset Management Limited

Mr Mun Hon Pheng is the chief executive officer of Asia Property Management (China) Limited. He is also the country head of ARA's China desk.

Prior to joining the Group, Mr Mun operated a boutique advisory business specialising in advising Singapore companies on cross border acquisition opportunities in China particularly in the acquisition of commercial properties. Mr Mun began his career in banking with the SIMBL, a joint venture merchant bank between a UK merchant bank and OCBC in 1982. He subsequently joined the First National Bank of Chicago where he served for eight years, including four years in Beijing, China as the bank's representative and three years in Hong Kong heading the bank's China group. He was also an executive director of Singapore-listed company, Aztech Systems Ltd, an information technology company.

Mr Mun holds a Bachelor of Commerce (Accounting and Information Systems) from the University of New South Wales, Australia and a Master of Business Administration from the Australian Graduate School of Management, Australia. He is also a member of the Chartered Institute of Arbitrators (United Kingdom) and fellow of the Singapore Institute of Arbitrators.

JUNE LIM

Country Head, Malaysia
ARA Asset Management Limited

Director, Asset Management
ARA Private Funds

Ms June Lim is the country head of ARA's Malaysia Desk and holds the concurrent appointment of director, asset management of ARA Private Funds, responsible for the overall asset management of the retail assets in Malaysia, comprising Klang Parade, Ipoh Parade, 1 Mont Kiara, Citta Mall and AEON Melaka.

Ms Lim has more than 15 years of real estate experience. Prior to joining the Group, Ms Lim was the head of retail department with PT Jones Lang LaSalle, where she oversaw two development projects for the Lippo Group. In addition, she had planned the overall tenancy mix and determined the positioning of mall projects, whilst working closely with the project department to fine-tune floor plans for its shopping malls.

Prior to that, Ms Lim was the senior manager, retail sector head of City Developments Ltd and the general manager (marketing and promotions) of PT Grand Indonesia. Ms Lim had started her career with CB Richard Ellis in 1996.

Ms Lim holds a Bachelor of Science (Estate Management) from National University of Singapore.

MANAGEMENT TEAM

ANTHONY YIP

Deputy Chairman
APM Property Management Pte. Ltd.

Chairman
Asia Property Management (China) Limited

Mr Anthony Yip is the deputy chairman of APM. He holds the concurrent appointment as the chairman of Asia Property Management (China) Limited.

Mr Yip has more than 30 years of experience in the real estate sector focusing on mixed-used developments, the hospitality industry as well as in the education sector. Prior to joining the Group, Mr Yip was the chief executive of Shatec Institutes Pte. Ltd, a hospitality and culinary institution. He was director (retail management) at Far East Organization, director and general manager of Tincel Properties, which, until 2006, owned the Raffles City development in Singapore and concurrently general manager of RC Hotels, which had held the lease of the 2,000-room hotel and convention centre in Raffles City. Mr Yip was the senior vice president, planning and business development for Raffles Holdings Limited (RHL) and Raffles International and had played a key role in growing the Raffles portfolio to 13,000 rooms internationally. He was the president of the Shopping Centre Association of Singapore and had served on the Singapore National Family Council.

Mr Yip holds a Masters in Business Administration from the National University of Singapore and Bachelor of Engineering (Civil) from University of Auckland, New Zealand.

ZULKEFLI IBRAHIM

General Manager
APM Premier Project Management (M) Sdn. Bhd.

Mr Zulkefli Ibrahim is the general manager of APM Premier Project Management (M) Sdn. Bhd., overseeing the operations of retail assets in Malaysia.

Mr Zulkefli has more than 30 years of experience in property management, spanning various sectors including retail, residential and office development. Prior to joining the Group, Mr Zulkefli was the head of group retail assets development with Malaysian Resources Corporation Berhad, where he had spearheaded the development of Nu Sentral, Sooka Sentral and Plaza Alam Sentral. Prior to that, he was general manager of Metro Giant Sdn Bhd and Megajaya Properties, following various upper-level management roles in Sunway City Berhad, Harta Consult Sdn Bhd and Pelangi Berhad, to name a few.

Mr Zulkefli holds a Bachelor of Science in Housing, Building and Planning from Universiti Sains Malaysia and a Postgraduate Diploma in System Analysis from Universiti Teknologi MARA, Malaysia.

ARUN MADHOK

Chief Executive Officer
Suntec Singapore International Convention & Exhibition Services Pte. Ltd.

Chief Executive Officer
Suntec International Convention & Exhibition Services Pte. Ltd.

Mr Arun Madhok is the chief executive officer of Suntec Singapore and Suntec International.

Mr Madhok joined Suntec Singapore in 2009 as the director of business development and was promoted to the position of chief operating officer at the beginning of 2012. Mr Madhok had spearheaded the review of the venue's operational activities and implemented changes, enabling the venue to maintain its reputation as a world class venue. He has also been instrumental in developing and leading the modernisation programme that was completed in 2013.

Prior to his appointment at Suntec Singapore, Mr Madhok had garnered extensive experience in the airline and computer industries. His expertise includes strong change management and strategic planning in the area of business development, customer service, operations and information technology. His strong business acumen led to significant growth in several major new markets across Eastern Europe, Mediterranean and North Africa during his tenure with British Airways.

Mr Madhok is a graduate of the Spicer Memorial College and the Osmania University in India.

CHERYL SEOW

Group Chief Financial Officer

Group Finance

Ms Cheryl Seow is the group chief financial officer. Ms Seow heads the finance team and has direct oversight of the functions of the treasury, financial reporting and controls, risk management, special strategic projects, tax and investor relations.

Prior to joining the Group, Ms Seow established and ran her own boutique consultancy firm providing accounting and consultancy services to small and medium enterprises. She had also held senior finance positions in various companies listed on the SGX-ST. She was the deputy financial controller and company secretary of L.C. Development Ltd and was with Royal Sporting House and Lum Chang Holdings Limited. Ms Seow began her career with Deloitte Touche Tohmatsu, Singapore in 1988.

Ms Seow holds a Bachelor of Accountancy from the National University of Singapore and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

PAULINE LIM

Director

Group Human Resources & Corporate Development

Ms Pauline Lim is the director, group human resources & corporate development of ARA.

Prior to joining the Group, Ms Lim had provided human resources consultancy services to education enrichment service providers from 2008 to 2009. She was the vice president of human resources at CBM Pte. Ltd., a wholly-owned subsidiary of City Developments Limited, a property development group listed on the SGX-ST, from 2006 to 2008 and was the head of the Nanyang Institute of Management School of Business from 2004 to 2006. Ms Lim began her career with NTUC Income Co-operative Ltd in 2000.

Ms Lim holds a Master of Business Administration from the Entrepreneurial Institute Australia and a Bachelor of Commerce majoring in Human Resources, Marketing and Management from the University of Western Australia.

MANAGEMENT TEAM

TANG BOON KANG

Director

Group Risk Management & Internal Audit

Mr Tang Boon Kang is the director, group risk management & internal audit of ARA.

Prior to joining the Group, Mr Tang was an audit manager of PricewaterhouseCoopers ("PwC") Assurance Practice, Singapore from 2001 to 2009. He led audit engagements of multinational and listed companies in improving their corporate reporting, internal controls and compliance with statutory and regulatory requirements, including regulations under SGX-ST, MAS and the US Sarbanes-Oxley S404. He was also a PwC learning & education instructor and conducted internal training workshops on accounting standards, regulations, internal control assessments and auditing methodology. Mr Tang began his career with PwC Singapore and was selected for overseas secondment to the PwC UK London from 2002 to 2004.

Mr Tang holds a Bachelor of Accountancy (First Class Honours) from Nanyang Technological University, Singapore and is a certified Enterprise Risk Manager with a Professional Diploma (Distinction) in Enterprise Risk Planning and Management from National University of Singapore. Mr Tang holds the title of a Chartered Accountant with the Institute of Chartered Accountants in England and Wales, a Chartered Accountant with the Institute of Singapore Chartered Accountants and a Certified Internal Auditor with the Institute of Internal Auditors Singapore. He is also a member of the Asia Risk Management Institute.

SERENE YEO

Assistant Director

Group Office Administration

Personal Assistant to Group Chief Executive Officer

Ms Serene Yeo is the assistant director, group office administration of ARA. She holds the concurrent appointment of personal assistant to the Group Chief Executive Officer.

Ms Yeo has more than 22 years of working experience. Prior to joining the Group, Ms Yeo was a personal assistant to the head of country with Carrefour Singapore Pte. Ltd. ("Carrefour") from 1997 to 2009. She held the concurrent position of expansion manager, responsible for business development for Carrefour. Ms Yeo had held various positions in Imperial Hotel, Royal Plaza on Scotts (previously known as Holiday Inn Crowne Plaza) and Meritus Mandarin Singapore from 1992 to 1997.

Ms Yeo holds a Diploma in Business Management from University of Bradford, UK and a Private Secretarial Certificate from Stamford College Group, Singapore.

INVESTOR RELATIONS



ARA is committed to maintaining an effective engagement of its stakeholders.

Guided by best corporate governance and transparency practices, ARA continues to strive towards fostering good long-term relationships and in providing a consistent channel of communication for its shareholders, prospective investors, analysts and the media.

ARA makes disclosures on an immediate basis as required under the Listing Manual of the SGX-ST, or as soon as possible where immediate disclosure is not practicable. Stakeholders can access accurate and timely information on the Group's financial performance and key announcements from the company website.

Throughout the year, senior management has held periodic meetings and conference calls in addition to its participation in investor conferences and roadshows to better communicate the Group's business and strategic initiatives. The annual general meeting of shareholders held in late April 2014 also provided a good opportunity for investors to engage senior management in active dialogue.



In recognition of its achievements in investor relations, ARA garnered the "Best CEO (Investor Relations), 4th Asian Excellence Awards 2014" award from Corporate Governance Asia 2014. It was also voted "Best Investment Manager – Singapore" in the Euromoney 10th Annual Real Estate Survey. It was also conferred various awards at the 2013 Vision Awards Annual Report Competition, namely, a Silver Award (Real Estate/REIT Sector) for "Excellence in Development of Annual Report", the "Top 80 Annual Report in Asia Pacific Region" award and the "Most Improved (Honours) Annual Report in Asia Pacific Region" award.

In addition, the Group had during the year continued to receive various awards in recognition of its achievements in real estate funds management and corporate governance.

CORPORATE SOCIAL RESPONSIBILITY

OUR PHILOSOPHY

ARA strives to achieve sustainability and a positive ethical impact on the societies that we operate in. Our sustainability philosophy guides how we make business decisions and execute our business plans and how we engage and interact with our stakeholders.

We believe that a successful corporation is not only defined by its business needs and achievements, but also by the positive role that it can play in the community. We strive not only to be Asia's premier integrated real estate fund manager but also one that places our investors' interests as a priority - by conducting our business in a responsible and sustainable manner, caring for our people, and sharing our skills and success with the community that we live and operate in.

Good corporate citizenship is fundamental to ARA and over the years, we have accelerated our efforts in contributing to our community and paying forward through our multiple initiatives. Our long-standing commitment includes driving our business for sustainable growth and success, supporting philanthropy through volunteerism and charity, taking care of our people, as well as respecting and preserving our environment.



ARA staff volunteering at old folks' home

ENVIRONMENTAL

ARA recognises the direct and indirect environmental impacts that our business has in the cities that we operate in.

We protect our environment through various initiatives, including the improvement of energy efficiency in the buildings we manage, incorporating green features in our systems and raising staff awareness and commitment to our green causes.

Green initiatives include water savings through rain water-sourced irrigation systems to water plants; recycling of urban waste into green biodiesel fuel, a sustainable form of energy; recycling of waste paper and used computer accessories and components and undertaking eco-friendly renovations such as energy-saving LED lighting for the buildings, among others.



Green initiatives at Suntec City

OUR PEOPLE

ARA strives to be an employer of choice. Human capital is an invaluable and integral part of our business. Underpinned by our core values of *Integrity, Excellence, Respect* and *Teamwork*, we promote fairness, equality of opportunity, continuing personal development, mutual trust and teamwork. As a socially responsible company, ARA strictly complies with a sweat-free code of conduct and a drug-free workplace.


ARA staff bento-making workshop

ARA's success cannot be achieved without the dedication and contributions of more than 1,100 staff in 15 cities across Asia Pacific, comprising committed individuals of 17 different nationalities from diverse backgrounds and age groups around the world.

ARA values and promotes an inclusive workplace with a strong emphasis on staff engagement, talent development, career advancement and skills training, while valuing the physical and emotional well-being of staff. Driven by a performance-based culture, a robust performance management system aligns the business priorities, performance improvement and staff development with competitive fixed and variable pay components. The Company has a well-structured staff classification and grading structure with clear progression path. Never resting on our laurels, we continuously enhance our human resource best practices to ensure sustainability of our business growth.

EDUCATION SCHOLARSHIPS

ARA, together with Lim Hoon Foundation, a private charitable trust created in August 2008 and named in honour of Mr John Lim's late father, have been giving out scholarships to underprivileged tertiary students. From 2009 to 2015, 20 scholarships have been awarded to students from Singapore Management University ("SMU") and Nanyang Technological University. In 2013, the ARA Asset Management Scholarship and Lim Hoon Foundation Scholarship ("ARA-Lim Hoon Foundation Scholarship") was established with SMU. The joint endowed gift of S$1 million is to fund up to eight bond-free scholarships annually in perpetuity to underprivileged students in the Lee Kong Chian School of Business, the School of Accountancy or the School of Economics, assisting them in achieving educational excellence.

The Lim Hoon Foundation focuses on engaging the local communities by promoting the advancement of education. The Lim Hoon Foundation Community Education Awards was established in June 2013 with Jurong Spring Grassroots Organisation. These awards are given annually to needy students from primary schools, secondary schools and the Institute of Technical Education. It aims to support, strengthen and encourage all-rounded achievements of students from underprivileged backgrounds.


SMU Commencement Class of 2013

CHARITY

ARA also believes in contributing to the economic and social development of the communities in which we operate. We encourage and endorse staff volunteerism and support various fund-raising charity initiatives through donations to various charities, including YMCA, Yellow Ribbon Fundraising, Centre For Fathering, Breast Cancer Foundation, Chinese Development Assistance Council and Jamiyah Singapore.

ARA staff actively participate in charity initiatives, which include volunteering in various outreach activities for the underprivileged or marginalised members of society. In 2014, ARA's Singapore staff participated in the "Food for Love" event organised jointly with the YMCA to bake and cook for the less-privileged and the senior citizens event with THK Seniors Activity Centre@Toa Payoh, where volunteers interacted with and engaged them through various activities. In Hong Kong, ARA staff provided on-site support in a "Charity Dancing Show" event for the Evangelical Lutheran Church of Hong Kong at Fortune Ma On Shan Plaza to raise funds for children and youth from low-income families. In China, ARA staff has held several charity events and activities, including a Christmas charity fund raising for disadvantaged children in collaboration with the Amity Foundation, Jiangsu Bank and Sony, and donations of furniture to village schools.



"Food for Love" event in Singapore



"Charity Dancing Show" event in Hong Kong

CULTURAL

With our strong business focus in China, we have committed a donation of $200,000 to Business China Singapore to promote and nurture an inclusive bilingual and bicultural group of Singaporeans through extensive use of the Chinese language as the medium of communication. The association aims to raise the bilingual and bicultural quotient of Singaporeans as well as the global connectivity of Singapore.

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REPORT ON CORPORATE GOVERNANCE

ARA is committed to ensuring that high standards of corporate governance are practised throughout the Group in line with the Code of Corporate Governance 2012 (the "2012 Code"). We firmly believe that sound corporate governance and strong business integrity are the foundations for a trusted, successful and respected business organisation. As we work towards our long term strategic objectives, we seek to observe both the substance and spirit of the 2012 Code while bearing in mind the Group's specific business needs and interests of our stakeholders.

This report describes the Group's application of the corporate governance principles and guidelines of the 2012 Code which are underpinned by a robust system of internal controls and well-defined policies and procedures. This is a fundamental part of our objectives to enhance our accountability to stakeholders, deliver shareholder value and drive long term sustainable growth of the Group.

ARA is pleased to confirm that the Group had adhered to the principles and guidelines of the 2012 Code for FY2014, unless specified otherwise and provided explanations in cases of non-compliance in this report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 **Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.**

The Board is entrusted with the responsibility of overseeing the Group's overall management and guiding its strategic direction. The Board's role includes:-

(i) providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
(ii) establishing a framework of prudent and effective controls to assess and manage risks and safeguarding of shareholders' interests and the Group's assets;
(iii) establishing goals for Management and reviewing Management's performance by monitoring the achievement of these goals;
(iv) identifying the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
(v) setting Group values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met; and
(vi) considering sustainability issues such as environmental and social factors, as part of its strategic formulation.

Each of our Directors is a well-respected individual from the corporate and/or international circles and he/she brings to the Board his/her diversified experience, objective judgment and strategic networking relationships, which further the interests of the Group. Collectively and individually, the Directors act in good faith and exercise due care and diligence in the course of deliberations and consider independently and objectively at all times the interests of the Group and its shareholders. Profiles of the Directors can be found on pages 50 to 55 of this Report.

