
PROPOSED PRIVATISATION OF ARA ASSET MANAGEMENT LIMITED

1. INTRODUCTION

- 1.1 The Straits Trading Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that it is part of the Consortium (as defined below) which has proposed the privatisation (the "**Transaction**") of ARA Asset Management Limited ("**ARA**"). A copy of the joint announcement (the "**Joint Announcement**") dated 8 November 2016 issued by ARA and the Offeror (as defined below) on the Transaction (the "**Joint Announcement Date**") is set out as the Appendix to this Announcement and also available on SGXNet. Shareholders are advised to read the Joint Announcement in full as specific details of the Transaction are set out in the Joint Announcement.

1.2 **ARA**

ARA, an associated company of the Company, was incorporated in Bermuda on 1 July 2002, and has been listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since November 2007. ARA is an Asian real estate fund management company focused on the management of real estate investment trusts and private real estate funds. Additional information on ARA and its subsidiaries is also included in the Company's Annual Report 2015, which is available on SGXNet and the Company's corporate website.

The Company (through its wholly-owned subsidiaries, Straits Equities Holdings (One) Pte. Ltd. ("**SE1**") and Straits Equities Holdings (Two) Pte. Ltd. ("**SE2**" and together with SE1, "**SE**") holds an aggregate of 200,482,000 shares in ARA (together, the "**Straits Rollover Shares**", in aggregate representing approximately 20.10 per cent. of the total number of ARA shares in issue ("**ARA Shares**").

1.3 **Consortium**

As stated in the Joint Announcement, the Consortium comprises:

- (a) SE1 and SE2, each holding 100,241,000 ARA Shares as at the Joint Announcement Date;
- (b) JL Investment Group Limited ("**JLIG**"), an entity wholly-owned by Mr Lim Hwee Chiang, John, which holds an aggregate of 182,432,937 ARA Shares as at the Joint Announcement Date;
- (c) Wealthman Group Limited ("**WGL**", together with SE and JLIG, the "**Rollover Shareholders**"), an indirect wholly-owned subsidiary of Cheung Kong Property Holdings Limited, which holds an aggregate of 78,185,544 ARA Shares as at the Joint Announcement Date;
- (d) Alexandrite Gem Holdings Limited ("**AGHL**"), an affiliate of Warburg Pincus LLC ("**Warburg Pincus**"); and

- (e) AVICT Dragon Holdings Limited ("**AVICT**"), a special purpose vehicle established and controlled by AVIC Trust Co., Ltd ("**AVIC Trust**"),

(each of SE, JLIG, WGL, AGHL and AVIC Trust, a "**Consortium Party**", and collectively, the "**Consortium Parties**" or the "**Consortium**"; and each of AGHL and AVICT, a "**Sponsor Shareholder**"). For the avoidance of doubt, none of the Consortium Parties are interested persons of the Company and Chapter 9 of the listing manual (the "**Listing Manual**") of the SGX-ST is therefore not applicable to the Transaction.

1.4 Scheme

As described in the Joint Announcement, the Transaction envisages the acquisition by Athena Investment Company (Cayman) Limited (the "**Offeror**") (a special purpose vehicle incorporated for the purpose of the Transaction) of all of the issued and fully paid-up ARA Shares by way of a Scheme (as described in paragraph 2.1 below). The Transaction will principally involve:

- (a) an acquisition by the Offeror of all of the ARA Shares held by the non-Consortium shareholders of ARA under the Scheme (the "**Acquisition**"); and
- (b) the transfer by the Rollover Shareholders (including SE1 and SE2) of their ARA Shares (the "**Rollover Shares**") to the Offeror (the "**Rollover**"),

such that, following completion of the Scheme, ARA shall become a wholly-owned subsidiary of the Offeror.

The Offeror is wholly-owned by Athena Investment Company (Singapore) Pte. Limited ("**HoldCo**"), which is a special purpose vehicle incorporated under the laws of Singapore for the purpose of the Transaction. As at the Joint Announcement Date, the only shareholders of the HoldCo are AGHL and AVICT, holding 60 per cent. and 40 per cent. of the HoldCo respectively. The Offeror will fund the consideration payable for the Scheme Shares (as defined below) through a combination of external bank financing (the "**Debt**") and equity commitment from the Sponsor Shareholders. Please refer to paragraph 2.2(d) below for details.

