

The logo for ARA Asset Management Limited, featuring the letters 'ARA' in a bold, blue, sans-serif font with a horizontal line pattern through each letter.

**ARA**



**ARA Asset Management Limited**

**PROPOSED PRIVATISATION OF ARA**

# JLIG, Straits Trading and Cheung Kong Property to partner with Warburg Pincus and AVIC Trust to Privatise ARA



<b>Privatisation Structure</b>	<ul style="list-style-type: none"><li>▪ Scheme of Arrangement (“<b>Scheme</b>”) involving the acquisition of all ARA shares (the “Shares”), other than those held by <b>JLIG</b>, affiliates of <b>Straits Trading</b> and an affiliate of <b>Cheung Kong Property</b> (collectively, the “<b>Rollover Shareholders</b>”) <sup>(1)</sup> (the “<b>Scheme Shares</b>”)</li></ul>
<b>Scheme Consideration</b>	<ul style="list-style-type: none"><li>▪ <b>\$1.78</b> per Scheme Share (the “<b>Scheme Consideration</b>”)<ul style="list-style-type: none"><li>▪ <b>43.9%</b> premium to 12-Month VWAP<sup>(2)</sup></li></ul></li></ul>
<b>Offeror</b>	<ul style="list-style-type: none"><li>▪ Athena Investment Company (Cayman) Limited<ul style="list-style-type: none"><li>▪ An entity indirectly owned by affiliates of <b>Warburg Pincus</b> and <b>AVIC Trust</b></li></ul></li></ul>

**The Scheme Consideration is FINAL and will not be revised**

Note(s):

(1) For the full list of entities involved please refer to the Scheme Announcement dated 8 November 2016.

(2) Up to and including 2 November 2016, being the last full trading day of ARA shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 by ARA from the SGX-ST.

# Diversified and resilient asset management portfolio across the Asia Pacific



- ARA has an established track record in growing its assets under management (“**AUM**”) in REITs and private real estate funds.
- Since ARA’s formation in 2002 and listing in 2007, it has built a diversified and resilient asset management portfolio across Asia Pacific, managing approximately \$30 billion worth of assets as at 30 September 2016<sup>(1)</sup>.

Note(s):

(1) Based on AUM as of 30 September 2016, which does not include AUM which would be attributable to the investment of ARA Harmony VI in Century Link, as announced by the Company on the SGX-ST on 26 October 2016. This investment, which is expected to be completed by December 2016, is expected to increase the Company’s AUM by \$4.1 billion.

## To further its growth amidst shifting dynamics in the real estate funds management industry, ARA will require significant amounts of capital



*“... ARA will require **significant amount of capital** to further its growth through strategic co-investments into existing and new funds, as well as through opportunistic acquisitions.”*

*“Should it remain a listed company at this scale, **raising capital successfully will take time** and will be **highly dependent on market conditions**. Such capital raisings also entail costs and may result in the **dilution of shareholders’ interests...**”*

### Partnering with Warburg Pincus and AVIC Trust

1

**INCREASED** access to capital, which will allow ARA to operate more nimbly and efficiently in achieving its growth objectives.

2

**LEVERAGE** upon Warburg Pincus’ global network of investor relationships, experience in partnering with management teams to drive growth, and a strong investment track record in real estate platforms around the world.