REPORT ON CORPORATE GOVERNANCE

The Board has adopted internal guidelines setting forth matters that require Board approval. Matters requiring Board approval include appointment of directors and succession planning, Company announcements, mergers and acquisitions, annual budgets, re-financing or new financing arrangements, financial instruments, as well as any transaction involving a conflict of interest of a substantial shareholder or a Director. Management, on the other hand, is responsible for the day-to-day operations and administration of the Company in accordance with the policies and strategies established by the Board.

The Board regularly reviews Management's key activities relating to the Group's financial performance, business plans, internal controls and key risks. Directors are also briefed by Management on the strategic directions and business activities of the Group, and are provided with relevant information on the Group's operating policies and procedures, including but not limited to operational manuals, employee code of conduct, disclosure of interests and prohibitions on dealings in the Company's securities, so as to protect the key stakeholders' interests (i.e. shareholders, investors, business partners, banks and lenders, regulators and staff).

The Board conducts regular scheduled meetings at least four times a year. Additional ad-hoc meetings are convened as and when warranted by matters requiring the Board's attention. The Company's Bye-laws provide for meetings to be held via telephone conference. The participation of each Director in the various Board and Board Committee meetings held during the year under review is summarised on page 95 of this Report.

All appointed Directors are given formal appointment letters explaining the terms of their appointment as well as their duties and obligations. A comprehensive orientation programme, which includes property site visits and Management's presentations of the Group's annual business and strategic plans, is arranged for all Directors. The three-day off-site Annual Business Strategies Meeting gives Directors an update of the Group's businesses and long term strategies and allows Directors to have in-depth discussions with Management.

Directors are also provided with continuing education in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards, changes in laws and regulations and industry developments to enhance their performance. A training calendar identifying relevant courses or seminars which might be of interest to the Directors is circulated to all Directors who are encouraged to attend. Training workshops are organised as and when appropriate and all training costs are borne by the Company. During FY2014, the Company had organised for Directors two sessions of training workshops conducted by external professionals covering updates to the Singapore Financial Reporting Standards and the Foreign Account Tax Compliance Act.

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2 **There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.**

Pursuant to the 2012 Code, the composition of the Board should seek to comply with the following principles:

- at least half of the Board should comprise Independent Non-Executive Directors;
- the Chairman of the Board should be a Non-Executive Director; and
- the Board should comprise Directors with a broad range of commercial experience including experience in fund management, finance, law and real estate.

Our Bye-laws provide that the Board shall consist of no fewer than two Directors. In FY2014, the Board comprised nine members: one Executive Director, four Non-Executive Directors and four Independent Non-Executive Directors. The definition of independence had been revised to align with the 2012 Code. The Independent Non-Executive Directors are Mr Lee Yock Suan, Mr Lim How Teck, Mr Colin Stevens Russel and Dr Cheng Mo Chi Moses. None of these Independent Non-Executive Directors have served the Company for a period exceeding nine years.

The strategic alliance between ARA and Straits Trading marked the beginning of a long-term partnership as Straits Trading acquired a 20.1% interest in ARA and established a new separate account mandate and co-investment vehicle. On 15 January 2014, the Board announced the appointment of Ms Chew Gek Khim and Mr Yap Chee Keong as Non-Independent Non-Executive Directors. Ms Chew Gek Khim assumes the role of Deputy Chairman and serves as a member of the Nominating and Remuneration Committees. Mr Yap Chee Keong takes on the role of an Audit Committee member.

The appointment of these Non-Executive Directors further strengthens the Board's capability and diversity in breadth of expertise, knowledge and experience. The strategic fit would also complement and add to the deep bench of industry relationships of the Group to expand its reach and enter into a new phase of growth.

The Non-Executive Directors exercise objective judgment on the Group's affairs and meet without the presence of Management on a needs basis. The Independent Non-Executive Directors do not have any relationship with the Company, its related companies, its 10% shareholder (i.e. a shareholder with a shareholding of 10% or more) or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgment in the best interests of the Group.

The Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions constructively, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.

REPORT ON CORPORATE GOVERNANCE

The current composition of the Board includes a diverse breadth of industry expertise, knowledge and experience in areas such as real estate, accounting, finance, legal, strategic planning and business management. This enables Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board also reviews its size and composition regularly to ensure an appropriate mix of expertise, gender and experience for the Group's operations. The Nominating Committee with the concurrence of the Board is of the view that the current size of the Board is appropriate for effective decision making, taking into account the nature and scope of the Group's operations for effective decision making. As the Board currently comprises four Independent Non-Executive Directors out of the total of nine members, the Nominating Committee would continue to assess the Board composition to reach at least 50% of Independent Non-Executive Directors, before the end of the transition period in FY2017, as allowed under the 2012 Code.

The Board is assisted by various Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee in discharging its responsibilities and enhancing the Group's corporate governance framework. The Board has delegated specific responsibilities to these Board Committees and their composition and terms of reference are described in this Report. The Board reviews the terms of reference of these Board Committees on a regular basis to ensure their continued relevance.

The Board accepts that while these Board Committees have the authority to examine particular issues in their specific areas respectively, the Board Committees shall report back to the Board with their decisions and/or recommendations as the ultimate responsibility on all matters lies with the entire Board.

CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Principle 3 There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Chairman and Group CEO are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for objective decision making. The Chairman is not related to the Group CEO and there is an established and clear division of responsibilities between the Chairman and the Group CEO.

The Chairman and Non-Executive Director, Dr Chiu Kwok Hung Justin, is responsible for the overall leadership of the Board. Dr Chiu also ensures that Directors receive complete, adequate and timely information, and there is effective communication with shareholders. He also encourages constructive exchange of views between the Board members and Management, facilitates the effective contribution of Non-Executive Directors and promotes a culture of openness and high standards of corporate governance.

The Group CEO and Executive Director, Mr Lim Hwee Chiang John, works with the Board to determine the business strategies for the Group and is responsible for the day-to-day operations. Mr Lim works with the Management to ensure that the Group operates in accordance with its strategic and operational objectives established by the Board.

REPORT ON CORPORATE GOVERNANCE

BOARD MEMBERSHIP

Principle 4 There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Board renewal is a continuous and essential process to ensure that the Board remains relevant in a changing business environment and maintaining good corporate governance. The Board had established a Nominating Committee to, among other things, review all Board appointments, evaluate the Board's performance and oversee the training and development plans for the Board.

The Nominating Committee comprises entirely Non-Executive Directors, three out of four of whom (including the Chairman) are Independent Non-Executive Directors, namely Mr Colin Stevens Russel, Mr Lim How Teck and Dr Cheng Mo Chi Moses; and a Non-Independent Non-Executive Director, Ms Chew Gek Khim. For FY2014, the Chairman of the Nominating Committee was Mr Lim How Teck, who is neither a 10% shareholder of the Company nor associated with a substantial shareholder of the Company.

On 1 February 2015, the Board effected the appointment of Mr Colin Stevens Russel as the Chairman of the Nominating Committee in place of Mr Lim How Teck who remains as member. The Board believes that this rotation would benefit the performance of the Board and enhance the process for reviewing Board appointments.

The Nominating Committee is guided by its terms of reference which sets out its responsibilities. The terms of reference had been amended to be in line with the 2012 Code. These include:-

(i) reviewing and recommending to the Board its structure, size and composition;
(ii) reviewing Board succession plans for Directors, in particular, the Chairman and the Group CEO;
(iii) establishing procedures for and making recommendations to the Board on all Board appointments and re-appointments (as well as alternate Directors, if applicable);
(iv) determining on an annual basis if a Director is independent;
(v) evaluating if a Director has multiple Board representations and if he/she is able to and has been adequately carrying out his/her duties as a Director;
(vi) evaluating the performance of the Board, its Board Committees and Directors and proposing objective performance criteria for the Board's approval; and
(vii) reviewing training and professional development programs for the Board.

The Nominating Committee reports to the Board and meets at least once a year.

The Nominating Committee had put in place a transparent and formal process for short listing, evaluating and nominating candidates for appointment as Directors. The Nominating Committee shortlists prospective candidates through the Directors' personal contacts or uses external referrals, where applicable. The Nominating Committee evaluates the candidates based on key attributes such as integrity, commitment, financial literacy, competencies, reputation and state of independent mindedness, and makes suitable recommendations to the Board. The Nominating Committee seeks to refresh the Board membership progressively in view of the balance of skills, experience and knowledge required, while ensuring the continuity of long-serving Directors.

The Nominating Committee also reviews the independence of Board members annually based on the internal assessment criteria and guidance as set out in the 2012 Code. The Independent Non-Executive Directors are required to declare their independence annually, and disclose any relationships or appointments which would impair their independence to the Board.

REPORT ON CORPORATE GOVERNANCE

In furtherance to rigorous review of independence of Independent Directors, the Nominating Committee had re-designed and enhanced the internal assessment criteria. The rigorous review is applied equally to all Independent Directors and not just to Independent Directors who have served on the Board for more than nine years. Factors considered in this rigorous approach include questions on family connections, voting arrangements at shareholders'/directors' meetings, financial dependency on director fees and level of objectivity demonstrated at meetings.

In FY2014, the Nominating Committee had determined that Mr Lee Yock Suan, Mr Lim How Teck, Mr Colin Stevens Russel and Dr Cheng Mo Chi Moses are independent in character and judgment and are free from any of the relationships as stated in the guidelines of the 2012 Code. These relationships include any employment of the Director by the Company or any of its related corporations in FY2014 or any of the past three financial years; any acceptance by the Director of significant compensation from the Company or any of its related corporations for the provision of services in FY2014 or the previous financial year (other than compensation for board service); and whether the Director is related to any organization to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services in FY2014 or previous financial year. The Board had concurred with the Nominating Committee's assessment of these Directors' independence.

The Board had appointed Mr Lim How Teck, who is a member of the Nominating Committee, as the Lead Independent Director. Shareholders with any concern may contact the Lead Independent Director directly, when contact through the Chairman, Group CEO or Group Chief Financial Officer ("Group CFO") is inappropriate. The Lead Independent Director also coordinates an annual meeting, or as and when required, with the other Independent Directors without the presence of Management, and provides feedback to the Chairman.

Although the Directors have other listed company board representations and principal commitments, the Nominating Committee had determined, during the annual assessment of the Board's performance and attendance, that individual Directors have devoted sufficient time and attention to their role as Directors and to the affairs of the Group. The Nominating Committee is of the view that such appointments do not hinder the Directors from carrying out their duties as Directors of the Company and therefore believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports the view of the Nominating Committee.

Our Bye-laws require that each Director shall retire at least once every three years but would be eligible for re-election. A newly appointed Director is also required to submit himself/herself for retirement and re-election at the Annual General Meeting ("AGM") immediately following his/her appointment.

A summary of each Director's initial appointment and last re-election as well as his/her directorships in listed companies (including those held over the preceding three years from 2011 to 2013), as well as other principal commitments, are set out on page 96 and 97 and between pages 50 to 55 of this Report. Information regarding the Director's shareholding interest in the Company and its related corporations are set out on page 98 of the Directors' Report.

In recommending a Director for re-election to the Board, the Nominating Committee will consider, amongst other things, his/her competencies, commitment, performance and contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs).

The Nominating Committee has recommended the nomination of Mr Lee Yock Suan, Mr Lim How Teck and Mr Colin Stevens Russel for re-election at the forthcoming AGM. The Board has accepted this recommendation and being eligible, Mr Lee Yock Suan, Mr Lim How Teck and Mr Colin Stevens Russel will be offering themselves for re-election at the AGM, where a resolution would be put forth to the shareholders, accompanied with relevant information.

REPORT ON CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5 **There should be a formal assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.**

The Company believes that the performance of the Board is ultimately reflected in the long term performance of the Group.

The Nominating Committee acknowledges the importance of a formal assessment of the Board and had implemented a process for evaluating the performance of the Board and Board Committees as a whole and assessing the contribution by each individual Director to the effectiveness of the Board and Board Committees.

The Nominating Committee determines the performance criteria which include an evaluation of the size and composition of the Board, the Board's access to information, its accountability and processes, communication with Management, standards of Directors' conduct and independence, as well as, the Board's and individual Director's performance in relation to discharging their principal responsibilities (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs).

This collective assessment is conducted by means of a confidential questionnaire individually completed by each Director and submitted to the Company Secretary to ensure that the assessments are done fairly. The result of this assessment is collated, analysed and discussed with the Nominating Committee and the Board, with reference to comparatives from the previous year. Based on constructive feedback from the Directors in the questionnaire, recommendations are implemented to further enhance the effectiveness of the Board and the Board Committees, where appropriate.

The Nominating Committee had conducted a performance evaluation of the Board and Board Committees for FY2014 and determined that all Directors had demonstrated full commitments to their roles and contributed effectively to discharge their duties.

ACCESS TO INFORMATION

Principle 6 **In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.**

The Board believes that it should be provided with complete, accurate and timely information prior to Board meetings and on an ongoing basis, so to allow for open and constructive discussions with Management on its proposals and assumptions.

Management provides the Board with information on all Board matters and other issues requiring the Board's deliberations. This includes on-going reports relating to operational and financial performance of the Group, as well as key developments, to keep Directors well informed and enable them to exercise effective oversight over the Group's performance.

Board meetings for each year are scheduled in advance to facilitate Directors' individual administrative arrangements and commitments. Board papers are generally circulated five days in advance of each meeting and include background explanatory information for the Directors to be briefed properly, where necessary, and prepare for the meeting. If a Director were unable to attend the Board meetings, he or she would review the Board papers and advise the Chairman or Board Committee Chairman of his or her views on the matters to be discussed or conveyed to other Directors at the meetings.

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Directors are also entitled to request from Management additional information as needed to make informed decisions. Such information includes minutes of the previous meetings as well as operational, financial and compliance matters requiring the Board's attention or resolution. The information is provided in a timely manner and may also be in the form of briefings to the Directors or formal presentations by Management staff in attendance at Board meetings, or by external professionals.

The Board has independent and unrestricted access to the Group's Management, Company Secretaries, Internal and External Auditors. At least one of the Company Secretaries, and/or their authorised designate(s), attend(s) all meetings of the Board and Board Committees and prepare(s) minutes of Board proceedings. The Company Secretaries advise the Board on governance matters and assist the Chairman to ensure that Board procedures are duly followed and are regularly reviewed for compliance with relevant rules and regulations for the effective functioning of the Board. In addition, the Company Secretaries ensure that there is good information flow within the Board and Board Committees; and between the Board and Management, as well as, assist in the professional development of the Directors. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Where the Directors require independent professional advice in the course of their duties, such advice would be provided at the Company's expense, subject to approval by the Board.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7 **There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his/her own remuneration.**

The Board believes that executive remuneration should be linked to the development of management depth for continual talent renewal and sustainability of the Group. The Remuneration Committee of the Board comprises entirely Non-Executive Directors, four out of five of whom (including the Chairman) are Independent Non-Executive Directors. In FY2014, the members of the Remuneration Committee are Mr Lim How Teck, Ms Chew Gek Khim, Mr Colin Stevens Russel, Dr Cheng Mo Chi Moses and Mr Ip Tak Chuen Edmond. For FY2014, the Chairman of the Remuneration Committee was Dr Cheng Mo Chi Moses.

On 1 February 2015, the Board effected the appointment of Mr Lim How Teck as the Chairman of the Remuneration Committee in place of Dr Cheng Mo Chi Moses who remains as member. The Board believes that this rotation would benefit the process for developing policy on executive remuneration and remuneration of Directors.

The Remuneration Committee is responsible for ensuring a formal and transparent process in developing policy on all aspects of remuneration and determining the remuneration packages of individual Directors and senior executives. The Remuneration Committee is guided by its terms of reference that had been amended to be in line with the 2012 Code. The terms of reference set out its responsibilities in assisting the Board in ensuring a formal and transparent procedure in:

REPORT ON CORPORATE GOVERNANCE

(i) overseeing executive staff compensation and development in the Group;
(ii) determining and reviewing, from time to time, the remuneration policy of the Group;
(iii) reviewing the contracts of service and setting the compensation policies and remuneration for Executive Directors and senior executives including employees who are related to Directors or controlling shareholders of the Group;
(iv) reviewing the remuneration of Non-Executive Directors;
(v) ensuring, as far as possible, that the remuneration packages of the Group take due account of the environment and circumstances faced by the Group in the various markets and countries in which it operates; and
(vi) administering the Group's Performance Based Bonus Scheme and the Key Executive Deferred Compensation Scheme.

The Remuneration Committee reviews annually the succession planning regime of senior management positions within the Group. The suitability of internal successors is assessed by the Remuneration Committee and is benchmarked against external prospects. As part of talent management, the succession planning regime identifies and develops internal talents to assume senior positions when they become available, and therefore motivates and retains high potential and performing staff.

The Remuneration Committee meets at least once a year and reports its recommendations to the Board for endorsement. The Remuneration Committee also has access to independent expert and professional advice on remuneration matters at the Company's expense, if required.

In FY2014, the Company had engaged the services of an independent remuneration consultant, Freshwater Advisers Pte Ltd, for the review and benchmarking of Group CEO's remuneration. The remuneration consultant had been engaged previously to conduct a market review of Directors' fees and the consultant does not have any relationships with the Company which would affect its independence or objectivity.

LEVEL AND MIX OF REMUNERATION

Principle 8 **The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.**

The Remuneration Committee ensures that the remuneration policy and packages are designed to align with the interests of the shareholders; attract and retain the executives of the Group; whilst taking into account the prevailing market conditions within the same industry and comparable companies.