In relation to the Company's participation in the Transaction, the Transaction fundamentally envisages that the Company will be retaining its existing investment in ARA indirectly by way of its approximately 20.95 per cent. shareholding at the HoldCo level (through SE1), as the Company shall only be required to contribute the Straits Rollover Shares and shall not be required to contribute any cash funding for the purposes of the Acquisition. Please refer to paragraph 2.2(a) below for details.

Upon the Scheme becoming effective in accordance with its terms and upon completion of the Rollover, ARA will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

2. **SALIENT TERMS OF THE TRANSACTION**

The key salient terms of the Transaction which are specifically relevant to the Company are summarised below. Shareholders are advised to read the Joint Announcement (see the Appendix) in full for further details relating to the Scheme (including the conditions precedent to the Scheme coming into effect) and the Transaction.

2.1 Implementation Agreement and Scheme

The Acquisition will be effected, *inter alia*, by way of a scheme of arrangement (the "**Scheme**") under Section 99 of the Bermuda Companies Act 1981, pursuant to which the Offeror is seeking to acquire all the ARA Shares (other than the ARA Shares already held by the Rollover Shareholders) (the "**Scheme Shares**"), in compliance with the Singapore Code on Take-overs and Mergers. The terms and conditions on which ARA and the Offeror will implement the Scheme and the Acquisition are documented in an implementation agreement entered into between ARA and the Offeror (the "**Implementation Agreement**").

As stated in the Joint Announcement, the Rollover Shares do not form part of the Scheme Shares and accordingly the Rollover Shareholders will not be eligible to vote on the Scheme. Shareholders should therefore note that there is no assurance that the requisite approval of the shareholders of ARA will be obtained or that the Transaction will otherwise be completed.

2.2 Rollover Agreement

In connection with the Transaction, the Consortium Parties and the Offeror have entered into a subscription and rollover agreement (the "**Rollover Agreement**"), pursuant to which the Offeror will *inter alia* acquire all the Rollover Shares on the terms of the Rollover Agreement (including, in consideration of the transfer of the Rollover Shares, the issuance by the HoldCo of its shares to each of the Rollover Shareholders). Upon the Scheme becoming effective in accordance with its terms:

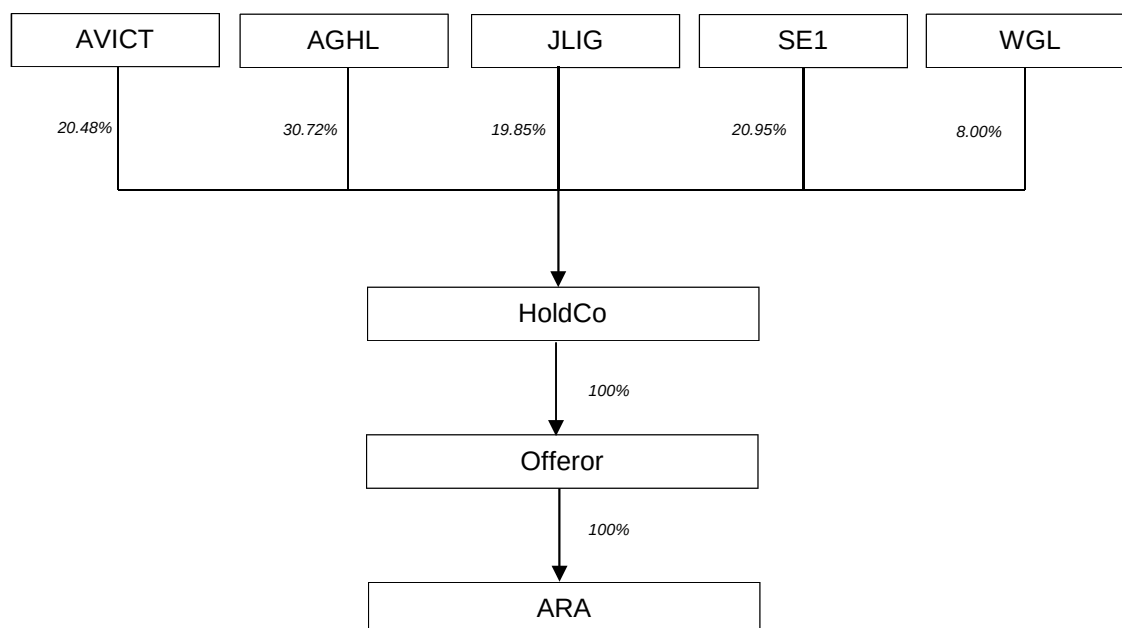
- (a) SE1 and SE2 shall transfer to the Offeror their respective Straits Rollover Shares in exchange for shares in the HoldCo representing an aggregate of approximately 20.95 per cent. in the HoldCo (the "**Straits HoldCo Stake**") and cash. As the Company intends to streamline and consolidate its investment holding in ARA, the entire Straits HoldCo Stake shall be held by SE1 alone (as SE2 shall nominate SE1 to receive its entitlement of the HoldCo shares pursuant to the Rollover Agreement). In addition to the Straits HoldCo Stake, the Company (through SE1 and SE2) shall also receive cash proceeds (the "**Cash Proceeds**") of approximately S\$48.2 million from the Offeror which is based on the offer price of S\$1.78 for each ARA Share offered by the Offeror under the Scheme (the "**Scheme Offer Price**");
- (b) JLIG shall transfer to the Offeror an aggregate of 182,432,937 ARA Shares in exchange for shares in the HoldCo representing approximately 19.85 per cent. of the HoldCo and cash;
- (c) WGL shall transfer to the Offeror an aggregate of 78,185,544 ARA Shares in consideration for cash and shall subscribe for shares in the HoldCo representing approximately 8.00 per cent. of the HoldCo; and
- (d) each Sponsor Shareholder shall subscribe for shares in the HoldCo (with each of AGHL and AVICT (as nominee of AVIC Trust) receiving shares representing approximately 30.72 per cent. and 20.48 per cent. of the HoldCo respectively). The cash received by the HoldCo will be applied towards the Offeror's payment for the ARA Shares under the Acquisition.