3

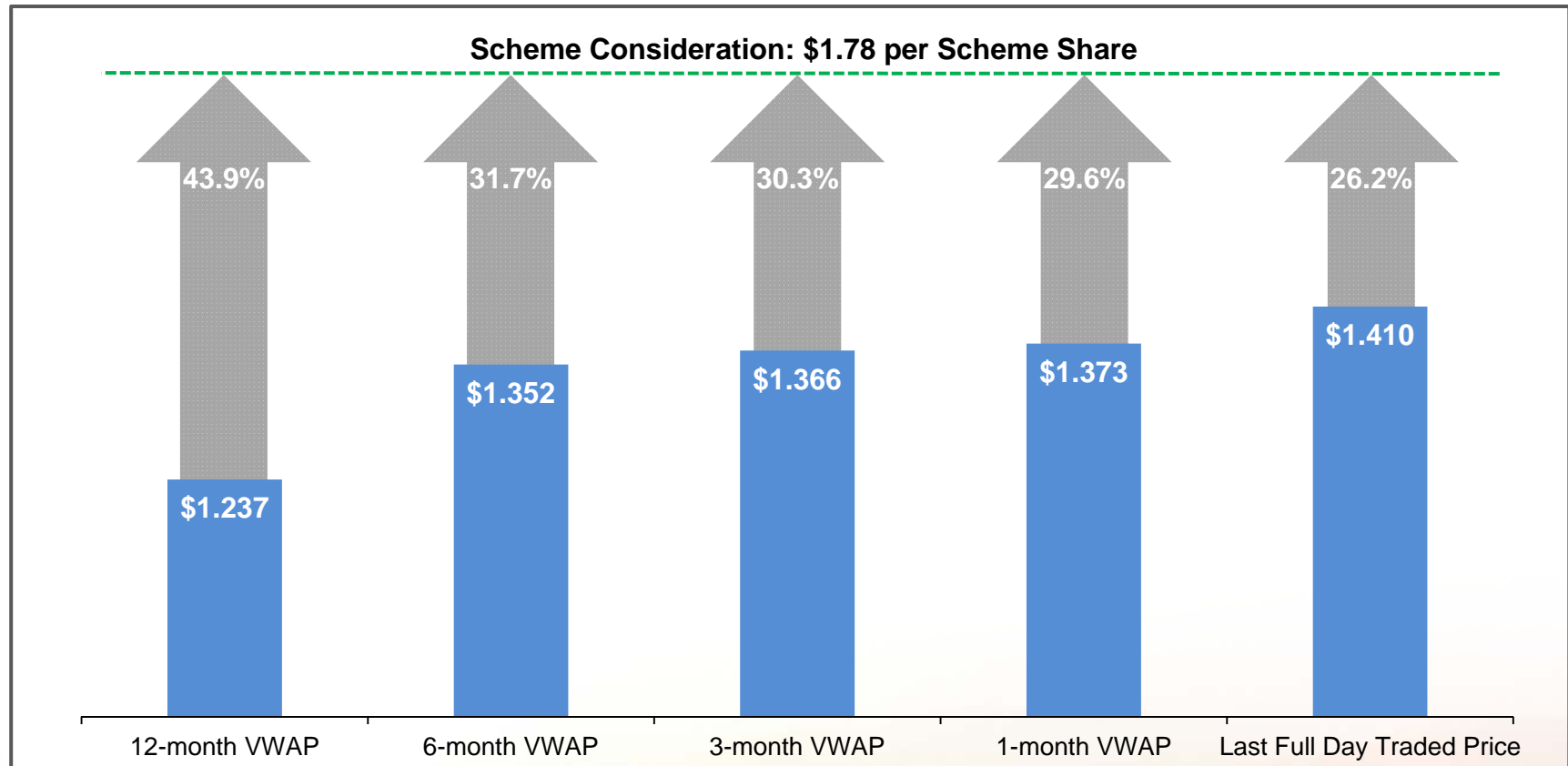
**TAP** AVIC Trust’s unique distribution capability in China and provide ARA with important access to the Chinese capital markets and other business opportunities in China.

# Opportunity for Scheme Shareholders to realise their investment at an attractive valuation



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## Attractive premium to current and historical market prices <sup>(1)</sup>



Source: Bloomberg

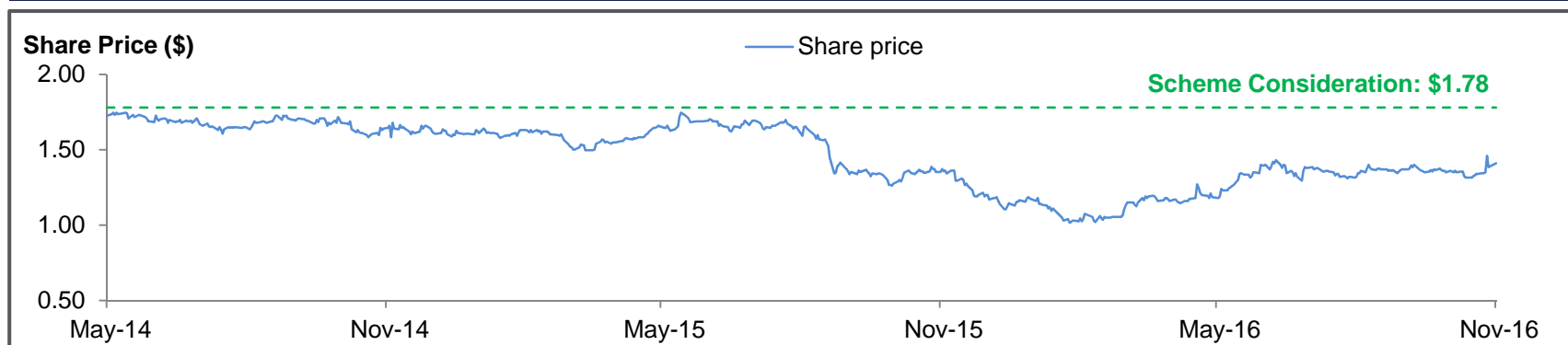
Note(s):

(1) Up to and including 2 November 2016, being the last full trading day of ARA shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 by ARA from the SGX-ST.