The Directors receive Directors' fees, which commensurate with their appointment, taking into account factors such as their time spent and responsibilities. Directors' fees are recommended by the Board for approval at the Company's AGM on an annual basis.

The Group CEO and Executive Director, Mr Lim Hwee Chiang John, has a service agreement with the Company for an indefinite term and is paid a base monthly salary and a variable year-end bonus for the continuation of his employment, unless terminated for cause by written notice of six months by either party. The Remuneration Committee annually reviews the terms and conditions of the service agreement as well as the remuneration components of the Group CEO, whose performance measures include driving the growth of the Group and delivering sustainable results. A comprehensive and structured performance assessment is carried out annually for the Group CEO and executives of the Group to measure performance against their key performance indicators and to determine the variable year-end bonus, which is linked to the Group and individual performance.

REPORT ON CORPORATE GOVERNANCE

In addition to base salary and a variable year-end bonus, designated executives of the Group participate in the Group's Performance Based Bonus Scheme (the "Scheme") as approved by the Remuneration Committee (the "Participants"). Under the Scheme, the Participants from each operating business unit of the Group may be entitled to a pool of incentive payments based on certain performance indicators. The calculation for the pool of incentive payments for each of the business units and the award schedule is set out in the table below.

	REITs	Private Real Estate Funds	Corporate Finance Advisory Services
Pools of incentive payments for each business units[1]	10% of acquisition/divestment fees for each REIT manager paid on acquisition/divestment of assets from/to third party vendors[2], [3]	50% of carried interest performance fees for each fund[4]	10% of revenue generated by ARA Financial in excess of its annual approved budget(3)
Award Schedule	Half-yearly	Upon the realisation of the performance fee for each fund	Annually

[1] *Before deduction for the contribution to the pool of incentive payments for the corporate divisions.*

[2] *Refers to vendors which are not members of CWT Limited, Cheung Kong Group and Straits Trading Group.*

[3] *10% of each of these amounts will be deducted from the pool of incentive payments for each business unit and contributed to the pool of incentive payments for the corporate divisions which support the various business units. The awards (if any) to employees from the corporate division would be made half-yearly every financial year.*

[4] *Carried interest performance fees are only paid if a fund exceeds a pre-defined hurdle rate. Consistent with industry practice, the management team share these performance fees.*

Any such pool of incentive payments or any part thereof may be allocated to Participants of the Scheme engaged in the relevant business unit or corporate division are approved by the Remuneration Committee. Such allocation takes into account each Participant's seniority, length of service and his/her performance and contributions. Any amount allocated shall be paid to the Participant in the form of cash.

Each Participant's annual entitlement under the Scheme for each business unit he/she is engaged in is subject to a maximum cap of his/her annual base salary (which excludes any annual wage supplement, bonus, award and other fringe benefit) for that financial year, save for entitlements under the private real estate fund management, where no cap is applied.

The Scheme is targeted at key executives who are in the best position to drive the growth of the Group through superior performance. It is a long-term incentive plan designed on the basis that it is important to retain employees whose contributions are essential to the growth and profitability of our Group. The Scheme allows the Group to attract potential employees with relevant skills and to motivate existing employees to optimise their performance, efficiency as well as maintain a high level of contribution to the Group, and more importantly, to retain key executives of the Group whose contributions are essential to our long-term growth and profitability. In addition, the Scheme is designed to convey the Group's recognition and appreciation to the executives who have contributed to the Group's growth to further strengthen these individuals' commitment, support and loyalty to our Group's long-term growth and profitability.

REPORT ON CORPORATE GOVERNANCE

Apart from the Group's Performance Based Bonus Scheme, a Deferred Compensation Scheme had also been put in place at the request of institutional fund investors. It is designed to retain individual key executives managing the respective funds by offering them an opportunity to invest in those funds and to align the interest of these key executives with that of the institutional fund investors and appropriately managing the funds' risks and returns.

In FY2014, the Remuneration Committee had recommended to the Board a total amount of S$590,000 as Directors' fees for the financial year ending 31 December 2015, to be paid quarterly in arrears. Directors' fees payable to all Directors are set in accordance with a remuneration framework and in recognition of the contribution, effort, time incurred and responsibilities of the Directors. This recommendation has been endorsed by the Board and would be tabled at the forthcoming AGM for shareholders' approval.

No Director or executive is involved in deciding his/her own remuneration.

DISCLOSURE ON REMUNERATION

Principle 9 **Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.**

The remuneration of the Directors for the financial year ended 31 December 2014 in bands of S$250,000 is provided below:

Remuneration Bands in FY2014	Number of Directors
S$2,750,000 to S$3,000,000	1
S$250,000 to below S$500,000	1
Below S$250,000	7
Total	9

A breakdown of the remuneration of the Directors for the financial year ended 31 December 2014 is set out below:

Remuneration Band/ Name of Director	Salary[2] (%)	Bonus (%)	Directors' Fees[3] (%)	Others (%)	Total (%)
(i) S$2,750,000 to S$3,000,000					
Mr Lim Hwee Chiang John[1]	64	32	2	2[4]	100
(ii) S$250,000 to below S$500,000					
Dr Chiu Kwok Hung Justin	–	–	13	87[5]	100
(iii) Below S$250,000					
Ms Chew Gek Khim	–	–	100	–	100
Mr Ip Tak Chuen Edmond	–	–	100	–	100
Mr Lee Yock Suan	–	–	100	–	100
Mr Lim How Teck	–	–	100	–	100
Mr Colin Stevens Russel	–	–	100	–	100
Dr Cheng Mo Chi Moses	–	–	100	–	100
Mr Yap Chee Keong	–	–	100	–	100

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(1) *Given the confidentiality and sensitivity of remuneration matters, the Company has elected not to disclose the exact details of the Group CEO's executive remuneration.*

(2) *Includes employer's CPF.*

(3) *Directors' fee structure is set out as follows (also refer to summary of Directors' appointment on page 95 of this Report): Board Member S$55,000; Audit Committee Chairman S$20,000; Audit Committee Member S$10,000; Nominating Committee Chairman S$10,000; Nominating Committee Member S$5,000; Remuneration Committee Chairman S$10,000; Remuneration Committee Member S$5,000; Lead Independent Director S$5,000.*

(4) *Not material.*

(5) *Key person and advisory fees paid to Dr Chiu Kwok Hung Justin by ARA Fund Management (Asia Dragon) Limited for strategic advice and serving as a key person of the ADF I.*

The table below sets out the Group-wide cross-section of key executives' remuneration by number of employees in bands of S$250,000 in lieu of naming and disclosing the top 5 key executives' remuneration and remuneration of any employees who are immediate family members of a Director. The Board believes that this disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of staff remuneration matters. This disclosure is made in the best interests of the Group given the competitive conditions in the fund management industry.

Total Compensation Bands in FY2014[1]	Number of Employees[2]
S$1,250,000 to below S$1,500,000	2
S$1,000,000 to below S$1,250,000	–
S$750,000 to below S$1,000,000	4
S$500,000 to below S$750,000	7
S$250,000 to below S$500,000	7
Below S$250,000	2
Total	22

(1) *Includes base salary, bonus and Performance Based Bonus.*

(2) *Refers to employees who are not Directors or the Group CEO of the Company.*

Save for Mr Lim Hwee Chiang John who is a substantial shareholder of the Company and Ms Chiu Yu Justina who is an immediate family member of the Chairman and Non-Executive Director, Dr Chiu Kwok Hung Justin, there are no other Directors or executives who are related to one another or to any of the Group's substantial shareholders.

The Group currently does not have any share option scheme or share plan. There are no existing or proposed service agreements entered into or to be entered into by the Directors or executives with the Company that provide for benefits upon termination of appointment or post-employment. The Group has also not set aside nor accrued any amounts to provide for pension, retirement or similar benefits for the Directors and executives of the Group.

REPORT ON CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10 The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Management seeks to keep stakeholders updated on the Group's financial performance, position and prospects through quarterly and annual financial reports as well as timely announcements on developments in the Group's businesses. Quarterly results are released to shareholders within 45 days of the reporting period while the full year results are released to shareholders within 60 days of the financial year end. In presenting the financial reports, Management aims to provide a balanced and understandable assessment of the Group's performance.

Management provides the Board with a continual flow of relevant information on the Group's operational, financial and compliance matters on a timely basis, in order that the Board may effectively discharge its duties and assess the Company's performance, position and prospects. Management also provides the Board with internal checklists to ensure compliance with the Group's policies and procedures and with legislative and regulatory requirements.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11 The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance, based on well-defined policies and procedures. Such policies and procedures are reviewed and updated periodically by Management, whenever there are changes to the financial, operational, compliance and information technology processes or new business activities. Management is also guided by the Company's core values and Employee Code of Conduct when implementing the policies and procedures to ensure business integrity.

Management, in consultation with the Internal Auditors, had implemented the updated ARA Enterprise Risk Management ("ERM") framework which lays out the governing policies and procedures and complies with recommendations of the 2012 Code. The ERM framework is designed to manage the Company's risks and its internal control system so as to provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

The Company's ERM framework is approved by the Board and is administered by the Risk Management Committee (the "RMC"), which identifies, evaluates and reports the risks to the Audit Committee. The RMC comprises the Group CEO, Group CFO, Legal & Compliance Director and Head of Group Risk Management & Internal Audit Division (as an independent advisory role) and conducts monthly internal meetings.

The RMC identifies the strategic, operational, financial, compliance and information technology risks faced by the various business units and sets out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes within the Group and the external business environment.

REPORT ON CORPORATE GOVERNANCE

The Group's Risk Profiles are reported to the Board every half-yearly to highlight the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels, as well as the effectiveness of mitigating controls supporting the residual risks within the risk appetite approved by the Board. The key risks highlighted in the Group's Risk Profiles include strategic, human capital, conflicts of interest, financial and business continuity risks.

The strategic risks relate to sustainable long-term growth in establishing new REITs, Private Real Estate Funds and Real Estate Management Services within the Group. There are mitigating controls put in place to assess the background of new business partners, evaluate the feasibility of projects, carry out necessary due diligence on the transactions and assets, as well as obtain approval from the Board.

Human capital risk management is a key component for the continued success and growth of the business, and the Group had established a succession plan for all the senior management positions. The suitability of internal successors is assessed by the Remuneration Committee and is benchmarked against external prospects. In addition, efforts are taken to enhance training and development, establish competitive remuneration and rewards based on key performance indicators, support work-life balance and create a healthy workplace.

The Group maintains strict policies and procedures to address any potential conflict risks that may arise from its businesses. A Deal Allocation Committee has been established to minimise any potential conflicts of interest and ensure that an effective process is in place for the allocation of deals among the various REITs and Private Real Estate Funds which the Group manages. The Deal Allocation Committee considers the key investment objectives and criteria of each REIT and Private Real Estate Fund when reviewing and allocating deals received by the Company, as well as deals received directly by the various REITs or Private Real Estate Funds.

In general, the REITs managed by the Group would only invest in core investments within their respective sector(s) and geographical region(s), confined by the regulated leverage ratios. The REITs focus on properties that have stable income, high occupancies and increasing distribution yields to unitholders. These properties offer potential for long-term growth through repositioning, capital expenditure and/or continual leasing strategy.

In comparison, the Private Real Estate Funds managed by the Group invest in opportunistic and strategic (or value-add) investments, which usually entail higher risks and higher risk-adjusted returns. The Private Real Estate Funds focus on properties which offer opportunities for development/re-development, asset enhancement and/or lease restructuring, to achieve their targeted internal rate of returns within the limited fund life. All prospective deal information is submitted by the respective REITs or Private Real Estate Funds to the Head of Group Risk Management & Internal Audit Division to assess whether there is any potential conflict of interest (e.g. overlapping investment objectives and criteria). If the Head of Group Risk Management & Internal Audit Division forms a preliminary view that a potential conflict of interest could arise, the deal will be referred to the Deal Allocation Committee. The Deal Allocation Committee further evaluates the deal and determines which REIT or Private Real Estate Fund the deal should be allocated to, taking into account circumstances that best fit the investment objectives and criteria of the REITs or Private Real Estate Funds. All reviews carried out by the Head of Group Risk Management & Internal Audit Division are documented and submitted to the Deal Allocation Committee regularly and these records are subject to an annual audit by an external international accounting firm which independently reports to the Audit Committee.

The Group is exposed to credit, liquidity and market risks arising from its business, as reported under Note 15 to the audited financial statements. Credit risk is the risk of financial loss if any counterparty fails to meet its contractual obligations. This arises principally from the Group's receivables and financial assets which are monitored on an ongoing basis. These risks are limited as the receivables relate mainly to trade debtors and accrued fees due from REITs and Private Real Estate Funds, whereas financial assets are placed with regulated financial institutions of high credit quality and ratings and are closely monitored regularly.

REPORT ON CORPORATE GOVERNANCE

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions in its cash flow projections. The Group generally has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the serving of its financial obligations. In addition, the Group maintains several lines of revolving credit facilities and overdraft facilities, and has sufficient capacity to tap available funds from the debt or equity markets for its growth.

Market risk is the risk relating to changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments or assets. The Group closely monitors its long-term quoted and unquoted financial assets, which relate to strategic units held in listed REITs, open-ended specialist equity fund and seed capital investments. These financial assets are measured at fair values and subsequent changes in their fair values are recognised in the fair value reserves in equity. The Group also receives REIT units from its management fees and these are classified as quoted financial assets held-for-trading. The Group regularly reviews its mark-to-market assessment of these REIT units for appropriate disposal outside the applicable moratorium or black-out periods.

Exposure to foreign currency risk is monitored on an ongoing basis as the Group endeavours to keep the net exposure to an acceptable level. This exposure arises mainly from the management fee income received in foreign currencies, offset by the contribution of seed capital investments in the same foreign currencies. Where required, the Group enters into forward contracts to hedge its net exposure position. The Group's exposure to interest rate risks mainly relates to its interest bearing financial assets and debt obligations. The Group manages its interest rate exposure by tracking interest rates movement closely and maintaining a debt portfolio with appropriate fixed and/or floating rates of interests. Where applicable, interest rate derivatives are used to hedge its interest rate exposure for specific underlying debt obligations.

A group-wide Business Continuity Plan ("BCP") had been established to mitigate the business continuity risk of interruptions or catastrophic loss to its operations. One of the BCP components includes an Information Technology Disaster Recovery Plan ("IT DRP"), which focuses on the continuation of technology infrastructure that is critical to the Group during any unexpected disruptive event. The IT DRP contains a documented set of procedures to be followed before, during and after an event of a disaster. The primary objective is to minimise downtime and data loss, while ensuring a level of stability and orderly recovery. The Group carries out an annual exercise to simulate the scenario of a disaster, where participants are relocated to offsite facilities with readily access to IT systems and a restored backup database.

The Internal Auditors perform detailed work to evaluate the ERM framework and related internal control systems, including financial, operational, compliance and information technology controls, as part of the Internal Audit Plan approved by the Audit Committee. Any material non-compliance or weakness, including recommendations for improvements, is reported to the Audit Committee. The Audit Committee also reviews the effectiveness of actions taken by Management on the recommendations made by the Internal Auditors in this respect.

In addition to the work performed by the Internal Auditors, the External Auditors also perform tests of certain controls relevant to the preparation of the Group's financial statements. The External Auditors report any significant deficiencies of such internal controls to the Audit Committee.

During the year, the Audit Committee had reviewed the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems. The Group CEO and Group CFO provide quarterly and annual certifications, to give assurance regarding the effectiveness of the Group's internal controls and risk management systems and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

REPORT ON CORPORATE GOVERNANCE

Based on the ERM framework established and the work performed by Internal and External Auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls and risk management systems in place are adequate and effective in addressing the Group's financial, operational, compliance and information technology risks in its current business environment, pursuant to Listing Rule 1207(10) of the Listing Manual of the SGX-ST (the "SGX Listing Manual").

AUDIT COMMITTEE

Principle 12 The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee of the Board comprises entirely Non-Executive Directors, four out of five of whom (including the Chairman) are Independent Non-Executive Directors. The Audit Committee members are Mr Lee Yock Suan, Mr Lim How Teck, Mr Colin Stevens Russel, Dr Cheng Mo Chi Moses and Mr Yap Chee Keong. The Chairman of the Audit Committee is Mr Lee Yock Suan.

The members of the Audit Committee bring with them invaluable experience and professional expertise in the financial, legal, consultancy and administration domains. The Board is of the view that the Audit Committee Chairman, Mr Lee Yock Suan, and members of the Audit Committee are appropriately qualified to discharge their responsibilities and have recent and relevant accounting or related financial management experience and expertise. Mr Lim How Teck has extensive accounting experience as a former chief financial officer of Neptune Orient Lines Ltd, while Mr Yap Chee Keong serves on the board of the Accounting and Corporate Regulatory Authority and as a member of the Public Accountants Oversight Committee.