Post-Transaction shareholding in the HoldCo (following completion of the Scheme)

Upon the Scheme becoming effective in accordance with its terms and on completion of the Rollover, all of the ARA Shares will be held by the Offeror and ARA will be (i) a direct wholly-owned subsidiary of the Offeror and (ii) a wholly-owned indirect subsidiary of the HoldCo.

Figure 1 illustrates the post-Transaction shareholding structure of the HoldCo and the Offeror immediately following the completion of the Scheme (if approved) and the Rollover.

Figure 1: Shareholding structure (post-Transaction)



Accordingly, following completion of the Scheme and the Rollover, ARA will remain an associated company of the Company, and the Offeror and the HoldCo will become associated companies of the Company.

Further, upon the Scheme becoming effective in accordance with its terms, the board of the HoldCo will comprise nominees appointed by the respective Consortium Parties.

2.3 Shareholders' Agreement

The Consortium Parties (other than SE2) (the "**HoldCo Shareholders**") will enter into a shareholders' agreement on completion of the Rollover in respect of the governance of the HoldCo and its subsidiaries from time to time (the "**Shareholders' Agreement**").

Pursuant to the terms of the Shareholders' Agreement, the HoldCo Shareholders have agreed, *inter alia*:

- (a) to act in the best interests of the HoldCo;
- (b) that subject to certain exceptions (primarily in default scenarios), they will not transfer, directly or indirectly, any of their interests in the HoldCo for a period of not less than five years after completion of the Transaction (the "**Moratorium Period**"), without the consent of the other HoldCo Shareholders;

- (c) at the expiry of the Moratorium Period and subject to certain conditions being satisfied, the HoldCo Shareholders have agreed to a set of exit rights as between the various HoldCo Shareholders; and
- (d) the HoldCo Shareholders will also have customary rights such as pre-emptive rights over issuances of new shares in the HoldCo, transfers by other shareholders and rights of compulsory transfers in the event of specified default events.

2.4 Suntec REIT Acquisition Agreement

Each of AVICT, ARA and the Company have entered into a sale and purchase agreement (the "**Suntec REIT Acquisition Agreement**") on 8 November 2016. Under the Suntec REIT Acquisition Agreement:

