

FY2023 Audited Financials

29 May 2024



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The presentation may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance and are subject to certain risks, uncertainties and assumptions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "continue", "could", "estimate", "forecast", "plan", "prepare", "project", "anticipate", "expect", "intend", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors and assumptions, many of which are beyond the Company's control. Prospective investors are cautioned not to rely on such forward-looking statements. Neither the Company nor any of its affiliates, advisors, representatives or underwriters has any obligation to, nor do any of them undertake to, revise or update the forward-looking statements contained in this presentation to reflect future events or circumstances, except where they would be required to do so under applicable law.

FY2023 Audited Financial Statements



- The consolidated financial statements of ARA Asset Management Limited and its subsidiaries (“ARA Group” or the “Group”) for the financial year ended 31 December 2023 as set out in this presentation have been extracted from the audited consolidated financial statements of ARA Group.
- ARA Group’s auditors, Ernst & Young LLP had issued an unmodified audit opinion. In their opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Statement of financial position

As at 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Non-current assets		
Plant and equipment	2,602	3,476
Right-of-use assets	10,057	9,849
Investment in joint ventures and associates	1,196,492	1,333,493
Subsidiaries	—	—
Financial assets at fair value through profit or loss	155,852	143,225
Financial assets at fair value through other comprehensive income	598,402	557,376
Goodwill	397,626	371,088
Other intangible assets	36,873	19,078
Deferred tax assets	1,653	2,241
Other non-current assets	75,724	50,209
Financial derivative assets	5,889	10,765
Total non-current assets	2,481,170	2,500,800
Current assets		
Financial assets at fair value through profit or loss	34,494	21,883
Financial derivative assets	1	189
Trade receivables	199,162	152,280
Prepayments, other receivables and other assets	71,114	72,080
Cash and bank balances	167,484	223,824
	472,255	470,256
Assets of a disposal group classified as held for sale	—	85,265
Total current assets	472,255	555,521
Total assets	2,953,425	3,056,321

Statement of financial position

As at 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Current liabilities		
Bank borrowings	60,353	88,765
Financial derivative liabilities	—	78
Lease liabilities	5,422	4,832
Trade payables, accruals and other payables	103,102	112,868
Contingent consideration payable	6,746	2,581
Income tax payable	22,499	24,946
	<u>198,122</u>	<u>234,070</u>
Liabilities directly associated with the assets held for sale	—	31,985
Total current liabilities	<u>198,122</u>	<u>266,055</u>
Net current assets/(liabilities)	<u>274,133</u>	<u>289,466</u>
Total assets less current liabilities	<u>2,755,303</u>	<u>2,790,266</u>
Non-current liabilities		
Deferred tax liabilities	14,749	25,108
Bank borrowings	892,847	804,626
Lease liabilities	6,259	7,090
Trade and other payables	124,123	105,429
Contingent consideration payables	11,665	672
Total non-current liabilities	<u>1,049,643</u>	<u>942,925</u>
Total liabilities	<u>1,247,765</u>	<u>1,208,980</u>
Net assets	<u>1,705,660</u>	<u>1,847,341</u>
Equity		
Equity attributable to owners of the Company		
Issued capital	1,925	1,925
Reserves	<u>1,214,331</u>	<u>1,350,454</u>
	<u>1,216,256</u>	<u>1,352,379</u>
Perpetual capital securities	481,836	481,836
Non-controlling interests	<u>7,568</u>	<u>13,126</u>
Total equity	<u>1,705,660</u>	<u>1,847,341</u>

Consolidated statement of profit or loss and Other Comprehensive Income

For the year ended 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Revenue	327,670	382,318
Cost of sales	(18,892)	(24,676)
Gross Profit	308,778	357,642
Other income and gains, net	41,013	172,864
Administrative expenses	(177,302)	(245,235)
Finance costs	(51,100)	(36,514)
Share of (losses)/profits of joint ventures and associates, net of tax	(99,104)	41,027
Profit before tax	22,285	289,784
Income tax expense	(37,604)	(53,226)
(Loss)/profit for the year	(15,319)	236,558
Attributable to:		
Owners of the Company	(46,940)	196,938
Perpetual capital securities holders	27,215	30,316
Non-controlling interests	4,406	9,304
(Loss)/profit for the year	(15,319)	236,558

Consolidated statement of profit or loss and Other Comprehensive Income For the year ended 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Other comprehensive (loss)/income		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(23,845)	(127,427)
Share of other comprehensive income of joint venture and associates	7,323	1,104
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(16,522)	(126,323)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at fair value through other comprehensive income	(54,727)	(93,017)
Share of fair value reserve of associates and joint ventures	2,000	8,780
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(52,727)	(84,237)
Total comprehensive (loss)/income for the year	(84,568)	25,998
Attributable to:		
Owners of the Company	(116,185)	(12,163)
Perpetual capital securities holders	27,215	30,316
Non-controlling interests	4,402	7,845
	(84,568)	25,998