The Audit Committee's role is to assist the Board in ensuring the integrity of financial reporting and that sound internal control systems are put in place. The Audit Committee is guided by its terms of reference endorsed by the Board and the terms had been revised to align with the 2012 Code. The principal duties of the Audit Committee include reviewing:

(i) the Annual Audit Plan, including the nature and scope of the internal and external audits before the commencement of these audits;
(ii) the adequacy and effectiveness of the internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;
(iii) the results of internal and external audit findings and Management's response;
(iv) significant financial reporting issues and judgements so as to ensure the integrity of the audited financial statements of the Company and the consolidated balance sheet and income statement of the Group, including announcements of financial results;
(v) the independence and objectivity of the External Auditors, recommendations to the Board on proposals to shareholders on the appointment and re-appointment of External Auditors;
(vi) the adequacy and effectiveness of the Group's risk management process and internal controls, including financial, operational, compliance and information technology controls;
(vii) interested person transactions; and
(viii) the whistle-blowing programme.

REPORT ON CORPORATE GOVERNANCE

The Audit Committee meets at least four times a year and at least quarterly with the Internal and External Auditors without the presence of Management to discuss their findings as set out in their respective reports to the Audit Committee. The Internal and External Auditors may also request the Audit Committee to meet if they consider a meeting necessary. The Audit Committee has the authority to investigate any matters within its responsibilities, is entitled to full access to Management and has full discretion to invite any Director, or members of Management to attend its meetings. The Audit Committee is required to pass resolutions only upon unanimous vote. Any conflicting views are submitted to the full Board for its final decision. Any member who has an interest in any matter being reviewed or considered is required to abstain from voting on the matter.

The Audit Committee reviews any significant financial reporting issues, including Management's accounting judgment or estimates as well as the quality and reliability of information in the quarterly and annual financial statements and announcements of the Group. The Audit Committee is also kept abreast of changes to the financial reporting standards and regulatory updates through briefings by the Auditors and Company Secretary during quarterly meetings or as and when appropriate.

The Audit Committee makes recommendations to the Board on the appointment/re-appointment of the External Auditors, taking into consideration the terms of engagement, scope, results of the audit, cost effectiveness and the independence and objectivity of the External Auditors. The Audit Committee also reviews the non-audit services provided by the External Auditors to ensure that provision of such services will not affect the independence of the External Auditors.

The Company's Whistle Blowing Policy allows employees and external parties, in confidence, to report possible improprieties directly to the Audit Committee in a responsible and effective manner. A copy of the Whistle Blowing Policy is available to all employees of the Group, including the contact details of the Audit Committee.

External parties may refer to the Company's Whistle Blowing Policy, which is available on the Company's website at www.ara-asia.com under "ESG". The website also provides a Whistle Blowing Contact Form for any complainant to report possible improprieties. This form is routed directly to the Audit Committee Chairman and its members for an independent investigation of the matters raised and to allow appropriate actions to be taken.

The Audit Committee is guided by the Whistle Blowing Policy to ensure proper conduct and closure of the investigations, including handling of possible improprieties, prohibition of obstructive or retaliatory actions, confidentiality, disciplinary and civil or criminal actions. All such investigations are undertaken by the Group Risk Management & Internal Audit Division based on instructions from the Audit Committee Chairman.

In FY2014, the Audit Committee had:

(i) held four meetings during the year, which were attended by the Group CEO, Group CFO, Head of Group Risk Management & Internal Audit Division, Internal Auditors, External Auditors and other members of Management at the invitation of the Audit Committee;

(ii) reviewed and approved the Internal and External Audit Plans, including the nature and scope of work before commencement of these audits;

(iii) met up with the Group's Internal and External Auditors on a quarterly basis without the presence of Management, to discuss their findings as set out in their respective reports to the Audit Committee. Both the Internal and External Auditors had confirmed that they had received the full co-operation of Management and no restrictions were placed on the scope of audits;

(iv) reviewed and approved the consolidated statement of comprehensive income, statements of financial position, statements of changes in equity, consolidated cash flows and auditors' reports, before the announcement of the quarterly and full-year results;

REPORT ON CORPORATE GOVERNANCE

(v) reviewed all services provided by the External Auditors and is satisfied that the provision of such services did not affect the independence of the External Auditors, in view that the aggregate amount of fees paid to the External Auditors were S$639,000, comprising S$489,000 of audit services and S$150,000 of non-audit services. The External Auditors have also affirmed their independence in their report to the Audit Committee;

(vi) reviewed the Group's updated Risk Profiles and related documents presented by the Risk Management Committee every half-year;

(vii) reviewed arrangements by which employees of the Group may, in confidence, raise concerns about possible improprieties relating to accounting and financial controls as well as any other matters pursuant to the Whistle Blowing Policy. The Whistle Blowing Policy extends to "any other persons" in addition to all employees of the Group in line with the 2012 Code; and

(viii) reviewed the interested person transactions as set out in this Report in pursuant to Chapter 9 of the SGX Listing Manual on a quarterly basis.

The Audit Committee, with the concurrence of the Board, had recommended the re-appointment of KPMG LLP as the External Auditors at the forthcoming AGM. The Company had complied with Rules 712 and 715 of the SGX Listing Manual in relation to the External Auditors. Rule 716 of the SGX Listing Manual is not applicable as the same auditing firm is appointed for the Company and its subsidiaries.

INTERNAL AUDIT

Principle 13 The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The role of the Internal Auditor is to assist the Audit Committee in upholding high standards of corporate governance and ensuring that the Group maintains a sound system of internal control by conducting regular in-depth audits of the key control activities.

The Audit Committee had approved the appointment of Ernst & Young Advisory Pte Ltd to assist the Group Risk Management & Internal Audit Division (together referred to as the "Internal Auditors"), to conduct a full review of the Group's internal control and risk management systems. The co-source arrangement combines internal expertise with external best practices and it enhances the Internal Auditors' independence and effectiveness.

The Internal Auditors are independent of Management, as the Head of Group Risk Management & Internal Audit Division has a direct and primary reporting line to the Chairman of the Audit Committee, with administrative reporting to the Group CEO. The Audit Committee approves the hiring, removal and evaluation of the Head of Group Risk Management & Internal Audit Division, whose compensation is endorsed by the Remuneration Committee. The Group Risk Management & Internal Audit Division comprises qualified professional staff with the prerequisite experience and they are provided with regular training to ensure their technical knowledge remains current. The internal audit activities are guided by the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the year, the Internal Auditors conducted audit reviews based on the Internal Audit Plan approved by the Audit Committee and had unfettered access to all the Company's documents, records and personnel. The Internal Audit Plan adopts a risk-based approach in covering all business and support functions within the Group and their related financial, operational, compliance and information technology controls, including having an oversight on the work performed by the REITs' internal auditors. Upon completion of each audit assignment, the Internal Auditors report their findings and recommendations to Management who would respond on the actions to be taken. The Internal Auditors submit quarterly Internal Audit Reports to the Audit Committee for deliberation and also validate the follow up actions taken by Management on the audit findings.

REPORT ON CORPORATE GOVERNANCE

The Internal Auditors also carry out consulting services to advise Management on corporate governance matters such as risk management framework, control self-assessment checklists on regulatory compliance, business continuity planning, updating of operations manuals and other improvements to systems and processes. This is coordinated through facilitated workshops and projects with active participation from Management.

These consulting services help the Internal Auditors to establish collaborative and positive relationships with Management and promote good practices in corporate governance. These consulting services do not impair the Internal Auditors' independence or objectivity, as Management is responsible for making managerial decisions and carrying out implementation of the projects.

The Audit Committee is satisfied that the Group's internal audit function is adequately resourced and qualified and has appropriate standing within the Group.

COMMUNICATION WITH SHAREHOLDERS

Principle 14 **Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights and continually review and update such governance agreements.**

Principle 15 **Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

The Company strives for timeliness and consistency in its disclosures and ensure fair and equitable treatment to its stakeholders. It is the Group's Investor Relations Policy to keep all stakeholders informed of developments or changes that would have a material impact on the Company's share price, through announcements on SGXNET and on the Group's website. Such announcements are communicated on an immediate basis as required under the SGX Listing Manual or as soon as possible where immediate disclosure is not practicable.

The Company notifies stakeholders in advance of the date of release of its financial results, through announcement via SGXNET. Regular briefings are conducted for analysts and the media, generally coinciding with the release of the Group's quarterly and full year financial results. The materials used in these briefings are also disseminated simultaneously via SGXNET and on the Group's website www.ara-asia.com, in the interest of transparency and are therefore made publicly available on a timely and non-selective basis.

The Group's website provides stakeholders with comprehensive information required to make well-informed investment decisions. Information on the Group's business strategies, core values and Directors' profiles can be accessed from the website. The website also features an "Investor Relations" link, which shows current and past announcements and Annual Reports; presentation slides (e.g. financial results, business highlights, assets under management growth, and dividends policy and track record); corporate governance related information (e.g. Code of Business Conduct and Ethics, Risk Management Framework and Whistle Blowing Policy); email alerts and contact details of the Investor Relations team.

Management also actively engages institutional investors through face-to-face meetings, conference calls, non-deal road shows and investment conferences organized by major brokerage firms. Management also strives to maintain regular dialogue with retail investors and keep them updated on developments in the Group through timely announcements, the Group's website and the media to ensure a level playing field.

REPORT ON CORPORATE GOVERNANCE

Principle 16 Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company believes in regular, effective and fair communication with its shareholders and is committed to hearing their views and addressing their concerns where possible. Shareholders are accorded the opportunity to raise relevant questions on the Group's business activities, financial performance and other business related matters and to communicate their views at shareholders' meetings. Voting in absentia such as by mail, email or fax has not been implemented due to concerns relating to issues of information control and security. For greater transparency and fairness in the voting process, all resolutions at shareholders' meetings are conducted by poll and shareholders are informed of the voting rules and procedures. This allows all shareholders present or represented at the meetings to vote on a one-share-one-vote basis. The voting results of all votes cast for or against each resolution are screened at the meeting with respective percentages and are announced on the SGXNET after the meeting.

If any shareholder is unable to attend the shareholders' meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars (as the case may be). The duly completed and signed proxy forms are required to be submitted 48 hours before the shareholders' meeting at the Company's Share Transfer Agent's office. At the shareholders' meeting, each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the AGM in the Notice.

The Directors and Chairpersons of the Audit, Nominating and Remuneration Committees attend the AGM of the Company to address any queries relating to the work of the Board and Board Committees. The External Auditors also attend the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. Shareholders are encouraged to participate in the question and answer session during the AGM, whereby minutes of the AGM proceedings including any substantial queries raised by shareholders in relation to the agenda of the meeting and the accompanying responses from the Board and Management are subsequently prepared.

The Company views the AGM as the principal forum for dialogue with shareholders, in particular retail shareholders. The Company has also designated contact persons to address queries from stakeholders from time to time and the email contacts of these persons are available at the Group's website.

DEALINGS IN SECURITIES

The Group had adopted an internal code which prohibits Directors of the Company and executives of the Group from dealing in the Company's shares as well as in the units of public-listed REITs managed by the Group, while in possession of unpublished material or non-public price sensitive information in relation to such securities and during the "black-out" period in respective jurisdictions. In the case of the Company, the "black-out" period is defined as two weeks immediately prior to the quarterly results announcements and one month immediately prior to the full year results announcements.

In the case of listed REITs in Singapore, the "black-out" period is defined as two weeks before the date of announcement of quarterly and one month before the date of announcement of full year results and (where applicable) any property valuations. In the case of a REIT that is listed in Hong Kong, the "black-out" period is defined as 60 days immediately preceding the publication date of the full year results and 30 days immediately preceding the publication date of the half-year results and quarterly results (if any) (or if shorter, the period from the end of the relevant financial year or half-year/quarter period up to the publication date of the results).

REPORT ON CORPORATE GOVERNANCE

In the case of a REIT that is concurrently listed in Singapore and Hong Kong, both preceding "black-out" periods shall be applied (and taking the view of the more restrictive or stringent regulation should there be any conflict between both periods). The Directors of the Company and executives of the Group are also encouraged to deal in the Company's shares and units of public-listed REITs managed by the Group on long-term considerations.

The Company had complied with Rule 1207(19) of the SGX Listing Manual.

INTERESTED PERSON TRANSACTIONS

All interested person transactions are subject to review by the Audit Committee at its quarterly meetings to ensure that such transactions are conducted on an arm's length basis and not prejudicial to the interests of the shareholders. The Audit Committee is satisfied the procedures for the identification, evaluation, review, approval and reporting of interested person transactions are effective. It was noted that the interested person transactions were within the threshold limits set out under Chapter 9 of the SGX Listing Manual and no announcement or shareholders' approval was, therefore, required. In addition to the requirements set out in the SGX Listing Manual, the Board had also adopted a policy of requiring Directors to declare their conflicts of interest, if any and abstain from voting if they are so conflicted.

REPORT ON CORPORATE GOVERNANCE

PARTICIPATION OF DIRECTORS IN BOARD AND BOARD COMMITTEE MEETINGS IN 2014

	Board Meetings		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	**Appointment**	**Attendance / Number of meetings held**	**Appointment**	**Attendance / Number of meetings held**	**Appointment**	**Attendance / Number of meetings held**	**Appointment**	**Attendance / Number of meetings held**
Dr Chiu Kwok Hung Justin	Chairman and Non-Executive Director	4/4	–	N/A	–	N/A	–	N/A
Mr Lim Hwee Chiang John	Group CEO and Executive Director	4/4	–	N/A	–	N/A	–	N/A
Ms Chew Gek Khim	Deputy Chairman and Non-Independent Non-Executive Director	4/4	–	N/A	Member	1/1	Member	2/2
Mr Ip Tak Chuen Edmond	Non-Executive Director	4/4	–	N/A	–	N/A	Member	2/2
Mr Lee Yock Suan	Independent Non-Executive Director	4/4	Chairman	4/4	–	N/A	–	N/A
Mr Lim How Teck*	Independent Non-Executive Director	4/4	Member	4/4	Chairman	1/1	Member	2/2
Mr Colin Stevens Russel*	Independent Non-Executive Director	4/4	Member	4/4	Member	1/1	Member	2/2
Dr Cheng Mo Chi Moses	Independent Non-Executive Director	3/4	Member	3/4	Member	1/1	Chairman	1/2
Mr Yap Chee Keong	Non-Independent Non-Executive Director	4/4	Member	4/4	–	N/A	–	N/A

* Mr Lim How Teck and Mr Colin Stevens Russel were appointed as Chairman of the Remuneration and Nominating Committee respectively on 1 February 2015.

REPORT ON CORPORATE GOVERNANCE

DATES OF INITIAL APPOINTMENT OF DIRECTORS AND DIRECTORSHIPS IN LISTED COMPANIES

Name of Director	Appointment	Date of Initial Appointment/ last re-election	Directorships in Listed Companies
Dr Chiu Kwok Hung Justin	Chairman and Non-Executive Director	23 July 2002/ 25 April 2014	ARA Asset Management Limited CK Hutchison Holdings Limited [1]
Mr Lim Hwee Chiang John	Group CEO and Executive Director	23 July 2002/ 25 April 2014	ARA Asset Management Limited Teckwah Industrial Corporation Limited
Ms Chew Gek Khim	Deputy Chairman and Non-Independent Non-Executive Director	15 January 2014 / 25 April 2014	ARA Asset Management Limited Singapore Exchange Limited The Straits Trading Company Limited
Mr Ip Tak Chuen Edmond	Non-Executive Director	17 September 2007/ 25 April 2014	ARA Asset Management Limited AVIC International Holding (HK) Limited (formerly known as CATIC International Holdings Limited) Cheung Kong Infrastructure Holdings Limited CK Hutchison Holdings Limited [1] CK Life Sciences Int'l., (Holdings) Inc. Shougang Concord International Enterprises Company Limited TOM Group Limited Real Nutriceutical Group Limited (formerly known as Ruinian International Limited)
Mr Lee Yock Suan	Independent Non-Executive Director	17 September 2007/ 26 April 2012	ARA Asset Management Limited
Mr Lim How Teck	Independent Non-Executive Director	17 September 2007/ 26 April 2013	ARA Asset Management Limited Mewah International Inc. Swissco Holdings Limited (formerly known as C2O Holdings Limited)
Mr Colin Stevens Russel	Independent Non-Executive Director	17 September 2007/ 26 April 2013	ARA Asset Management Limited Cheung Kong Infrastructure Holdings Limited CK Life Sciences Int'l., (Holdings) Inc. Husky Energy Inc.

[1] *Cheung Kong (Holdings) Limited's listing status on HKEx was replaced by CK Hutchison Holdings Limited on 18 March 2015.*

REPORT ON CORPORATE GOVERNANCE

DATES OF INITIAL APPOINTMENT OF DIRECTORS AND DIRECTORSHIPS IN LISTED COMPANIES (CONT'D)

Name of Director	Appointment	Date of Initial Appointment/ last re-election	Directorships in Listed Companies
Dr Cheng Mo Chi Moses	Independent Non-Executive Director	17 September 2007/ 26 April 2013	ARA Asset Management Limited China Mobile Limited China Resources Enterprise, Limited Guangdong Investment Limited K.Wah International Holdings Limited Kader Holdings Company Limited Liu Chong Hing Investment Limited Tian An China Investments Company Limited Towngas China Company Limited
Mr Yap Chee Keong	Non-Independent Non-Executive Director	15 January 2014/ 25 April 2014	ARA Asset Management Limited InterOil Corporation The Straits Trading Company Limited Tiger Airways Holdings Limited

Past Directorships in listed companies held over the preceding 3 years (from 1 January 2011 to 31 December 2013): Mr Lim Hwee Chiang John – APN Property Group Limited; Ms Chew Gek Khim – CapitaRetail China Trust Management Limited; Mr Ip Tak Chuen Edmond – Excel Technology International Holdings Limited; Mr Lim How Teck – IFS Capital Limited; Dr Cheng Mo Chi Moses – China COSCO Holdings Company Limited, Hong Kong Exchanges and Clearing Limited and Hong Kong Television Network Limited; and Mr Yap Chee Keong – CapitaMalls Asia Limited and Hup Soon Global Corporation Limited.

DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

DIRECTORS

The directors in office at the date of this report are as follows:

Dr Chiu Kwok Hung Justin (Chairman)
Mr Lim Hwee Chiang John (Group Chief Executive Officer)
Ms Chew Gek Khim (Deputy Chairman)
Mr Ip Tak Chuen Edmond
Mr Lee Yock Suan
Mr Lim How Teck
Mr Colin Stevens Russel
Dr Cheng Mo Chi Moses
Mr Yap Chee Keong

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 1.1.2014	At 31.12.2014	At 1.1.2014	At 31.12.2014
ARA Asset Management Limited (number of ordinary shares of $0.002 each at par)				
Mr Lim Hwee Chiang John	6,896,826	6,896,826	155,814,184	155,814,184
Mr Lee Yock Suan	72,600	72,600	–	–
Mr Lim How Teck	653,400	653,400	–	–
Mr Colin Stevens Russel	21,780	21,780	–	–

None of the above Directors with shareholdings are deemed to have an interest in the subsidiaries of ARA Asset Management Limited, at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

DIRECTORS' REPORT

DIRECTORS' INTERESTS *(cont'd)*

Between the end of the financial year and 21 January 2015, except for Mr Lim Hwee Chiang John's interest in the Company, which decreased from 6,896,826 shares to 5,396,826 shares, there were no changes in any of the above mentioned interests in the Company.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 28 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

- Mr Lee Yock Suan (Chairman), Independent Non-Executive Director
- Mr Lim How Teck, Independent Non-Executive Director
- Mr Colin Stevens Russel, Independent Non-Executive Director
- Dr Cheng Mo Chi Moses, Independent Non-Executive Director
- Mr Yap Chee Keong, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Singapore Companies' Act, Chapter 50, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings during the financial year. In performing its functions, the Audit Committee met with the Company's external and internal auditors to review their audit plans, discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' REPORT

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

During the year, the Audit Committee has reviewed the adequacy, effectiveness and integrity of the Group's internal control, risk management systems and financial records. Management also provides a quarterly and annual assurance on the state of the Group's internal controls, risk management systems and financial records. Based on the work performed by internal and external auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that the internal controls in place are adequate and effective in addressing the Group's financial, operational and compliance risks in its current business environment.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Chiu Kwok Hung Justin
Director

Mr Lim Hwee Chiang John
Director

17 February 2015

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 104 to 160 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Dr Chiu Kwok Hung Justin
Director

Mr Lim Hwee Chiang John
Director

17 February 2015

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
ARA ASSET MANAGEMENT LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of ARA Asset Management Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, 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 information, as set out on pages 104 to 160.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

17 February 2015

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group		Company	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Assets					
Plant and equipment	4	1,766	1,390	–	–
Intangible assets	5	1,055	–	–	–
Subsidiaries	6	–	–	197,006	138,028
Associates	7	6,006	4,657	–	–
Financial assets	9	265,842	212,527	–	–
Deferred tax assets	10	745	–	–	–
Other receivables	11	5,871	6,289	–	–
Total non-current assets		281,285	224,863	197,006	138,028
Financial assets	9	38,454	49,837	–	–
Trade and other receivables	11	43,467	33,576	13,932	4,696
Cash and cash equivalents	12	64,430	39,060	2,310	2,344
Total current assets		146,351	122,473	16,242	7,040
Total assets		427,636	347,336	213,248	145,068
Equity					
Share capital	13	1,690	1,690	1,690	1,690
Reserves	13	112,555	94,024	74,859	74,859
Accumulated profits		226,901	181,856	101,374	66,935
Equity attributable to equity holders of the Company		341,146	277,570	177,923	143,484
Non-controlling interests		6,988	2,827	–	–
Total equity		348,134	280,397	177,923	143,484
Liabilities					
Loans and borrowings	14	163	141	–	–
Other payables	16	1,192	–	19,000	–
Deferred tax liabilities	10	124	68	–	–
Total non-current liabilities		1,479	209	19,000	–
Trade and other payables	16	32,719	26,318	1,676	1,584
Loans and borrowings	14	34,194	30,329	14,649	–
Current tax payable		11,110	10,083	–	–
Total current liabilities		78,023	66,730	16,325	1,584
Total liabilities		79,502	66,939	35,325	1,584
Total equity and liabilities		427,636	347,336	213,248	145,068

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000
Management fees	17	125,517	114,003
Acquisition, divestment and performance fees		24,593	14,671
Revenue		150,110	128,674
Finance income	18	20,393	11,583
Other income		2,555	139
		173,058	140,396
Administrative expenses		(51,903)	(41,468)
Operating lease expenses		(3,818)	(3,784)
Other expenses		(14,933)	(6,264)
Finance costs	18	(3,092)	(4,387)
Results from operating activities		99,312	84,493
Share of profit of associates, net of tax		4,305	3,913
Profit before tax	19	103,617	88,406
Tax expense	20	(12,887)	(11,275)
Profit for the year		90,730	77,131
Profit attributable to:			
Equity holders of the Company		87,510	74,250
Non-controlling interests		3,220	2,881
Profit for the year		90,730	77,131
Earnings per share			
Basic earnings per share (cents)	21	10.35	8.79
Diluted earnings per share (cents)	21	10.35	8.79

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Group	
	2014	2013
	$'000	$'000
Profit for the year	90,730	77,131
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Translation differences relating to financial statements of foreign subsidiaries	9,551	2,759
Net change in fair value of available-for-sale financial assets	9,005	(1,497)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(34)	–
Other comprehensive income for the year, net of tax	18,522	1,262
Total comprehensive income for the year	109,252	78,393
Total comprehensive income attributable to:		
Equity holders of the Company	106,041	75,512
Non-controlling interests	3,211	2,881
Total comprehensive income for the year	109,252	78,393

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

Group	Note	Attributable to equity holders of the Company <---------- Reserves ----------> Share capital $'000	Share premium $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2013		1,537	75,012	(5,885)	23,788	149,863	244,315	2,304	246,619
Total comprehensive income for the year									
Profit for the year		–	–	–	–	74,250	74,250	2,881	77,131
Total other comprehensive income		–	–	2,759	(1,497)	–	1,262	–	1,262
Total comprehensive income for the year		–	–	2,759	(1,497)	74,250	75,512	2,881	78,393
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of bonus shares	13	153	(153)	–	–	–	–	–	–
Dividends to equity holders	13	–	–	–	–	(42,257)	(42,257)	(2,241)	(44,498)
Total contributions by and distributions to owners		153	(153)	–	–	(42,257)	(42,257)	(2,241)	(44,498)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control		–	–	–	–	–	–	(117)	(117)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	(117)	(117)
Total transactions with owners		153	(153)	–	–	(42,257)	(42,257)	(2,358)	(44,615)
At 31 December 2013	13	1,690	74,859	(3,126)	22,291	181,856	277,570	2,827	280,397

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

		Attributable to equity holders of the Company							
		<---------- Reserves ---------->							
Group	Note	Share capital $'000	Share premium $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2014		1,690	74,859	(3,126)	22,291	181,856	277,570	2,827	280,397
Total comprehensive income for the year									
Profit for the year		–	–	–	–	87,510	87,510	3,220	90,730
Total other comprehensive income		–	–	9,551	8,980	–	18,531	(9)	18,522
Total comprehensive income for the year		–	–	9,551	8,980	87,510	106,041	3,211	109,252
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends to equity holders	13	–	–	–	–	(42,257)	(42,257)	(1,549)	(43,806)
Total contributions by and distributions to owners		–	–	–	–	(42,257)	(42,257)	(1,549)	(43,806)
Changes in ownership interests in subsidiaries									
Divestment of interests in subsidiaries, without loss of control	24	–	–	–	–	(208)	(208)	2,499	2,291
Total changes in ownership interests in subsidiaries		–	–	–	–	(208)	(208)	2,499	2,291
Total transactions with owners		–	–	–	–	(42,465)	(42,465)	950	(41,515)
At 31 December 2014	13	1,690	74,859	6,425	31,271	226,901	341,146	6,988	348,134

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from operating activities			
Profit for the year		90,730	77,131
Adjustments for:			
Amortisation of intangible assets		169	–
Depreciation of plant and equipment		725	684
Distribution income		(10,524)	(11,484)
(Gain) / loss on fair valuation / disposal of financial assets		(9,744)	3,483
Negative goodwill		(2,102)	–
Interest expense		763	617
Interest income		(125)	(99)
Gain on disposal of plant and equipment		(53)	(6)
Management fees received / receivable in units of real estate investment trusts		(61,788)	(61,830)
Share of profit of associates		(4,305)	(3,913)
Tax expense		12,887	11,275
		16,633	15,858
Change in trade and other receivables		(2,688)	(2,700)
Change in trade and other payables		7,190	219
Cash generated from operating activities		21,135	13,377
Distribution income received		10,587	11,689
Proceeds from sale of units in real estate investment trusts		82,309	34,975
Tax paid		(11,860)	(12,412)
Net cash from operating activities		102,171	47,629
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	23	(528)	–
Acquisition of non-controlling interests		–	(117)
Divestment of interests in subsidiaries, without loss of control	24	2,291	–
Dividends received from associates		1,380	672
Interest received		125	99
Proceeds from disposal of plant and equipment		166	96
Purchase of plant and equipment		(1,218)	(501)
Purchase of available-for-sale securities, net		(37,918)	(89,947)
Net cash used in investing activities		(35,702)	(89,698)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000
Cash flows from financing activities			
Dividends paid		(43,806)	(44,498)
Interest paid		(763)	(617)
Proceeds / (payment) of finance lease liabilities, net		18	(76)
Drawdown of borrowings, net		3,123	25,664
Net cash used in financing activities		(41,428)	(19,527)
Net increase / (decrease) in cash and cash equivalents		25,041	(61,596)
Cash and cash equivalents at 1 January		39,060	100,258
Effect of exchange rate fluctuations on cash held		329	398
Cash and cash equivalents at 31 December	12	64,430	39,060

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 February 2015.

1. DOMICILE AND ACTIVITIES

ARA Asset Management Limited (the "Company") is incorporated as an exempted company with limited liability in Bermuda and has its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is at 6 Temasek Boulevard, #16-02 Suntec Tower 4, Singapore 038986. The Company was admitted to the official list of the main board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 2 November 2007.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are those relating to the provision of real estate fund management services, including acting as the manager for public-listed real estate investment trusts and private real estate funds, as well as the provision of real estate management services and corporate finance advisory services.

The financial statements of the Company as at and for the financial year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

(i) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group's finance division oversees the Group's financial reporting valuation process and is responsible for all significant fair value measurements, including Level 3 fair values.

Significant changes in fair value measurements from period to period are evaluated by the finance division for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate. All significant changes in fair value measurements are reflected in the internal monthly management report.

When measuring the fair value of an asset or a liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 15 – Financial Instruments and Note 25 – Determination of fair values.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

(ii) Judgements

Determination of control over investees

Management applies its judgement to determine whether the control indicators set out in Note 3.1(ii) indicate that the Group controls a real estate investment trust ("REIT") or an investment fund.

The Group acts as a manager to a number of REITs and investment funds. When determining whether the Group controls a REIT or an investment fund, the Group focuses on the assessment of the aggregate economic interests of the Group in the REIT or the fund (comprising any carried interests and expected management fees) and the investors' right to remove the manager of the REIT or the fund.

For all the REITs managed by the Group, the Group's equity interest is less than 2% and the aggregate economic interest in each case is not expected to be significant. As a result, the Group has concluded that it acts as an agent for the unitholders in all cases, and therefore has not consolidated these REITs.

For all funds managed by the Group, the other investors (whose numbers ranges from 1 to 30, excluding the Group) are able to vote by simple majority to remove the Group as fund manager without cause and are therefore substantive. The Group's equity interest ranges from 2% to less than 30% and the aggregate economic exposure is not expected to exceed 40%. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

For further disclosure in respect of unconsolidated REITs and investment funds in which the Group has an interest, see Note 8.

(iii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in Note 25 – valuation and measurement of financial assets and financial liabilities.

2.5 Changes in accounting policies

(i) Subsidiaries

As a result of FRS 110 *Consolidated Financial Statements*, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. FRS 110 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group.

The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group is not required under FRS 110 to consolidate its investees.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(cont'd)*

2.5 Changes in accounting policies *(cont'd)*

(ii) Disclosure of interests in other entities

FRS 112, *Disclosure of Interests in Other Entities* sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosures about its interests in subsidiaries (see Note 6) and unconsolidated REITs and investment funds (see Note 8).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(i) Business combinations *(cont'd)*

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(iv) Investments in associates ("equity-accounted investees")

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date the significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which is recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.2 Foreign currencies *(cont'd)*

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising from acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

3.3 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the net proceeds from disposal with the carrying amount of the item, and is recognised net within other income / other expenses in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Plant and equipment *(cont'd)*

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is calculated separately.

Depreciation is recognised as an expense in profit or loss from the date the plant and equipment are installed and ready for use and is measured on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Fittings and office equipment	–	3 to 5 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Acquired contractual rights

Intangible assets represent acquired contractual rights with finite useful lives. It is measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in profit or loss on a straight-line basis over their estimated useful lives from the date of acquisition over the period as stated in each contract. The estimated useful life for the current year ranges approximately between 3 to 6 years. There are no comparatives available as these contractual rights were acquired in 2014.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise investments in private real estate funds.

Financial assets classified as held-for-trading comprise investments in listed real estate investment trust units actively managed by the Group's management to address short-term liquidity needs.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Financial instruments *(cont'd)*

(i) Non-derivative financial assets *(cont'd)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note 3.6(i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise primarily investments in listed real estate investment trust units and private real estate funds that are managed by the Group.

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Impairment *(cont'd)*

(i) Non-derivative financial assets *(cont'd)*

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.6(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance lease is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specific asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Other long-term employee benefits

The Group has put in place a deferred compensation scheme which is designed to retain individual key executives managing the respective private real estate funds by allowing them to invest in these funds.

The fair value of the amount payable to these key executives in respect of the deferred compensation scheme, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become entitled to payment. The liability is measured at each reporting date and settlement date based on the fair value of their investment in these funds. Any changes in the fair value of the liability are recognised as employee benefits in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Revenue recognition

(i) REIT management fees

REIT management fees, comprising base and performance fees, are derived from the management of REITs and are determined based on the value of the real estate assets or total gross assets under management and net property income of the REITs managed, respectively. These fees are recognised on an accrual basis.

(ii) Acquisition, divestment and performance fees

Acquisition / divestment fees relate to fees earned in relation to the acquisition / divestment of properties by REITs and certain private real estate funds. The acquisition / divestment fees are determined based on the value of the properties acquired / divested and are recognised when the services have been rendered.

Performance fees relate to advisory and consultancy fees and fees earned in relation to private real estate funds where the returns of the private real estate funds exceed certain specified hurdles. Advisory and consultancy fees include project management fees and corporate finance advisory fees which are determined based on contracted terms and are recognised when the services have been rendered.

(iii) Portfolio management fees

Portfolio management fees are derived from the management of private real estate funds and are determined based on committed capital, contributed capital or portfolio value. These fees are recognised on an accrual basis.

(iv) Real estate management service fees

Real estate management service fees are derived from the provision of property management services and convention and exhibition services rendered. These fees include marketing services fees, advertising fees and commissions and promotion commissions, and are recognised on an accrual basis.

3.11 Finance income and finance costs

Finance income comprises income on funds invested (including available-for-sale financial assets), distribution income, dividend income, gains on the disposal of available-for-sale financial assets and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Distribution income and dividend income are recognised in profit or loss when the respective unitholder's or shareholder's right to receive payment is established.

Finance costs comprise interest expense on financial liabilities, fees incurred in connection with the arrangement of debt facility, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, and for the effects of all dilutive potential ordinary shares.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed monthly by the Group Chief Executive Officer ("Group CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, finance lease liabilities and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and intangible assets other than goodwill.