- (a) conditional upon (i) the delisting of ARA from the Official List of the SGX-ST; and (ii) AVICT having obtained the relevant regulatory approvals as set out more specifically in the Suntec REIT Acquisition Agreement (the "**ODI Condition**" and together with (i), the "**Suntec REIT Acquisition Conditions**"), AVICT will within 90 days of the satisfaction of the Suntec REIT Acquisition Conditions, acquire units in the Suntec Real Estate Investment Trust ("**Suntec REIT**") representing, in aggregate, 4 per cent. of Suntec REIT (the "**Suntec REIT Sale Units**") from ARA, at a price per unit equivalent to the 30-day volume weighted average price of the units as at the date prior to the Joint Announcement Date (the "**Unit Acquisition**");
- (b) the Company may by notice in writing to ARA participate in the Units Acquisition by electing to sell up to half of the aggregate number of Suntec REIT Sale Units (i.e. units representing 2 per cent. of the Suntec REIT as at the date of the Suntec REIT Acquisition Agreement);
- (c) the Suntec REIT Acquisition Agreement shall terminate upon the termination of the Implementation Agreement or if AVICT does not provide a completion notice within 90 days of the satisfaction of the Suntec REIT Acquisition Conditions; and
- (d) any of the Company, ARA or AVICT shall have the right to terminate the Suntec REIT Acquisition Agreement by giving written notice to the other parties if the ODI Condition is not satisfied by the 90th day after the delisting of AR from the SGX-ST or such other day as the parties may mutually agree in writing.

3. **RATIONALE FOR AND BENEFITS OF THE TRANSACTION**

The Company believes that the Transaction will be beneficial to the Company and the Group, for the reasons set out below:

- (a) ARA is part of the Company's real estate ecosystem. The Company leverages on ARA's business network, real estate funds management expertise and property management expertise for its real estate investment business. The various real estate investment trust platforms and private funds platforms managed by ARA also present various synergistic opportunities for the Company. Hence, it is the intention of the Company to hold ARA as a strategic investment and support its growth.
- (b) ARA has an established track record in growing its assets under management ("**AUM**") in real estate investment trusts and private real estate funds. The Company believes that a privately-held ARA provides operational flexibility and enables the ARA management to accelerate AUM growth. Post-privatisation, the

ARA management could effect strategic change and implement a growth plan that is difficult to execute as a public listed company.

- (c) The Company understands that by privatising ARA together with affiliated entities of Warburg Pincus and AVIC Trust, the Consortium believes that ARA will be able to gain superior access to capital and assets for growth and secure the long-term commitment of two new strategic capital partners.
- (d) The Company believes Warburg Pincus and AVIC Trust will be able to bring value as shareholders of ARA, as well as value to the Company. Warburg Pincus is a global private equity firm with a track record of 50 years in the private equity business and over US\$40 billion in AUM. Warburg Pincus' value-add includes its global network of investor relationships, experience in partnering with management teams to drive growth, and its strong investment track-record in real estate platforms around the world. AVIC Trust is one of the leading investment and trust managers in China with over US\$51 billion in AUM. It has a unique distribution capability in China and will provide ARA with access to the Chinese capital markets and other business opportunities in China.
- (e) AVIC Trust has undertaken to purchase Suntec REIT units with an initial commitment to take up a 4 per cent. stake in Suntec REIT from ARA and/or the Group. If the Company chooses to participate in the sale, it will therefore be able to free up certain amount of capital and redeploy the capital.
- (f) Following its delisting from the SGX-ST, a privately-held ARA will have fewer reporting and compliance requirements, which will result in reduced costs and greater efficiencies in this regard.

As described above, the Company will also receive Cash Proceeds on the completion of the Transaction. The Cash Proceeds will be redeployed by the Company.

4. RELEVANT FINANCIAL INFORMATION RELATING TO THE TRANSACTION

4.1 Financial information relating to the Straits Rollover Shares

Based on the unaudited consolidated financial statements of the Group as at 30 June 2016 (the "**1H2016 Unaudited Financial Statements**"), the book value and net tangible asset value (excluding non-controlling interests) of the Straits Rollover Shares are approximately S\$344.3 million and approximately S\$109.8 million respectively.

Based on the volume weighted average price per ARA Share on the SGX-ST on 2 November 2016 (being the last full trading day of the ARA Shares prior to the date on which trading of the ARA Shares was halted following a query regarding trading activity received on 3 November 2016 by ARA from the SGX-ST) of S\$1.41, the latest available open market value of the Straits Rollover Shares is approximately S\$282.7 million.

For illustrative purposes only, assuming the Straits Rollover Shares are valued at the Scheme Offer Price, the aggregate value of the Straits Rollover Shares to be transferred by the Company (through SE1 and SE2) to the Offeror will amount to approximately S\$356.9 million (the "**Notional Cash Equivalent Consideration**"). The Scheme Offer Price was jointly determined by the Consortium Parties based on a premium to prevailing and historical market prices and a valuation multiple that is above the historical averages, as well as taking into consideration the Offeror's future plans for ARA as set out in the Joint

Announcement. The Offeror does not intend to increase the Scheme Offer Price and accordingly, this represents the final offer price.

