



**ARA Asset Management Limited
and its Subsidiaries
(the “Group”)**

1H2019 Unaudited Financials

26 August 2019

Statement of financial position

	Group	
	30 Jun 2019 \$'000	31 Dec 2018 \$'000
Assets		
Plant and equipment	23,794	4,417
Intangible assets	44,246	44,434
Associates and joint ventures	1,023,820	983,213
Financial assets	838,531	722,076
Deferred tax assets	1,516	1,579
Prepayments	1,024	533
Trade and other receivables	66,045	1,816
Total non-current assets	1,998,976	1,758,068
Financial assets	5,800	11,380
Prepayments	2,389	1,618
Trade and other receivables	67,161	77,198
Cash and cash equivalents	258,296	125,336
	333,646	215,532
Assets held for sale	–	927,803
Total current assets	333,646	1,143,335
Total assets	2,332,622	2,901,403

Statement of financial position (cont'd)

	Group	
	30 Jun 2019 \$'000	31 Dec 2018 \$'000
Equity		
Share capital	1,995	1,995
Reserves	269,874	258,973
Perpetual securities	606,459	606,587
Retained earnings	666,535	537,891
Equity attributable to equity holders of the Company	<u>1,544,863</u>	<u>1,405,446</u>
Non-controlling interests	9,260	6,376
Total equity	<u>1,554,123</u>	<u>1,411,822</u>
Liabilities		
Loans and borrowings	462,728	428,322
Trade and other payables	7,887	231,349
Deferred tax liabilities	7,582	7,620
Total non-current liabilities	<u>478,197</u>	<u>667,291</u>
Trade and other payables	195,088	51,197
Loans and borrowings	93,123	231
Current tax payable	12,091	12,349
	<u>300,302</u>	<u>63,777</u>
Liabilities directly associated with the assets held for sale	–	758,513
Total current liabilities	<u>300,302</u>	<u>822,290</u>
Total liabilities	<u>778,499</u>	<u>1,489,581</u>
Total equity and liabilities	<u>2,332,622</u>	<u>2,901,403</u>

Consolidated statement of profit or loss

For the six months ended 30 June

	Group	
	2019	2018
	\$'000	\$'000
Continuing operations		
Management fees	89,636	83,480
Acquisition, divestment and performance fees	6,407	6,811
Revenue	<u>96,043</u>	<u>90,291</u>
Finance income	49,466	13,434
Other income	1,572	2,029
	<u>147,081</u>	<u>105,754</u>
Administrative expenses	(46,168)	(34,725)
Operating lease expenses	(709)	(2,329)
Other expenses	(13,274)	(7,269)
Finance costs	(33,575)	(6,529)
Results from operating activities	<u>53,355</u>	<u>54,902</u>
Share of profit of equity-accounted investees, net of tax	36,751	21,840
Profit before tax	<u>90,106</u>	<u>76,742</u>
Tax expense	(9,866)	(9,782)
Profit from continuing operations	<u>80,240</u>	<u>66,960</u>
Discontinued operation		
Profit from discontinued operation, net of tax	67,051	–
Profit for the period	<u><u>147,291</u></u>	<u><u>66,960</u></u>
Profit attributable to:		
Equity holders of the Company	146,078	62,599
Non-controlling interests	1,213	4,361
Profit for the period	<u><u>147,291</u></u>	<u><u>66,960</u></u>
Earnings per share		
Basic and diluted earnings per share (cents)	<u><u>13.03</u></u>	<u><u>4.99</u></u>

Consolidated statement of comprehensive income

For the six months ended 30 June

	Group	
	2019 \$'000	2018 \$'000
Profit for the period	147,291	66,960
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Net fair value changes in financial assets carried at fair value through other comprehensive income (“FVOCI”)	22,306	(75,996)
Share of fair value reserve of associates	1,515	(425)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences relating to financial statements of foreign operations	(13,352)	11,393
Share of other comprehensive income of associates	153	(892)
Effective portion of changes in fair value of cash flow hedges	(1)	120
Other comprehensive income for the period, net of tax	10,621	(65,800)
Total comprehensive income for the period	157,912	1,160
Total comprehensive income attributable to:		
Equity holders of the Company	156,541	(3,201)
Non-controlling interests	1,371	4,361
Total comprehensive income for the period	157,912	1,160

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

Consolidated statement of cash flows

For the six months ended 30 June

	Group	
	2019 \$'000	2018 \$'000
Cash flows from operating activities		
Profit for the period	147,291	66,960
Adjustments for:		
Amortisation of intangible assets	233	177
Depreciation of plant and equipment	2,462	406
(Gain)/loss on unrealised foreign exchange	(1,379)	3,108
Distribution income	(44,141)	(12,308)
Net loss on fair value of financial assets	61	146
(Gain)/loss on disposal of financial assets	(3,057)	497
Loss on disposal of plant and equipment	44	62
Interest expense	32,919	2,778
Interest income	(2,329)	(1,126)
Gain on previously held interest	–	(1,422)
Loss on partial disposal of shares in an associate	27	–
Gain on disposal of discontinued operation	(61,456)	–
Management fees received/receivable in units of real estate investment trusts	(35,129)	(37,304)
Share of profit of associates and joint ventures	(36,751)	(21,840)
Tax expense	9,866	9,782
	8,661	9,916
Change in trade and other receivables	(52,831)	6,908
Change in trade and other payables	14,168	(1,597)
	(30,002)	15,227
Cash (used in)/generated from operating activities		
Distribution income received	44,194	12,453
Proceeds from sale of units in real estate investment trusts	49,030	11,430
Tax paid	(11,318)	(9,838)
	51,904	29,272
Cash flows from operating activities of continuing operations	51,904	29,272
Cash flows from operating activities of discontinued operation	22,506	–
	74,410	29,272
Net cash from operating activities		

Consolidated statement of cash flows (cont'd)

For the six months ended 30 June

	Group	
	2019 \$'000	2018 \$'000
Cash flows from investing activities		
Acquisition of interest in associates	(25,656)	(411,250)
Acquisition of subsidiary, net of cash acquired	–	(976)
Proceeds from disposal of discontinued operation, net of cash disposed	208,241	–
Proceeds from disposal of associate	–	1,683
Proceeds from partial disposal of shares in an associate	337	–
Dividends received from associates	11,290	4,390
Interest received	2,329	1,126
Purchase of plant and equipment	(2,461)	(264)
Software development expenditure	(63)	–
Purchase of financial assets	(189,754)	(8,113)
Proceeds from capital returns of financial assets carried at FVOCI	89,178	3,742
Net cash from/(used in) investing activities	<u>93,441</u>	<u>(409,662)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the Company	–	(33,900)
Dividends paid to non-controlling interests	(280)	(1,445)
Distribution paid to perpetual securities holders	(16,269)	(7,864)
Interest paid	(20,309)	(1,461)
Contribution from non-controlling interests	1,793	373
Issue of perpetual securities, net of issue costs	–	297,448
Repayment of advances from immediate holding company	(106,388)	–
Repayment of finance lease liabilities	(1,186)	(76)
Repayment of loans and borrowings	–	(101,414)
Proceeds from loans and borrowings	109,074	288,151
Net cash (used in)/from financing activities	<u>(33,565)</u>	<u>439,812</u>
Net increase in cash and cash equivalents	134,286	59,422
Cash and cash equivalents at 1 January	125,336	93,323
Effect of exchange rate fluctuations on cash held	(1,326)	(5,510)
Cash and cash equivalents at 30 June	<u>258,296</u>	<u>147,235</u>

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