3.15 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

4. PLANT AND EQUIPMENT

Group	Fittings and office equipment $'000	Motor vehicles $'000	Total $'000
Cost			
At 1 January 2013	3,149	564	3,713
Additions	501	–	501
Disposals	(187)	–	(187)
Effect of movement in exchange rates	31	7	38
At 31 December 2013	3,494	571	4,065
Additions	763	455	1,218
Disposals	(69)	(359)	(428)
Effect of movement in exchange rates	9	10	19
At 31 December 2014	4,197	677	4,874
Accumulated depreciation			
At 1 January 2013	1,825	248	2,073
Depreciation for the year	570	114	684
Disposals	(97)	–	(97)
Effect of movement in exchange rates	11	4	15
At 31 December 2013	2,309	366	2,675
Depreciation for the year	603	122	725
Disposals	(52)	(263)	(315)
Effect of movement in exchange rates	14	9	23
At 31 December 2014	2,874	234	3,108
Carrying amounts			
At 1 January 2013	1,324	316	1,640
At 31 December 2013	1,185	205	1,390
At 31 December 2014	1,323	443	1,766

Leased motor vehicles

During the year, additions to motor vehicles financed by a new finance lease was $455,000 (2013: Nil). As at 31 December 2014, the carrying amount of motor vehicles held under finance lease was $417,000 (2013: $138,000). The amount outstanding under the finance lease agreement is set out in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

Acquired contractual rights

Group	Total $'000
Cost	
At 1 January 2014	–
Arising from acquisition of subsidiary (Note 23)	1,224
At 31 December 2014	1,224
Accumulated amortisation and impairment	
At 1 January 2014	–
Amortisation for the year	169
At 31 December 2014	169
Carrying amount	
At 1 January 2014	–
At 31 December 2014	1,055

6. SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Equity investments at cost	67,802	57,575
Shareholders' loan to subsidiaries	131,443	82,692
Less: Impairment loss	(2,239)	(2,239)
	197,006	138,028

The shareholders' loan to subsidiaries are unsecured and interest-free with no specified repayment date. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost.

The Company had in the prior years, cumulatively provided for impairment loss totalling $2,239,000 (2013: $2,239,000) which arose from a review of the recoverable amount, determined based on the estimated fair value of the subsidiaries. There is no such provision of impairment loss during the year.

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES *(cont'd)*

Details of significant and / or principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective ownership interest 2014 %	Effective ownership interest 2013 %
ARA Asset Management (Fortune) Limited [1] [2]	Republic of Singapore	100	100
ARA Trust Management (Suntec) Limited [1]	Republic of Singapore	100	100
ARA Management Pte. Ltd. [1]	Republic of Singapore	100	100
ARA Asset Management (Prosperity) Limited [2]	Hong Kong	100	100
ARA-CWT Trust Management (Cache) Limited [1]	Republic of Singapore	60	60
ARA Fund Management (Asia Dragon) Limited [1]	Bermuda	100	100
ARA Managers (APF) Pte. Ltd. [1] (formerly known as ARA Managers (Asia Dragon) Pte. Ltd.)	Republic of Singapore	100	100
ARA Fund Management (Asia Dragon II) Limited [1]	Bermuda	100	100
ARA Managers (Asia Dragon II) Pte. Ltd. [1]	Republic of Singapore	100	100
ARA Fund Management (CIP) Limited [1]	Bermuda	100	100
ARA Managers (CIP) Pte. Ltd. [1]	Republic of Singapore	100	100
Jadeline Capital Sdn. Bhd. [2]	Malaysia	100	100
ARA Real Estate Investors I Limited [3]	British Virgin Islands	100	100
ARA Investors II Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors III Limited [3]	British Virgin Islands	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES *(cont'd)*

Details of significant and / or principal subsidiaries are as follows: *(cont'd)*

Name of subsidiary	Country of incorporation	Effective ownership interest	
		2014 %	2013 %
ARA Real Estate Investors IV Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors V Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors VI Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors VII Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors IX Limited [3]	British Virgin Islands	100	100
ARA Real Estate Investors X Pte. Ltd. [1]	Republic of Singapore	90.1	100
ARA Managers (Harmony) Pte. Ltd. [1]	Republic of Singapore	100	100
Suntec Singapore International Convention & Exhibition Services Pte. Ltd. [1]	Republic of Singapore	100	100
APM Property Management Pte. Ltd. [1]	Republic of Singapore	100	100
SC Property Management Co. Ltd. [2]	Hong Kong	51	51
Asia Property Management (China) Limited [2] [4]	Hong Kong	33.2	33.2
ARA Fund Management (MIP) Limited [1]	Bermuda	100	100
ARA Managers (MIP) Pte. Ltd. [1]	Republic of Singapore	100	100
ARA Fund Management (SDF) Limited [1]	Cayman Islands	100	–

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES *(cont'd)*

Details of significant and / or principal subsidiaries are as follows: *(cont'd)*

Name of subsidiary	Country of incorporation	Effective ownership interest	
		2014 %	2013 %
ARA Managers (SDF) Pte. Ltd. [1]	Republic of Singapore	100	–
ARA Managers (SIP) Pte. Ltd. [1]	Republic of Singapore	100	–
ARA Korea Limited [2]	Republic of Korea	90.1	–

[1] *Audited by KPMG LLP, Singapore.*

[2] *Audited by other member firms of KPMG International.*

[3] *Not required to be audited by law of country of incorporation.*

[4] *Although the Group owns less than half of the voting power in these companies, it is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors of Asia Property Management (China) Limited and its subsidiaries. Consequently, the Group consolidates its investment in the company and its subsidiaries.*

KPMG LLP is the auditor of all significant Singapore-incorporated and Bermuda-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for subsidiaries incorporated in the British Virgin Islands, Cayman Islands and Bermuda which are not required to be audited under the laws prevailing in their respective jurisdiction. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

7. ASSOCIATES

The Group has interests in a number of individually immaterial associates. The following table summarises, in aggregate, the carrying amount and share of profit of these associates that are accounted for using the equity method.

	Group	
	2014	2013
	$'000	$'000
Movements in carrying value:		
At 1 January	4,657	3,578
Effect of movement in exchange rates	543	435
Share of profit for the year, net of tax	4,305	3,913
Dividends received in cash and in units of real estate investment trust	(3,499)	(3,269)
At 31 December	6,006	4,657

Details of associates are as follows:

Name of associate	Country of incorporation	Ownership interest	
		2014	2013
		%	%
Am ARA REIT Holdings Sdn. Bhd. [1]	Malaysia	30	30
Am ARA REIT Managers Sdn. Bhd. [1]	Malaysia	30	30
Cache Property Management Pte. Ltd. [2]	Republic of Singapore	40	40
World Deluxe Enterprises Limited [3]	British Virgin Islands	30	30
Hui Xian Asset Management Limited [4]	Hong Kong	30	30
Beijing Hui Xian Enterprise Services Limited [5]	People's Republic of China	30	30

(1) *Audited by Ernst & Young, Malaysia.*

(2) *Audited by KPMG LLP, Singapore.*

(3) *Not required to be audited by law of country of incorporation.*

(4) *Audited by Deloitte Touche Tohmatsu, Hong Kong.*

(5) *Audited by Unity & Strength Certified Public Accountants, China.*

NOTES TO THE FINANCIAL STATEMENTS

7. ASSOCIATES *(cont'd)*

Summary financial information for associates which is not adjusted for the percentage of ownership held by the Group, are as follows:

	2014 $'000	2013 $'000
Assets and liabilities		
Total assets	36,379	30,308
Total liabilities	18,013	16,075
Results		
Revenue	43,166	40,966
Expenses (including taxation)	(29,608)	(28,606)
Profit after taxation	13,558	12,360

8. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Group	Total assets $'million
REITs and Investment funds	To generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of equity to investors.	• Investments in equity issued by the fund • Investments in units issued by the REITs • Management fees	29,963

The table below sets out an analysis of the carrying amounts of interest held by the Group in unconsolidated REITs and investment funds. The maximum exposure to loss is the carrying amount of the assets held.

	2014 $'000
Carrying amount	
REITs and Investment funds	299,617

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL ASSETS

	Group	
	2014	2013
	$'000	$'000
Non-current		
Quoted available-for-sale financial assets	94,188	79,939
Unquoted available-for-sale financial assets	164,569	132,588
Unquoted financial assets designated at fair value through profit or loss	7,085	–
	265,842	212,527
Current		
Quoted financial assets held-for-trading	38,454	49,837

Quoted financial assets relate to units held in listed REITs. Certain quoted available-for-sale securities with an aggregate amount of $81,805,000 (2013: $74,606,000) relate to units held in certain listed REITs which are pledged as security to obtain credit facilities.

The carrying value of unquoted available-for-sale financial assets consists of seed capital investments in private real estate funds of $148,204,000 (2013: $128,272,000) and an investment in a privately-held REIT of $11,686,000 (2013: Nil). The remaining carrying value of $4,679,000 (2013: $4,316,000) relate to units held in an open-ended specialist equity fund. All of the unquoted available-for-sale financial assets are stated at their fair values.

The unquoted financial assets designated at fair value through profit or loss are units held in certain private real estate funds that otherwise would have been classified as available-for-sale. The performance of these unquoted financial assets designated at fair value through profit or loss is actively monitored and are managed on a fair value basis.

The Group's exposure to credit and currency risks related to financial assets are disclosed in Note 15.

Sensitivity analysis - equity price risk

All of the Group's quoted equity financial assets are listed on the SGX-ST, the Stock Exchange of Hong Kong ("HKEx") or the Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL ASSETS *(cont'd)*

Sensitivity analysis - equity price risk *(cont'd)*

For such investments classified as available-for-sale or held-for-trading, a 10% increase / (decrease) in their stock prices at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013, as indicated below:

	Equity		Profit or (loss)	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
SGX-ST	8,181	6,572	2,673	2,560
HKEx	–	–	1,172	2,424
Bursa Malaysia Securities Berhad	1,238	1,422	–	–

10. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deferred tax assets				
Tax loss carry-forward	745	–	–	–
Deferred tax liabilities				
Plant and equipment	(124)	(68)	–	–

Movements in temporary differences of the Group during the year are as follows:

	At 1 January 2013 $'000	Recognised in profit or loss (Note 20) $'000	At 31 December 2013 $'000	Acquired in business combinations (Note 23) $'000	Recognised in profit or loss (Note 20) $'000	At 31 December 2014 $'000
Plant and equipment	(118)	50	(68)	–	(56)	(124)
Tax loss carry-forward	–	–	–	454	291	745
	(118)	50	(68)	454	235	621

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade receivables	14,355	8,280	–	–
Accrued revenue	23,558	20,337	–	–
Tenancy and other deposits	1,209	1,026	–	–
Other receivables	3,519	2,800	–	–
Amount due from a related party, non-trade	252	240	–	–
Amount due from subsidiaries, non-trade	–	–	13,890	4,667
Loans and receivables	42,893	32,683	13,890	4,667
Prepayments	6,445	7,182	42	29
	49,338	39,865	13,932	4,696
Non-current	5,871	6,289	–	–
Current	43,467	33,576	13,932	4,696
	49,338	39,865	13,932	4,696

There is no impairment allowance arising from the outstanding balances. The non-trade amounts due from a related party and subsidiaries are unsecured, interest-free and repayable on demand.

Trade receivables for the Group include amounts due from a trustee of REITs of $2,738,000 (2013: $2,985,000).

Accrued revenue relates to accrual of REIT management fees, portfolio management fees and real estate management services fees.

Non-current receivables for the Group relates to prepayments for agent fees in relation to the private real estate funds under management, which will be amortised over the life of these funds as well as tenancy deposits.

The Group's and Company's exposure to credit and currency risks related to trade and other receivables are disclosed in Note 15.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash at bank and in hand	49,512	36,904	2,310	2,344
Short-term fixed deposits	14,918	2,156	–	–
Cash and cash equivalents in the statement of cash flows	64,430	39,060	2,310	2,344

The Group's and Company's exposure to credit, interest rate and currency risks related to cash and cash equivalents are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

13. CAPITAL AND RESERVES

Share capital

Group and Company	2014 Number of shares '000	2013 Number of shares '000
At 1 January	845,151	768,319
Issue of bonus shares	–	76,832
At 31 December	845,151	845,151

On 26 March 2013, 76,831,904 new ordinary shares of $0.002 each in the capital of the Company credited as fully paid were allotted and issued to shareholders of the Company on the basis of one bonus share for every ten existing shares held in the capital of the Company (the "Bonus Issue"). Following the Bonus Issue, the total number of issued shares of the Company increased from 768,319,189 to 845,151,093.

All the newly issued shares rank pari passu in all respect with the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with a par value of $0.002 each.

Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Share premium	74,859	74,859	74,859	74,859
Foreign currency translation reserve	6,425	(3,126)	–	–
Fair value reserve	31,271	22,291	–	–
	112,555	94,024	74,859	74,859

Share premium

Share premium is net of cost of issue of new shares.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

13. CAPITAL AND RESERVES *(cont'd)*

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Dividends

The following dividends were declared and paid by the Group and Company for the year ended 31 December:

	Group and Company	
	2014	2013
Paid by the Company to owners of the Company:	$'000	$'000
Interim dividend of $0.023 per ordinary share (2013: $0.023)	19,438	19,438
Final dividend of $0.027 per ordinary share, paid in respect of the previous financial year (2013: $0.027)	22,819	22,819
	42,257	42,257

At the Annual General Meeting to be held on 24 April 2015 (2013: 25 April 2014), a final exempt dividend of $0.027 (2013: $0.027) per share amounting to $22,819,000 (2013: $22,819,000) will be recommended for shareholders' approval. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

	Group	
	2014	2013
	$'000	$'000
Paid by subsidiaries to parties with non-controlling interest	1,549	2,241

NOTES TO THE FINANCIAL STATEMENTS

14. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and liquidity risks, see Note 15.

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current liability				
Finance lease liability	163	141	–	–
Current liabilities				
Secured bank loans	19,500	30,280	–	–
Unsecured bank loans	14,649	–	14,649	–
Finance lease liability	45	49	–	–
	34,194	30,329	14,649	–
	34,357	30,470	14,649	–

Terms and conditions of outstanding loans and borrowings are as follows:

Group	Currency	Nominal interest rate	Year of maturity	Fair value $'000	Carrying amount $'000
2014					
Secured bank loans	SGD	1.68% per annum	2015	19,500	19,500
Unsecured bank loan	SGD	1.85% per annum	*	12,000	12,000
Unsecured bank loan	USD	1.81% per annum	*	2,649	2,649
Finance lease liability	SGD	1.88% per annum	2019	208	208
				34,357	34,357
2013					
Secured bank loan	RM	4.80% per annum	2014	4,616	4,616
Secured bank loan	SGD	1.44% per annum	2014	9,000	9,000
Secured bank loan	USD	1.82% per annum	2014	16,664	16,664
Finance lease liability	SGD	2.68% per annum	2017	190	190
				30,470	30,470

NOTES TO THE FINANCIAL STATEMENTS

14. LOANS AND BORROWINGS *(cont'd)*

Company	Currency	Nominal interest rate	Year of maturity	Fair value $'000	Carrying amount $'000
2014					
Unsecured bank loan	SGD	1.85% per annum	*	12,000	12,000
Unsecured bank loan	USD	1.81% per annum	*	2,649	2,649
				14,649	14,649

The secured bank loan in 2013 of $4,616,000 relates to a RM12.0 million secured variable rate revolving credit facility provided to a subsidiary, Jadeline Capital Sdn. Bhd. to finance the subscription of a 3-for-5 rights issue by AmFIRST REIT which amounted to 13,863,000 units. The facility was secured by 36,968,000 units held in AmFIRST REIT and was available for a period of three years until September 2014. This bank loan has been fully repaid during the year.

The secured bank loans of $19,500,000 (2013: $25,664,000) relates to a multicurrency revolving credit facility drawn for the Group's general working purposes and seed capital contributions to the private real estate funds. The facility is secured by 34,093,000 units held in Suntec REIT and 12,972,000 units in Cache Logistics Trust and terminates in March 2017.

* The unsecured bank loans of $14,649,000 (2013: Nil) primarily relate to an unsecured money market line drawn for the Group's various investments. There is no fixed expiry date on the facility.

Finance lease liability

At 31 December, the Group has an obligation under a finance lease that is payable as follows:

	2014			2013		
Group	Principal $'000	Interest $'000	Future minimum payments $'000	Principal $'000	Interest $'000	Future minimum payments $'000
Within 1 year	45	4	49	49	9	58
Between 1 to 5 years	163	15	178	141	27	168
	208	19	227	190	36	226

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Group Risk Management and Internal Audit division. The Group Risk Management and Internal Audit division undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from counterparties and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Credit risk (cont'd)

Trade and other receivables

Risk management policy

The Group's exposure to credit risk arises mainly through its trade and accrued fees receivables from REITs, real estate management and private real estate funds. Exposure to credit risk is monitored on an ongoing basis.

Investments and other financial assets

Risk management policy

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash and cash equivalents and other financial assets. Credit risk on cash and cash equivalents is limited because these are placed with regulated financial institutions. Credit risk on other financial assets is limited because the counterparties are entities with high credit quality and/or acceptable credit ratings. These financial assets are monitored on an ongoing basis by management.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Group		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Loans and receivables					
- Loans and receivables	11	42,893	32,683	13,890	4,667
- Cash and cash equivalents	12	64,430	39,060	2,310	2,344
Available-for-sale financial assets					
- Quoted financial assets	9	94,188	79,939	–	–
- Unquoted financial assets	9	164,569	132,588	–	–
Fair value through profit or loss					
- Quoted financial assets held-for-trading	9	38,454	49,837	–	–
- Unquoted financial assets	9	7,085	–	–	–
		411,619	334,107	16,200	7,011

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Credit risk (cont'd)

Impairment losses (cont'd)

The aging of trade receivables that was not impaired at the reporting date was:

	Group	
	2014	2013
	$'000	$'000
Not past due	12,309	6,532
Past due 0-60 days	1,612	1,255
Past due 61-120 days	47	393
More than 120 days	387	100
	14,355	8,280

Based on historical default rates, the Group believes that no impairment allowance is necessary as these accounts mainly relates to customers that have a good payment record with the Group. None of the other receivables are past due.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit:

- An unutilised multicurrency revolving credit facility of $30.1 million (2013: $23.9 million) secured on the Group's strategic stakes in Suntec REIT and Cache Logistics Trust. The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies and terminates in March 2017.