4.2 Financial information relating to the Straits HoldCo Stake

As mentioned above, the Transaction fundamentally envisages that the Company will be retaining its existing investment in ARA indirectly by way of its approximately 20.95 per cent. shareholding at the HoldCo level (through SE1), and the Company (through SE1 and SE2) will not be required to pay cash for the acquisition of the Straits HoldCo Stake, nor to contribute any cash funding for the purposes of the Acquisition under the Scheme. Both the HoldCo and the Offeror are companies with no significant assets prior to the completion of the Transaction. As shown in Figure 1 above, immediately following the completion of the Transaction, the HoldCo's only significant asset will be ARA (held through the Offeror). Accordingly, it will also not be meaningful to compare the book value of the Straits Rollover Shares with the book value of the Straits HoldCo Stake or the Cash Proceeds.

4.3 Notional Percentage Increase (assuming the Scheme is completed)

As shown in Figure 1 above, assuming the completion of the Scheme, the Company will in effect obtain an approximately 20.95 per cent. stake in ARA (held indirectly through the HoldCo and the Offeror), which is approximately 0.85 per cent. higher (i.e. the equivalent of approximately 0.85 per cent. of the total number of ARA Shares in issue) (the "**Notional Percentage Increase**") than the Company's existing approximately 20.10 per cent. stake in ARA (held indirectly through SE1 and SE2). As mentioned above, as the Offeror will use the Debt to part-finance the Acquisition, in consideration of such leverage at the Offeror level, the aggregate cost of subscription for the Company's Straits HoldCo Stake will accordingly be lower than the Notional Cash Equivalent Consideration, which will result in the Cash Proceeds being payable to the Company (as a Rollover Shareholder).

However, given that the Company's effective interest in ARA may be said to have increased as a result of the Transaction (assuming the Scheme is completed), the Notional Percentage Increase may be construed as a "deemed" partial acquisition of a larger stake in ARA, and the Company has accordingly presented the relative figures under Rule 1006 of the Listing Manual in paragraph 5.2 below on this assumption.

5. APPLICABILITY OF CHAPTER 10 OF THE LISTING MANUAL TO THE TRANSACTION

- 5.1 As mentioned above, the Transaction fundamentally envisages that the Company will be retaining its existing investment in ARA indirectly by way of its approximately 20.95 per cent. shareholding at the HoldCo level, and therefore the Transaction may be viewed as a swap or restructuring of the manner of holding of its investment in ARA, rather than a "transaction" traditionally within the meaning of Rule 1002(1) of the Listing Manual (which by definition requires an "acquisition or disposal of assets"). The Company will be consulting with the SGX-ST on the applicability of Chapter 10 of the Listing Manual to the Transaction, and where necessary, will seek an appropriate waiver from the requirement for shareholders' approval for the Transaction thereunder. Notwithstanding this, the Company has currently presented the relative figures for the purposes of Rule 1006 on the assumption that Chapter 10 of the Listing Manual is applicable to the Transaction.

5.2 Relative Figures under Rule 1006 of the Listing Manual

In relation to the Transaction, based on the 1H2016 Unaudited Financial Statements, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as shown below:

Basis under Rule 1006 ⁽¹⁾		Relative Figure
Rule 1006(b)	<i>For the purposes of illustrating the Notional Percentage Increase as a "deemed" partial acquisition: the net profits attributable to the Notional Percentage Increase, compared with the Group's net profits.</i> ⁽²⁾	1.0 per cent.
Rule 1006(c)	<i>As the Transaction may be viewed as two separate transactions by the Group (being (i) the disposal of the Straits Rollover Shares to the Offeror, and (ii) the acquisition of the Straits HoldCo Stake), or effectively as a swap or restructuring (in which case, the effective difference between (i) and (ii) is relevant), all three possible relative figures have been illustrated below:</i> (i) The aggregate value of the consideration received for the disposal of the Straits Rollover Shares, compared with the Company's market capitalisation.⁽³⁾ (ii) The aggregate value of the consideration paid for the acquisition of the Straits HoldCo Stake, compared with the Company's market capitalisation.⁽³⁾ (iii) The value of the <i>net</i> consideration received (i.e. the consideration under (i) above less the consideration under (ii) above), compared with the Company's market capitalisation.⁽³⁾	(i) 44.0 per cent. (ii) 38.1 per cent. (iii) 5.9 per cent.