# Opportunity for Scheme Shareholders to realise their investment at an attractive valuation



## B Scheme Consideration of \$1.78 is above the highest closing price for the past 2.5 years



## C Opportunity for Shareholders who may find it difficult to exit their investment in ARA due to low trading liquidity

	Prior 12-month <sup>(1)</sup>	Prior 6-month <sup>(1)</sup>	Prior 3-month <sup>(1)</sup>	Prior 1-month <sup>(1)</sup>
<b>Average daily trading volume <sup>(2)</sup></b>	658,027	525,181	571,259	546,252
<b>Average daily trading volume as a percentage of total issued Shares <sup>(3)</sup></b>	0.066%	0.053%	0.057%	0.055%

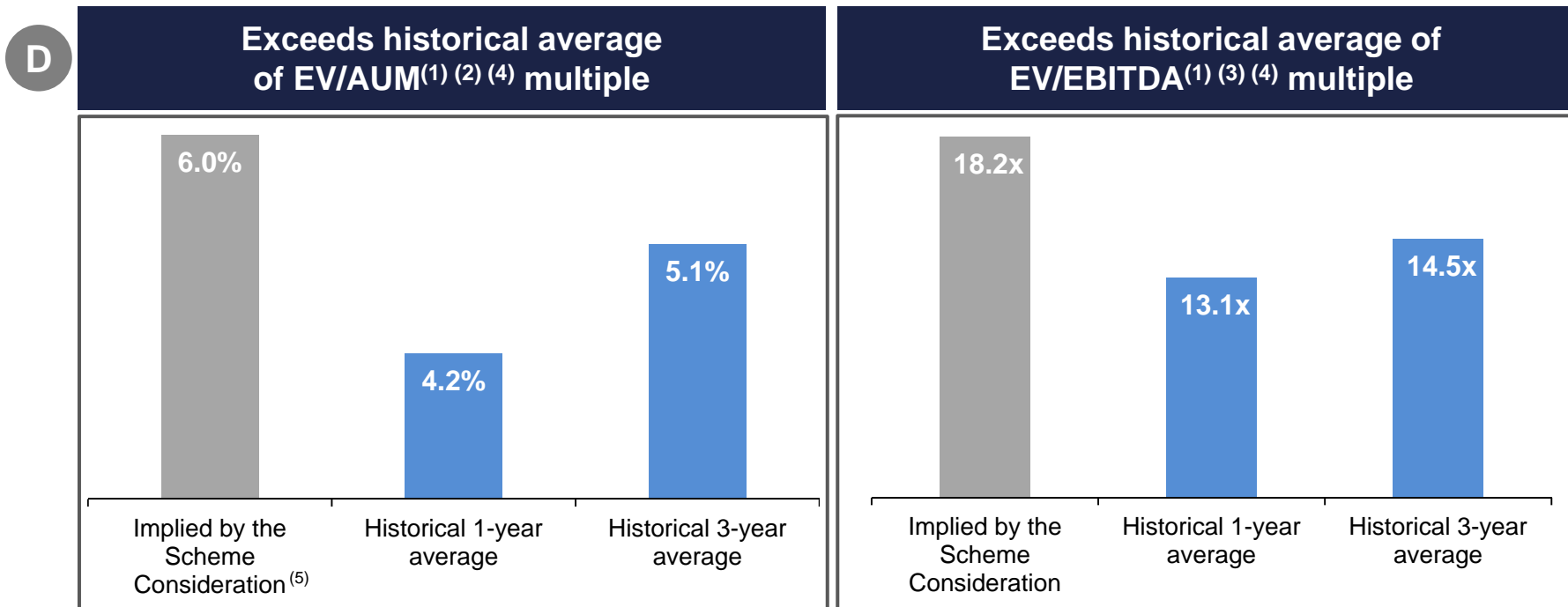
Source: Bloomberg

Note(s):

- (1) Up to and including 2 November 2016, being the last full trading day of ARA shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 by ARA from the SGX-ST.
- (2) Calculated by using the total volume of Shares traded divided by the number of days on which ARA is traded on the SGX-ST.
- (3) Calculated by using the daily total volume of Shares traded divided by the total number of Shares outstanding. Rounded to the nearest three decimal places.