- An unutilised unsecured money market line of $35.4 million (2013: $50.0 million). The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies.

- $6.0 million and HK$3.0 million (2013: $6.0 million and HK$3.0 million) overdraft facilities that are unsecured. Interest would be payable at the respective Singapore and Hong Kong prime lending rates.

The Group has contractual commitments to incur capital expenditure with regard to its investments in various private real estate funds (see Note 27).

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities which are measured at amortised cost including estimated interest payments but excluding the impact of netting agreements:

		<---------- Cash flows ---------->		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000
Group				
2014				
Non-derivative financial liabilities				
Finance lease liability	208	(227)	(49)	(178)
Trade and other payables	33,911	(33,911)	(32,719)	(1,192)
Secured bank loans	19,500	(19,814)	(19,814)	–
Unsecured bank loans	14,649	(14,911)	(14,911)	–
	68,268	(68,863)	(67,493)	(1,370)
2013				
Non-derivative financial liabilities				
Finance lease liability	190	(226)	(58)	(168)
Trade and other payables	26,318	(26,318)	(26,318)	–
Secured bank loans	30,280	(30,873)	(30,873)	–
	56,788	(57,417)	(57,249)	(168)
Company				
2014				
Trade and other payables	20,676	(20,676)	(1,676)	(19,000)
Unsecured bank loans	14,649	(14,911)	(14,911)	–
	35,325	(35,587)	(16,587)	(19,000)
2013				
Trade and other payables	1,584	(1,584)	(1,584)	–

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Currency risk

Risk management policy

Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure to an acceptable level.

Exposure to currency risk

The Group and the Company's exposures to foreign currency was as follows based on notional amounts:

	<----Group---->						<----Company---->	
	Singapore dollar $'000	United States dollar $'000	Hong Kong dollar $'000	Australian dollar $'000	Chinese renminbi $'000	Korean won $'000	United States dollar $'000	Korean won $'000
2014								
Financial assets	–	–	–	–	7,254	–	–	–
Trade and other receivables	–	9	5,383	5	–	–	–	–
Cash and cash equivalents	211	645	106	747	197	1,115	85	1,115
Trade and other payables	(28)	(18)	(143)	–	–	–	–	–
Unsecured bank loan	–	(2,649)	–	–	–	–	(2,649)	–
	183	(2,013)	5,346	752	7,451	1,115	(2,564)	1,115
2013								
Financial assets	–	–	–	–	5,465	–	–	–
Trade and other receivables	2	3	4,670	–	–	–	–	–
Cash and cash equivalents	554	183	41	661	–	–	7	–
Trade and other payables	(274)	(34)	(135)	–	–	–	–	–
Secured bank loan	–	(16,664)	–	–	–	–	–	–
	282	(16,512)	4,576	661	5,465	–	7	–

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Market risk (cont'd)

Currency risk (cont'd)

Exposure to currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013, as indicated below:

	Group Profit or (loss)		Company Profit or (loss)	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
United States dollar	201	1,651	256	(1)
Hong Kong dollar	(535)	(458)	–	–
Australian dollar	(75)	(66)	–	–
Chinese renminbi	(745)	(547)	–	–
Korean won	(111)	–	(111)	–
	(1,265)	580	145	(1)

A 10% weakening of the Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Carrying amount		Company Carrying amount	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Fixed rate instruments				
Financial assets	14,918	2,156	–	–
Financial liabilities	(208)	(190)	–	–
	14,710	1,966	–	–
Variable rate instruments				
Financial liabilities	(34,149)	(30,280)	(14,649)	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Group Profit or (loss)		Company Profit or (loss)	
Group	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
2014				
Variable rate instruments	(341)	341	(146)	146
Cash flow sensitivity (net)	(341)	341	(146)	146
2013				
Variable rate instruments	(303)	303	–	–
Cash flow sensitivity (net)	(303)	303	–	–

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities divided by total shareholders' equity, excluding non-controlling interests.

The Board of Directors also monitors the level of dividends to ordinary shareholders. There were no changes in the Group's approach to capital management during the year.

In addition, certain subsidiaries of the Company are Capital Markets Services ("CMS") Licence holders registered by the Monetary Authority of Singapore to conduct the regulated activity of REIT management and are subject to the requirements under the Securities and Futures Act, Securities and Futures (Licensing and Conduct of Business) Regulations and Securities and Futures (Financial and Margin Requirements for Holders of Capital Market Services Licences) Regulations (collectively referred to as "CMS regulations"). As defined in the applicable legislation under the CMS regulations, these subsidiaries are required to maintain the "Base Capital" of $1,000,000 and ensure that their "Financial Resources" shall not fall below 120% of the "Total Risk Requirement".

Apart from the above, certain subsidiaries of the Company are licensed corporations registered under the Hong Kong Securities and Futures Ordinance and are subject to the capital requirements of the Hong Kong Securities and Futures (Financial Resources) Rules ("FRR"). The minimum paid-up share capital requirement of these subsidiaries is HK$5,000,000 and the minimum liquid capital requirement is the higher of HK$3,000,000 and the variable required liquid capital as defined in the FRR.

The Group monitors its compliance with the requirements of both the CMS and FRR regulations regularly.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Fair value

Accounting classifications and fair values

The carrying amounts and fair values of certain financial assets including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2014					
Available-for-sale financial assets	258,757	94,188	4,679	159,890	258,757
Financial assets held-for-trading	38,454	38,454	–	–	38,454
Financial assets designated at fair value through profit or loss	7,085	–	–	7,085	7,085
	304,296	132,642	4,679	166,975	304,296
2013					
Available-for-sale financial assets	212,527	79,939	4,316	128,272	212,527
Financial assets held-for-trading	49,837	49,837	–	–	49,837
	262,364	129,776	4,316	128,272	262,364

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The fair value of the Level 3 financial instrument as at the reporting date was determined using a valuation technique using the realisable net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the entities to which the financial instrument relates. The assets held by the relevant entities comprise mainly properties whose fair values were determined by an independent licensed appraiser. The fair values of the properties were based on market values determined using the discounted cash flow and direct comparison methods. Therefore, given the above, management has determined that the reported net asset value represents fair value at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Fair value (cont'd)

Measurement of fair values (cont'd)

(i) Valuation techniques and significant unobservable inputs (cont'd)

The following table shows the valuation technique and the key unobservable input used in the determination of fair value of the level 3 financial assets.

Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair value measurement
Net asset value	Net asset value	The estimated fair value would increase if net asset value was higher.

Sensitivity analysis

For the fair value of level 3 financial assets, changing the significant unobservable input by 10% at the reporting date would have the following favourable / (unfavourable) impact by the amount shown below.

31 December 2014	Increase / (decrease)	Favourable/(unfavourable) impact on other comprehensive income $'000
Net asset value	10%	16,698
	(10%)	(16,698)*

31 December 2013	Increase / (decrease)	Favourable/(unfavourable) impact on other comprehensive income $'000
Net asset value	10%	12,827
	(10%)	(12,827)*

* Assuming there is no prolonged decline in its fair value below its cost.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS *(cont'd)*

Fair value (cont'd)

Measurement of fair values (cont'd)

(i) Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments not measured at fair values

The Group has not disclosed the fair values of financial instruments such as trade receivables and payables, loans and borrowings and cash and cash equivalents as the carrying amounts of these financial instruments are a reasonable approximation of fair values as at 31 December 2014 and 2013.

(ii) Transfers between Level 1 and 2

During the financial year ended 31 December 2014, there were no transfers between Level 1 and Level 2 of the fair value hierarchy (2013: no transfers between Level 1 and Level 2 of the fair value hierarchy).

(iii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group	
Level 3 financial assets:	**2014**	**2013**
	$'000	**$'000**
At 1 January	128,272	26,252
Capital contribution	53,984	99,996
Capital returns	(15,342)	(4,139)
Total unrealised gains recognised in profit or loss	289	–
Total gains and losses recognised in other comprehensive income	(228)	6,163
At 31 December	166,975	128,272

NOTES TO THE FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Trade payables	6,453	3,366	26	71
Accrued expenses	23,690	17,741	1,642	1,513
Other payables	3,768	5,211	8	–
Amount due to a subsidiary, non-trade	–	–	19,000	–
	33,911	26,318	20,676	1,584
Non-current	1,192	–	19,000	–
Current	32,719	26,318	1,676	1,584
	33,911	26,318	20,676	1,584

The Group and the Company's exposure to currency and liquidity risks related to trade and other payables are disclosed in Note 15.

The outstanding balance with a subsidiary is unsecured and interest-free.

17. MANAGEMENT FEES

	Group	
	2014 $'000	2013 $'000
REIT management fees	77,140	65,984
Portfolio management fees	24,429	25,628
Real estate management service fees	23,948	22,391
	125,517	114,003

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCE INCOME AND FINANCE COSTS

	Group	
	2014 $'000	2013 $'000
Finance income		
Interest income - bank deposits	125	99
Gain on fair valuation / disposal of financial assets	9,744	–
Distribution income	10,524	11,484
Total finance income	20,393	11,583
Finance costs		
Interest expense:		
- bank loans	719	594
- finance lease liabilities	30	13
- bank overdraft	14	10
Foreign exchange loss, net	2,329	287
Loss on fair valuation / disposal of financial assets	–	3,483
Total finance costs	3,092	4,387

19. PROFIT BEFORE TAX

The following items have been included in arriving at the profit for the year:

	Group	
	2014 $'000	2013 $'000
Other income		
Negative goodwill	2,102	–
Gain on disposal of plant and equipment	53	6
Operating expenses		
Agency commission	5,382	437
Amortisation of intangible asset	169	–
Audit fee paid to:		
- auditors of the Company	339	312
- other auditors	150	139
Non-audit fee paid to:		
- auditors of the Company	128	113
- other auditors	22	19
Depreciation of plant and equipment	725	684
Staff costs*	47,979	36,277
Contribution to defined contribution plans, included in staff costs	1,537	1,634
Other miscellaneous expenses	7,229	4,323

* Included in staff costs are staff-related expenses of $12,418,000 (2013: $11,930,000) for Suntec Singapore International Convention & Exhibition Services Pte. Ltd., a wholly-owned subsidiary of the Company, which was fully reimbursed by a private fund and netted off.

NOTES TO THE FINANCIAL STATEMENTS

20. TAX EXPENSE

	Group	
	2014 $'000	2013 $'000
Current tax expense		
Current year	13,812	11,869
Overprovision in prior years	(690)	(544)
	13,122	11,325
Deferred tax expense		
Origination and reversal of temporary differences	(235)	(50)
Total tax expense	12,887	11,275
Reconciliation of effective tax rate:		
Profit for the year	90,730	77,131
Total tax expense	12,887	11,275
Profit excluding tax	103,617	88,406
Tax using the Singapore tax rate at 17% (2013: 17%)	17,615	15,029
Effects of tax rates in foreign jurisdiction	(3,870)	(2,921)
Non-deductible expenses	920	467
Tax exempt income	(1,092)	(745)
Tax incentives	–	(15)
Overprovision in prior years	(690)	(544)
Others	4	4
	12,887	11,275

NOTES TO THE FINANCIAL STATEMENTS

21. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of $87,510,000 (2013: $74,250,000) and a weighted average number of ordinary shares outstanding of 845,151,093 calculated as follows:

	Group	
	2014 $'000	2013 $'000
Profit attributable to ordinary shareholders	87,510	74,250
	Number of shares '000	Number of shares '000
Issued ordinary shares at beginning of the year	845,151	768,319
Effect of bonus shares issued 26 March 2013	–	76,832
Weighted average number of ordinary shares during the year	845,151	845,151
Basic and diluted earnings per share (cents)	10.35	8.79

The basic and diluted earnings per ordinary share for the years ended 31 December 2014 and 31 December 2013 are calculated based on the number of ordinary shares after the Bonus Issue.

22. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

REITs:	Provision of fund management services to real estate investment trusts
Private real estate funds:	Provision of fund management services to private real estate funds
Real estate management services:	Provision of property management services and convention and exhibition services
Investment holdings:	Investing in a portfolio of listed securities in REITs and a real estate fund manager and unlisted equity investment in REITs and private real estate funds

Others comprise primarily corporate finance advisory services which do not meet any of the quantitative thresholds for determining reportable segment in 2014 or 2013.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

22. OPERATING SEGMENTS *(cont'd)*

Information about reportable segments

	REITs		Private real estate funds		Real estate management services		Investment holdings		Others		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
External revenues	94,145	79,361	44,991	25,631	25,891	25,564	7,993	9,287	38	553	173,058	140,396
Inter-segment revenue	–	–	–	–	–	–	–	–	12,866	12,109	12,866	12,109
	94,145	79,361	44,991	25,631	25,891	25,564	7,993	9,287	12,904	12,662	185,924	152,505
Interest expense	(44)	(23)	–	–	–	–	(719)	(594)	–	–	(763)	(617)
Depreciation	(387)	(357)	(29)	(23)	(293)	(288)	–	–	(16)	(16)	(725)	(684)
Reportable segment profit before tax	63,255	48,999	21,391	13,434	11,071	13,619	7,034	8,975	325	846	103,076	85,873
Share of profit of associates, net of tax	3,355	3,094	–	–	950	819	–	–	–	–	4,305	3,913
Reportable segment assets	94,125	77,261	23,176	16,379	22,798	25,957	278,630	218,488	2,901	4,594	421,630	342,679
Investment in associates	5,488	4,196	–	–	518	461	–	–	–	–	6,006	4,657
Capital expenditure	2,164	197	66	7	212	272	–	–	–	25	2,442	501
Reportable segment liabilities	6,754	6,486	8,673	3,108	7,858	10,287	6,895	2,329	3,855	4,176	34,035	26,386

NOTES TO THE FINANCIAL STATEMENTS

22. OPERATING SEGMENTS *(cont'd)*

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items of the Group

	2014 $'000	2013 $'000
Revenue		
Total revenue for reporting segments	173,058	140,396
Other revenue	12,866	12,109
	185,924	152,505
Elimination of inter-segment revenue	(12,866)	(12,109)
Revenue	173,058	140,396
Profit or (loss)		
Total profit for reportable segments	102,751	85,027
Other profit or (loss)	325	846
	103,076	85,873
Unallocated amounts:		
- Other corporate expenses	(3,764)	(1,380)
Share of profit of associates, net of tax	4,305	3,913
Profit before tax	103,617	88,406
Assets		
Total assets for reportable segments	418,729	338,085
Other assets	2,901	4,594
	421,630	342,679
Investment in associates	6,006	4,657
Total assets	427,636	347,336
Liabilities		
Total liabilities for reportable segments	30,180	22,210
Other liabilities	3,855	4,176
	34,035	26,386
Other unallocated liabilities	45,467	40,553
Total liabilities	79,502	66,939

Geographical segments

The Group's business is managed in six principal geographical areas, namely, Singapore, Hong Kong, Malaysia, China, Korea and Others.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of counterparties. Segment assets are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS

22. OPERATING SEGMENTS *(cont'd)*

Geographical information	Revenue $'000	Segment assets $'000	Capital expenditure $'000
2014			
Singapore	121,068	174,754	765
Hong Kong	10,453	5,369	81
Malaysia	3,078	16,242	–
China	6,348	14,434	113
Korea	4,092	27,044	1,483
Others	28,019	183,787	–
	173,058	421,630	2,442
2013			
Singapore	97,766	238,283	420
Hong Kong	6,785	5,868	23
Malaysia	3,550	17,303	6
China	5,561	10,537	45
Others	26,734	70,688	7
	140,396	342,679	501

23. ACQUISITION OF SUBSIDIARIES

On 17 April 2014, the Group acquired 100% stake in Macquarie Real Estate Korea Limited (now known as ARA Korea Limited) for approximately KRW9,336 million (equivalent to approximately $11,351,000) and was negotiated on a willing-buyer, willing seller basis. ARA Korea Limited is a real estate fund management company based in Seoul, South Korea and currently manages two privately-held Korean Real Estate Investment Trusts ("K-REITs").

Pre-acquisition carrying amounts were determined based on applicable FRS immediately before the acquisition. The value of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

From the acquisition date to 31 December 2014, ARA Korea Limited contributed revenue of $1,431,000 and profit of $89,000 to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been $173,651,000 and consolidated profit for the year would have been $90,767,000. In determining these amounts, Management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

23. ACQUISITION OF SUBSIDIARIES *(cont'd)*

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	2014 $'000
Intangible assets	1,224
Deferred tax asset	454
Trade and other receivables	1,355
Cash and cash equivalents	10,823
Trade and other payables	(403)
Total identifiable net assets	13,453
Negative goodwill	(2,102)
Total consideration	11,351
Cash acquired	(10,823)
Net cash outflow	528

The intangible assets recognised reflects the Group's contractual rights to receive the expected future economic benefits embodied in the two management agreements of the K-REITs under management that will flow to the Group (Note 5).

There was no acquisition of any subsidiary during the financial year ended 31 December 2013.

