ARA Asset Management Limited

(Company Registration No: 32276)

(Incorporated in Bermuda)

Athena Investment Company (Cayman) Limited

(Company Registration No: CT-316641)

(Incorporated in the Cayman Islands)

PROPOSED ACQUISITION BY ATHENA INVESTMENT COMPANY (CAYMAN) LIMITED OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF ARA ASSET MANAGEMENT LIMITED

IRREVOCABLE UNDERTAKING

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1. INTRODUCTION

The board of directors of ARA Asset Management Limited (the "**Company**") refers to the joint announcement (the "**Joint Announcement**") dated 8 November 2016 made by the Company and Athena Investment Company (Cayman) Limited (the "**Offeror**") in relation to the proposed acquisition (the "**Offer**") by the Offeror of all the issued and paid-up ordinary shares in the capital of the Company (the "**Shares**") at a price in cash of S$1.78 (the "**Scheme Price**") for each Share, other than the Shares held by the Rollover Shareholders (as defined in the Joint Announcement), to be effected by way of a scheme of arrangement under Section 99 of the Companies Act 1981 of Bermuda, in compliance with the Singapore Code on Takeovers and Mergers.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Joint Announcement.

2. IRREVOCABLE UNDERTAKING

2.1 **Deed of Undertaking**. Franklin Templeton Institutional, LLC, as investment manager on behalf of certain funds and accounts, (the "**Undertaking Shareholder**"), holds 99,858,000 Shares as at the date of this Announcement, representing approximately 10.01 per cent. of the total number of Shares, has given an irrevocable undertaking to the Offeror (the "**Deed of Undertaking**") to, *inter alia*:

2.1.1 vote and/or procure the voting of all of the Shares which the Undertaking Shareholder beneficially owns as at the date of the Scheme Meeting (the "**Relevant Shares**"), whether on a show of hands or on a poll and whether in person or by proxy:

(i) in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at any meeting of the shareholders of the Company held to approve the Scheme and at any adjournment thereof; and

(ii) against any resolution or proposal to adjourn such meeting(s), other than with the Offeror's consent; and

2.1.2 from the date of this Announcement until the Expiry Date (as defined below):

(i) remain the legal and beneficial owner of, and be entitled to exercise the voting rights of, not less than 50 per cent. of the Shares that it owns as of the date of this Announcement, provided, however, that it shall be entitled to sell any Shares if another person other than the Offeror has agreed to purchase all of the Shares at a price per Share which is higher than the Scheme Price (in such event the Shares so sold shall not be subject to the terms of the Deed of Undertaking); and

(ii) not take any action or omit to do any action which would conflict with its obligations under the Deed of Undertaking in a material respect or otherwise frustrate the Scheme or its implementation in a material respect.

2.2 **Termination**. The Deed of Undertaking will be in force, and be binding upon the Undertaking Shareholder, from the date of this Announcement until the earliest of any of the following dates:

2.2.1 31 March 2017 (or such later date as the Offeror and the Undertaking Shareholder may agree in writing), if the Scheme lapses, is withdrawn, or does not become effective by 5.00 p.m. on 31 March 2017 (or such later date as the Offeror and the Undertaking Shareholder may agree in writing and that the Court approves) for any reason other than a breach by the Undertaking Shareholder of any of its obligations set forth in the Deed of Undertaking;

2.2.2 the date on which an announcement is made by a person, other than the Offeror, of a firm intention to make an offer for all the Shares at a price which is higher than the Scheme Price;

2.2.3 the date the Scheme lapses, is withdrawn or does not become effective for any reason other than a breach by the Undertaking Shareholder of any of its obligations set forth in the Deed of Undertaking; or

2.2.4 the date the Scheme becomes effective in accordance with its terms,

whereupon the obligations of the Undertaking Shareholder under the Deed of Undertaking shall terminate, save for certain provisions in the Deed of Undertaking (the "**Expiry Date**").

3. DOCUMENT FOR INSPECTION

A copy of the Deed of Undertaking will be made available for inspection during normal business hours at the office of the Company in Singapore at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986, from the date of this Announcement up until the Expiry Date.

4. RESPONSIBILITY STATEMENT

4.1 **Company**. The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement which relate to the Company are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this Announcement, and the directors of the Company jointly and severally accept responsibility accordingly.

Where any information which relates to the Company 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 the Company 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 Announcement. The directors of the Company do not accept any responsibility for any information relating to the Offeror and/or its concert parties or any opinion expressed by the Offeror.

4.2 **Offeror**. The directors of the Offeror and each of the members of the Steering Committee (including any who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Announcement, 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 the Company, 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 Announcement. 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 the Company.

5 December 2016

By order of the Board

ARA ASSET MANAGEMENT LIMITED

By order of the board of directors

ATHENA INVESTMENT COMPANY (CAYMAN) LIMITED