## Opportunity for Scheme Shareholders to realise their investment at an attractive valuation



Source: Bloomberg

Note(s):

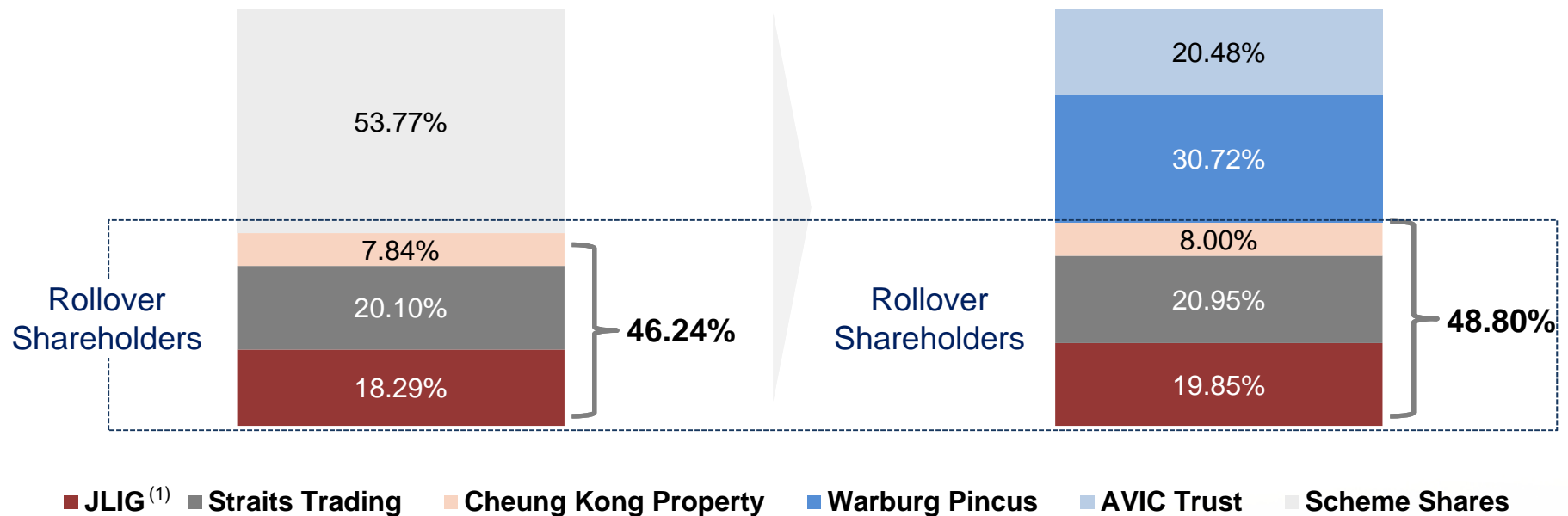
- (1) Enterprise value is calculated based on the (i) market capitalisation, plus (ii) consolidated loans and borrowings, less (iii) consolidated cash and cash equivalents, plus (iv) non-controlling interests. Enterprise value is computed on a daily basis and reflects the latest market capitalisation at the end of each day and the Company's financial statements for each corresponding quarter (i.e. enterprise value calculations on and after 30 September 2016 take into account the consolidated loan and borrowings, cash and cash equivalents and non-controlling interests figures as at 30 September 2016).
- (2) AUM is based on the Company's quarterly reported figure for each corresponding quarter (i.e. AUM figures used in the calculations on and after 30 September 2016 reflect the Company's AUM as at 30 September 2016).
- (3) EBITDA is based on Next Twelve Months (NTM) consensus as sourced from Bloomberg for each respective day up to and including 2 November 2016.
- (4) The multiples set out in the charts above were calculated up to and including 2 November 2016, being the last full trading day of ARA shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 by ARA from the SGX-ST.
- (5) Based on AUM as of 30 September 2016, which does not include AUM which would be attributable to the investment of ARA Harmony VI in Century Link, as announced by the Company on the SGX-ST on 26 October 2016. This investment, which is expected to be completed by December 2016, is expected to increase the Company's AUM by \$4.1 billion.