24. DIVESTMENT OF INTERESTS IN SUBSIDIARIES, WITHOUT LOSS OF CONTROL

On 1 October 2014, the Group disposed of 9.9% equity interests in its subsidiaries, ARA Korea Limited and ARA Real Estate Investors X Pte. Ltd., for $2,291,000. The consideration for the aforesaid disposal was received in cash and decreased the Group's ownerships of both subsidiaries from 100% to 90.1%.

The carrying amount of the net assets of ARA Korea Limited and ARA Real Estate Investors X Pte. Ltd. in the Group's financial statements on the date of the divestment were $13,453,000 and $11,791,000 respectively. Accordingly, the Group had recognised an increase in non-controlling interest of $2,499,000 and a decrease in retained earnings of $208,000 arising from the divestment.

The following summarises the effect of changes in the Group's ownership interest in both ARA Korea Limited and ARA Real Estate Investors X Pte. Ltd. collectively:

	2014 $'000
Group's ownership interest, pre-divestment	25,244
Effect of decrease in Group's ownership interest	(2,499)
Group's ownership interest, post divestment	22,745

NOTES TO THE FINANCIAL STATEMENTS

25. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments in financial assets

The fair values of quoted investments that are classified as available-for-sale as well as quoted investments held-for-trading is determined by reference to their quoted closing bid prices at the reporting date. The fair value of certain unquoted securities classified as available-for-sale or designated at fair value through profit or loss is determined using a valuation technique (see Note 15).

26. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2014 $'000	2013 $'000
Within 1 year	4,961	2,946
Between 1 to 5 years	4,726	4,300
	9,687	7,246

The Group leases a number of offices under operating leases. The leases typically run for an initial period of 2 to 3 years, with an option to renew the lease after that date.

27. CAPITAL COMMITMENTS

Group	US$'000	S$'000 [1]
2014		
Undrawn commitments in:		
ARA Asia Dragon Fund II [2]	26,386	34,954
ARA China Investment Partners, LLC [3]	7,940	10,518
Morningside Investment Partners, LLC [4]	20,050	26,560
	54,376	72,032
2013		
Undrawn commitments in:		
ARA Asia Dragon Fund II [2]	32,089	40,509
ARA China Investment Partners, LLC [3]	21,150	26,700
Morningside Investment Partners, LLC [4]	40,000	50,496
	93,239	117,705

NOTES TO THE FINANCIAL STATEMENTS

27. CAPITAL COMMITMENTS *(cont'd)*

(1) Represents the equivalent in Singapore dollar based on the foreign exchange rates prevailing at 31 December 2014 and 31 December 2013, respectively.

(2) The Group has a commitment to invest up to US$100 million in ARA Asia Dragon Fund II's aggregate committed capital as seed capital in the fund.

(3) The Group has a commitment to invest an amount of up to 4.0% in ARA China Investment Partners, LLC's aggregate committed capital as seed capital in the fund.

(4) The Group has a commitment to invest up to US$40 million in Morningside Investment Partners, LLC's aggregate committed capital as seed capital in the fund.

28. RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation

Compensation payable to key management personnel comprised:

	Group	
	2014 $'000	2013 $'000
Short-term employee benefits	23,283	20,652
Post-employment benefits (including CPF)	474	295
Other long-term employee benefits	415	–
	24,172	20,947

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

Other related party transactions

Other than disclosed elsewhere in the financial statements, significant transactions with related parties at terms agreed between the parties are as follows:

	Transaction value for the year ended 31 December	
Entities subject to common significant influence:	2014 $'000	2013 $'000
- Acquisition, divestment and performance fees received / receivable	4,508	9,464
- REIT management fees received / receivable	21,245	16,074
- Portfolio management fees received / receivable	502	–
- Real estate management fees received / receivable	118	–
- Distribution received	1,114	356
- Advisory fee	(2,573)	(2,568)
- Operating lease expenses paid / payable	(1,075)	(959)

SUPPLEMENTARY INFORMATION

(SGX Listing Manual disclosure requirements)

1. INTERESTED PERSON TRANSACTIONS

The aggregate value of transactions entered into by the Group with interested persons and their affiliates, as defined in the SGX Listing Manual, are as follows:

Name of interested person	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual		Aggregate value of all other transactions	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
The Straits Trading Company Limited				
- Divestment strategy fees	778	–	–	–
Straits Developments Private Limited				
- Divestment strategy fees	3,728	–	–	–
- Property management fees	118	–	61	–
- Operating lease expense	103	–	69	–
ARA Summit Development Fund I, L.P. / SRE Venture 1 Pte. Ltd.				
- Portfolio management fees	502	–	–	–
Dr Chiu Kwok Hung Justin				
- Key person and advisory services to the ARA Asia Dragon Fund	–	–	381	376

2. MATERIAL CONTRACTS

Save for interested person transactions disclosed in this Annual Report, there are no material contracts involving the interests of any Directors or controlling shareholders still subsisting during the financial year as required to be reported under Rule 1207(8) of the SGX Listing Manual.

SHAREHOLDERS' INFORMATION

As at 13 March 2015

Issued and fully paid-up capital	:	S$1,690,302
No. of issued shares (excluding treasury shares)	:	845,151,093
Class of shares	:	Ordinary
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	40	1.03	1,162	0.00
100 – 1,000	440	11.32	256,837	0.03
1,001 – 10,000	2,385	61.36	10,491,169	1.24
10,001 – 1,000,000	1,004	25.83	52,480,435	6.21
1,000,001 and above	18	0.46	781,921,490	92.52
TOTAL	3,887	100.00	845,151,093	100.00

TREASURY SHARES

Number of treasury shares held	:	NIL
Percentage of treasury shares held against total number of issued shares (excluding treasury shares)	:	NIL

LIST OF TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1.	JL Investment Group Limited	154,604,184	18.29
2.	DBS Nominees (Private) Limited	128,760,205	15.24
3.	HSBC (Singapore) Nominees Pte Ltd	88,617,306	10.49
4.	Straits Equities Holdings (One) Pte. Ltd.	84,950,000	10.05
5.	Straits Equities Holdings (Two) Pte. Ltd.	84,950,000	10.05
6.	Citibank Nominees Singapore Pte Ltd	76,865,962	9.09
7.	Cheung Kong Investment Company Limited	66,258,936	7.84
8.	DBSN Services Pte. Ltd.	33,391,338	3.95
9.	United Overseas Bank Nominees (Private) Limited	31,542,020	3.73
10.	DBS Vickers Securities (Singapore) Pte Ltd	10,332,148	1.22
11.	Raffles Nominees (Pte.) Limited	7,382,305	0.87
12.	DB Nominees (Singapore) Pte Ltd	5,197,590	0.61
13.	Yim Chee Chong	2,500,000	0.30
14.	BNP Paribas Securities Services Singapore Branch	1,610,999	0.19
15.	Ng Beng Tiong	1,500,000	0.18
16.	Phillip Securities Pte Ltd	1,258,918	0.15
17.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,161,103	0.14
18.	Bank of Singapore Nominees Pte. Ltd.	1,038,476	0.12
19.	Wong Cheng Yong	940,916	0.11
20.	8 Capital Pte. Ltd.	883,700	0.10
	TOTAL	783,746,106	92.72

SHAREHOLDERS' INFORMATION

As at 13 March 2015

SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2015

(As recorded in the Register of Substantial Shareholders)

	Direct interest		Deemed interest	
Name of substantial shareholders	**No. of shares**	**%**	**No. of shares**	**%**
Straits Equities Holdings (One) Pte. Ltd.	84,950,000	10.05	–	–
Straits Equities Holdings (Two) Pte. Ltd.	84,950,000	10.05	–	–
The Straits Trading Company Limited [1]	–	–	169,900,000	20.10
The Cairns Pte. Ltd. [1]	–	–	169,900,000	20.10
Raffles Investments Limited [1]	–	–	169,900,000	20.10
Siong Lim Private Limited [1]	–	–	169,900,000	20.10
Tecity Pte. Ltd. [1]	–	–	169,900,000	20.10
Aequitas Pte. Ltd. [1]	–	–	169,900,000	20.10
Kambau Pte. Ltd. [1]	–	–	169,900,000	20.10
Grange Investment Holdings Private Limited [1]	–	–	169,900,000	20.10
Tan Chin Tuan Pte. Ltd. [1]	–	–	169,900,000	20.10
Dr Tan Kheng Lian [1]	–	–	169,900,000	20.10
JL Investment Group Limited	154,604,184	18.29	–	–
Lim Hwee Chiang John [2]	5,396,826	0.64	155,814,184	18.43
Cheung Kong Investment Company Limited	66,258,936	7.84	–	–
Cheung Kong (Holdings) Limited [3]	–	–	66,258,936	7.84
Matthews International Funds [4]	–	–	67,659,870	8.01
Matthews International Capital Management, LLC [5]	–	–	95,416,830	11.29
Franklin Resources, Inc. [6]	–	–	51,068,063	6.04
Franklin Templeton Institutional, LLC [7]	–	–	51,068,063	6.04

Notes:

(1) The Straits Trading Company Limited ("STC") has a deemed interest in the shares of the Company held by its wholly-owned subsidiaries, Straits Equities Holdings (One) Pte. Ltd. ("SEH1") and Straits Equities Holdings (Two) Pte. Ltd. ("SEH2").

The Cairns Pte. Ltd. ("Cairns") holds more than 50 per cent. of the voting rights of STC. By virtue of this, through STC, Cairns has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Each of Raffles Investments Limited ("Raffles"), Siong Lim Private Limited ("Siong Lim") and Tecity Pte. Ltd. ("Tecity") holds not less than 20 per cent. of the voting rights of Cairns. By virtue of this, through Cairns and STC, each of Raffles, Siong Lim and Tecity has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Aequitas Pte. Ltd. ("Aequitas") holds more than 50 per cent. of the voting rights of Raffles. By virtue of this, through Raffles, Cairns and STC, Aequitas has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Kambau Pte. Ltd. ("Kambau") holds not less than 20 per cent. of the voting rights of Aequitas. By virtue of this, through Aequitas, Raffles, Cairns and STC, Kambau has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Grange Investment Holdings Private Limited ("Grange") holds more than 50 per cent. of the voting rights of Kambau. By virtue of this, through Kambau, Aequitas, Raffles, Cairns and STC, Grange has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Tan Chin Tuan Pte. Ltd. ("TCT") holds more than 50 per cent. of the voting rights of Grange. By virtue of this, through Grange, Kambau, Aequitas, Raffles, Cairns and STC, TCT has a deemed interest in the shares of the Company held by SEH1 and SEH2.

Dr Tan Kheng Lian holds more than 50 per cent. of the voting rights of Tecity. By virtue of this, through Tecity, Cairns and STC, Dr Tan Kheng Lian has a deemed interest in the shares of the Company held by SEH1 and SEH2.

(2) Mr Lim Hwee Chiang John has an indirect interest in the 154,604,184 shares of the Company held by JL Investment Group Limited, which is wholly-owned by him.

He is also deemed interested in the 1,210,000 shares held by Citibank Nominees Singapore Pte Ltd (as nominee of JL Philanthropy Ltd). The beneficiary of JL Philanthropy Ltd is JL Charitable Settlement and Mr Lim is the settlor of JL Charitable Settlement.

(3) Cheung Kong (Holdings) Limited has an indirect interest in the shares of the Company held through its wholly-owned subsidiary, Cheung Kong Investment Company Limited.

(4) Matthews International Funds ("MIF") is deemed to be interested in the shares of the Company held by a local custodial bank.

(5) Matthews International Capital Management, LLC ("MICM"), a United States-registered investment advisor that transacts in the Company's shares on behalf of its clients, is deemed to be interested in these shares of the Company held by a local custodian. MICM, which acts as an investment advisor to MIF is also deemed to be interested in the shares of the Company in which MIF has a deemed interest.

(6) Franklin Resources, Inc. is a fund manager and is deemed to be interested in the shares of the Company.

(7) Franklin Templeton Institutional, LLC is a direct wholly-owned subsidiary of Franklin Resources, Inc. and deemed to be interested in the shares of the Company.

PUBLIC SHAREHOLDERS

As at 13 March 2015, approximately 35.56% of the Company's issued ordinary shares (excluding Treasury Shares) are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ARA ASSET MANAGEMENT LIMITED (the "Company") will be held at Level 3, Meeting Room 301-302, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 24 April 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon.

   (Ordinary Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of 2.7 Singapore cents per ordinary share for the financial year ended 31 December 2014 (2013: 2.7 Singapore cents per ordinary share).

   (Ordinary Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Bye-law 86(1) of the Company's Bye-laws:

   (i) Lee Yock Suan **(Ordinary Resolution 3)**

   (ii) Lim How Teck **(Ordinary Resolution 4)**

   (iii) Colin Stevens Russel **(Ordinary Resolution 5)**

   Mr Lee Yock Suan will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

   Mr Lim How Teck will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

   Mr Colin Stevens Russel will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

4. To approve the payment of Directors' fees of S$590,000 for the financial year ending 31 December 2015, to be paid quarterly in arrears (2014: S$590,000).

   (Ordinary Resolution 6)

5. To re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Ordinary Resolution 7)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Share Issue Mandate**

That pursuant to Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the issued share capital (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing Shareholders of the Company shall not exceed twenty per cent. (20%) of the issued share capital (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital (excluding treasury shares) of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of any share options or vesting of any share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required to be held, whichever is earlier.

[See Explanatory Note (i)] **(Ordinary Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

8. **Renewal of the Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be entities at risk under Chapter 9 of the Listing Manual of the SGX-ST, or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in Appendix A to the Company's Letter to Shareholders and Depositors dated 8 April 2015 (the "Letter") with any party who is of the class of Mandated Interested Persons described in Appendix A to the Letter, provided that such transactions are carried out in the normal course of business, at arm's length and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and in accordance with the guidelines and review procedures set out in Appendix A to the Letter ("IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT Mandate.
[See Explanatory Note (ii)] **(Ordinary Resolution 9)**

9. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of the Companies Act of Bermuda and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Directors of the Company of all powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of this Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Letter and that this mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or the date on which purchases of Shares pursuant to this mandate are carried out to the full extent mandated, whichever is the earlier; and

(b) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (iii)] **(Ordinary Resolution 10)**

By Order of the Board

Tan San-Ju
Company Secretary

Singapore, 8 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes to Resolutions to be passed –

(i) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per cent. (20%) may be issued other than on a pro-rata basis to existing Shareholders of the Company.

For the purposes of determining the aggregate number of Shares that may be issued, the percentage of issued share capital will be calculated based on the issued share capital (excluding treasury shares) of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of any share options or the vesting of any share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue or consolidation or subdivision of Shares.

(ii) The Ordinary Resolution 9 proposed in item 8 above, if passed, will adopt the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk or any of them to enter into the Mandated Transactions described in Appendix A to the Letter with any party who is of the class of Mandated Interested Persons described in Appendix A to the Letter, and will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate. This authority will, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. Please refer to the Letter for more details.

(iii) The Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or the date on which purchases of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent. (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution is set out in the Letter.

Notes:

1. A Shareholder being a Depositor whose name appears in the records of the Depository is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. With the exception of The Central Depository (Pte) Limited, who may appoint more than two proxies, a Shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint no more than two proxies to attend and vote in his stead.

3. If a Depositor wishes to appoint a proxy/proxies to attend the meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, at least forty-eight (48) hours before the time of the meeting.

4. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of ARA ASSET MANAGEMENT LIMITED ("the Company") will be closed at 5.00 p.m. on 5 May 2015 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 5 May 2015 will be registered to determine shareholders' entitlements to the said dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 5 May 2015 will be entitled to the proposed dividend.

The proposed dividend, if approved by shareholders at the Annual General Meeting to be held on 24 April 2015, will be paid on 19 May 2015.

CORPORATE INFORMATION

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Clarendon House 2 Church Street
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BOARD OF DIRECTORS

Chiu Kwok Hung Justin
Chairman and Non-Executive Director

Lim Hwee Chiang John
Group Chief Executive Officer
and Executive Director

Chew Gek Khim
Deputy Chairman and
Non-Executive Director

Ip Tak Chuen Edmond
Non-Executive Director

Lee Yock Suan
Independent
Non-Executive Director

Lim How Teck
Independent
Non-Executive Director

Colin Stevens Russel
Independent
Non-Executive Director

Cheng Mo Chi Moses
Independent
Non-Executive Director

Yap Chee Keong
Non-Executive Director

AUDIT COMMITTEE

Lee Yock Suan
Chairman
Lim How Teck
Colin Stevens Russel
Cheng Mo Chi Moses
Yap Chee Keong

REMUNERATION COMMITTEE

Lim How Teck
Chairman
Chew Gek Khim
Colin Stevens Russel
Cheng Mo Chi Moses
Ip Tak Chuen Edmond

NOMINATING COMMITTEE

Colin Stevens Russel
Chairman
Chew Gek Khim
Lim How Teck
Cheng Mo Chi Moses

COMPANY SECRETARY

Tan San-Ju

ASSISTANT COMPANY SECRETARIES

Yeo Poh Noi Caroline
Codan Services Limited

SINGAPORE SHARE TRANSFER AGENT

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AUDITORS

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Singapore 048581
(Partner-in-charge: Lim Jek)
(Appointment from financial year ended 31 December 2012)

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Standard Chartered Bank
8 Marina Boulevard
Tower 1 Level 25
Marina Bay Financial Centre
Singapore 018981

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Australia and New Zealand Banking Group Limited
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#22-00
Ocean Financial Centre
Singapore 049315

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