Consolidated statement of cash flows

Year ended 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	22,285	289,784
Adjustments for:		
Amortisation of intangible assets	8,450	7,737
Impairment loss on trade receivables	470	15,033
Impairment loss on other receivables	304	–
Depreciation of plant and equipment	1,918	1,960
Depreciation of right-of-use assets	5,897	5,471
Distribution income	(29,834)	(62,115)
Equity-settled share option expense	174	868
Gain on disposal of assets held for sale	(1,819)	–
Gain on disposal of plant and equipment	(82)	(139)
Loss/(gain) on disposal of subsidiaries	196	(236)
Loss/(gain) on fair value of derivative financial assets	4,146	(6,248)
Gain on fair value of financial assets at FVTPL	(622)	(78,369)
(Reversal)/impairment loss on other intangible assets	(344)	31,990
Interest expense	51,100	36,514
Interest income	(6,945)	(5,465)
(Gain)/loss on disposal of financial assets at FVTPL	(69)	892
Loss on fair value of investment properties	–	282
Loss on partial disposal of associates and/or joint ventures	–	8
Management fees received/receivable in units of real estate investment trusts	(43,515)	(45,599)
Plant and equipment written off	–	4
Share of results of associates and joint ventures, net of tax	99,104	(41,027)
Write back of management fee rebate	–	(10,982)
	110,814	140,363
Change in trade and other receivables	(72,446)	(139,463)
Change in trade and other payables	(24,996)	(35,581)
Cash generated from/(used in) operations	13,372	(34,681)
Distribution income received	30,241	62,269
Proceeds from sale of units in real estate investment trusts	933	5,998
Tax paid	(49,821)	(70,237)
Net cash used in operating activities	(5,275)	(36,651)

Consolidated statement of cash flows

Year ended 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Cash flows from investing activities		
Capital contributions in associates and joint ventures	(32,233)	(36,973)
Capital return in associates and joint ventures	924	1,625
Dividends received from associates and joint ventures	55,679	63,111
Interest received	5,806	5,628
Net cash outflows arising from acquisition of assets	—	(5,598)
Net cash outflows arising from acquisition of subsidiaries	(12,513)	—
Payment of contingent consideration payables	—	(4,626)
Payment of software development expenditure	(422)	(328)
Proceeds from disposal of assets held for sale	50,686	—
Proceeds from disposal of associates and joint ventures	—	317
Proceeds from disposal of financial assets	—	12,791
Proceeds from disposal of plant and equipment	282	356
Proceeds from disposal of right-of-use assets	26	—
Proceeds from disposal of subsidiaries	—	38,375
Proceeds from redemption of financial assets	1,746	49,356
Purchase of financial assets	(76,358)	(34,780)
Purchase of club membership	—	(1,832)
Purchase of management contracts	(10,580)	—
Purchase of plant and equipment	(1,119)	(1,887)
Net cash (used in)/generated from investing activities	(18,076)	85,535
Cash flows from financing activities		
Acquisition of non-controlling interests	(14,898)	(9,168)
Capital distribution to non-controlling interests	(84)	(90)
Change in pledged bank deposits and restricted cash balances	432	(7,355)
Contributions from non-controlling interests	1,811	3,139
Dividends paid to non-controlling interests	(2,130)	(5,986)
Dividends paid to ordinary shareholders	—	(44,254)
Distribution paid to perpetual capital securities holders	(27,215)	(35,461)
Interest paid	(48,723)	(38,423)
Payment of lease liabilities	(6,365)	(5,712)
Proceeds from loans and borrowings	258,106	541,485
Redemption of perpetual capital securities	—	(220,085)
Repayment of loans and borrowings	(194,566)	(546,192)
Net cash used in financing activities	(33,632)	(368,102)

Consolidated statement of cash flows

Year ended 31 December 2023



	Group	
	2023	2022
	US\$'000	US\$'000
Net decrease in cash and bank balances	(56,983)	(319,218)
Cash and bank balances at beginning of the year	216,469	552,940
	159,486	233,722
Effect of exchange rate fluctuations on cash held	1,075	(17,253)
Cash and bank balances as at 31 December	160,561	216,469
Analysis of cash and cash balances		
Cash at bank and in hand	167,484	223,824
Restricted bank balances	(6,298)	(5,325)
Pledged bank deposits	(625)	(2,030)
Cash and bank balances as stated in the consolidated statement of cash flows	160,561	216,469

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