# JLIG, Straits Trading and Cheung Kong Property will continue to be significantly invested in ARA after the Privatisation



**Existing Shareholding in ARA:  
Before the Transaction**

**Effective Shareholding in ARA:  
Upon completion of the Transaction<sup>(2)</sup>**



**Immediately upon the Scheme becoming effective, the Rollover Shareholders will transfer their shares to the Offeror at a valuation equivalent to the Scheme Consideration in exchange for a combination of cash and shares in the holding company of the Offeror**

Note(s):

- (1) JLIG is an entity wholly-owned by Mr Lim Hwee Chiang, John. Mr Lim Hwee Chiang, John also owns 6,368,254 shares in his personal capacity and 1,427,800 shares through JL Philanthropy Limited, both of which will not form part of the Consortium.
- (2) Refers to the respective shareholdings in the holding company of the Offeror which ARA will become a wholly-owned indirect subsidiary of upon completion of the transaction.



## The Scheme will be subject to approval by Independent Shareholders and various other conditions



<b>Scheme Conditions</b>	<ol style="list-style-type: none"><li><b>1. Shareholder Approval</b><ul style="list-style-type: none"><li>▪ <b>Share-count Condition:</b> Approval of at least <u>75% in value</u> of the Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting; and</li><li>▪ <b>Head-count Condition:</b> Approval of more than <u>50% of the number</u> of Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting</li></ul></li><li><b>2. Court Approval and satisfaction of regulatory approvals and conditions set out in the Scheme Announcement</b></li><li><b>3. Expected completion in 1H 2017</b></li></ol>
<b>Rollover Shareholders will not vote</b>	<ul style="list-style-type: none"><li>▪ Outcome of the Scheme meeting will be decided solely by independent shareholders (the “<b>Scheme Shareholders</b>”)</li><li>▪ The Rollover Shareholders and their concert parties will not vote their Shares</li></ul>
<b>Independent Financial Adviser (IFA)</b>	<ul style="list-style-type: none"><li>▪ Deloitte &amp; Touche Corporate Finance Pte Ltd has been appointed as the IFA to advise the Independent Directors for the purposes of making a recommendation to the Scheme Shareholders</li></ul>

The successful completion of the transaction will not trigger any takeover offer for any publicly listed REITs currently managed and/or owned by ARA

## Quotes

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A deeper capital base well-positions ARA in executing its business strategies going forward, including tapping growth opportunities through the network of our new partners.

**- Mr. John Lim**  
*Group CEO and Executive Director of ARA*

Straits Trading welcomes Warburg Pincus and AVIC Trust as partners in ARA. Given their deep experience and wide network of business relationships in the China region, we believe they will create value and opportunities to support ARA's future growth.

**- Ms. Chew Gek Khim**  
*Executive Chairman of Straits Trading*

By working with ARA shareholders and Warburg Pincus, we believe that AVIC Trust can help to grow ARA's platform in China and open the doors for more future business opportunities in the country.

**- Mr. Yao Jiangtao**  
*Chairman of AVIC Trust*

We are excited to partner with Mr. Lim and ARA's management team on this initiative and the opportunity to accelerate the Company's growth by leveraging the combined capital markets capabilities of AVIC Trust and Warburg Pincus.

**- Mr. Joseph Gagnon,**  
*Managing Director and Head of Real Estate of China and Southeast Asia, Warburg Pincus*



# Investor and Media Contacts

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# Disclaimers



## Forward Looking Statements

All statements other than statements of historical facts included in this document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or ARA’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Scheme Shareholders and investors of the Offeror and ARA should not place undue reliance on such forward-looking statements, and neither the Offeror nor ARA undertakes any obligation to update publicly or revise any forward-looking statements.

## Responsibility Statements

**ARA.** The directors of ARA (including any who may have delegated detailed supervision of the preparation of this document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this document which relate to ARA (excluding information relating to the Offeror and its concert parties or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts which relate to ARA have been omitted from this document, and the directors of ARA jointly and severally accept responsibility accordingly.

Where any information which relates to ARA has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or its concert parties, the sole responsibility of the directors of ARA has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this document. The directors of ARA do not accept any responsibility for any information relating to the Offeror and/or its concert parties or any opinion expressed by the Offeror.

**Offeror.** The directors of the Offeror and each of the members of the Steering Committee (as defined in the Scheme announcement) (including any who may have delegated detailed supervision of the preparation of this document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this document (excluding information relating to ARA or any opinion expressed by ARA) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this document, and the directors of the Offeror and each of the members of the Steering Committee jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from ARA, the sole responsibility of the directors of the Offeror and the members of the Steering Committee has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this document. The directors of the Offeror and the members of the Steering Committee do not accept any responsibility for any information relating to or any opinion expressed by ARA.