Notes:

- (1) Rule 1006(a), Rule 1006(d) and Rule 1006(e) of the Listing Manual are not applicable to the Transaction. Rule 1006(a) does not apply to an acquisition of assets (i.e. the Notional Percentage Increase). Rule 1006(d) does not apply as the Company will not be issuing Shares as consideration for the Transaction. Rule 1006(e) does not apply because the Company is not a mineral, oil and gas company.
- (2) The Group's net profits amount to approximately S\$40.3 million. The net profits attributable to the Straits Rollover Shares (being the equivalent of approximately 20.10 per cent. of the total number of ARA Shares) is approximately S\$9.6 million. Accordingly, the net profits attributable to the Notional Percentage Increase (being the equivalent of approximately 0.85 per cent. of the total number of ARA Shares) amount to approximately S\$0.4 million, and these figures form the basis for the relative figures as shown in the table above. The profit figures used are historical and therefore should not be taken as indicative of the future profitability of ARA, the HoldCo or the Offeror. The calculation of this relative figure does not take into account any financing costs

payable by the Offeror in respect of the Debt; in this regard, Shareholders may refer to paragraph 6.2 below on the illustrative financial effects of the Transaction on the Group's earnings (which also illustrates the effect of the Debt).

- (3) The Company's market capitalisation as at 3 November 2016 (being the last full market day immediately preceding the date of the Implementation Agreement, as trading in the Shares on the SGX-ST was halted on 4 November 2016), computed based on Rule 1002(5) of the Listing Manual, is approximately S\$811.1 million. For the purposes of computing the relative figures for Rule 1006(c), it is assumed that (i) the consideration received by the Company for SE's disposal of the Straits Rollover Shares is equivalent to the Notional Cash Equivalent Consideration of approximately S\$356.9 million (being the Scheme Offer Price multiplied by the Straits Rollover Shares), (ii) the consideration paid by the Company for SE1's acquisition of the Straits HoldCo Stake is equivalent to approximately S\$308.6 million (being the aggregate cost of subscription for the Straits HoldCo Stake), and (iii) the net consideration received by SE for the abovementioned transactions is equivalent to the Cash Proceeds (being the Notional Cash Equivalent Consideration less the aggregate cost of subscription for the Straits HoldCo Stake).

- 5.3 As shown in the table above, as the relative figures computed for the purpose of Rule 1006(c) are potentially in excess of 20 per cent., the SGX-ST may treat the Transaction as a "major transaction" under Rule 1014 of the Listing Manual, which will require the approval of the shareholders of the Company, unless a waiver from the shareholders' approval requirement is granted. As mentioned above, the Company will be consulting with the SGX-ST on the applicability of Chapter 10 of the Listing Manual to the Transaction, and where necessary, will seek an appropriate waiver from the requirement for shareholders' approval for the Transaction thereunder.

6. FINANCIAL EFFECTS

The financial effects as set out below, which are based on the assumptions set out hereunder, are theoretical in nature and for illustrative purposes only, and are therefore not necessarily indicative of the future financial position and earnings of the Company, the Group, the HoldCo, the Offeror, or ARA.

- 6.1 The illustrative financial effects set out in paragraph 6.2 below have been prepared based on the Group's audited consolidated financial statements for the financial year ended 31 December 2015 ("**FY2015**") (the "**Audited FY2015 Results**") and are subject to the following key assumptions:
- (a) the effect of the Transaction on the Group's net tangible assets ("**NTA**") per ordinary share in the capital of the Company ("**Share**") is based on the assumption that the Transaction had been effected at the end of FY2015; and
 - (b) the effect of the Transaction on the Group's earnings per Share ("**EPS**") for FY2015 is based on the assumption that the Transaction had been effected at the beginning of FY2015.

6.2 Illustrative Financial Effects of Transaction

For illustrative purposes only, assuming the Scheme is completed, the financial effects of the Transaction on the Group as set out below, based on the Audited FY2015 Results, are further subject to the following assumptions:

- (a) following the completion of the Scheme, ARA is a wholly-owned subsidiary of the Offeror (which is in turn a wholly-owned subsidiary of the HoldCo), and the Group

has an approximately 20.95 per cent. shareholding interest in the HoldCo (through SE1);

- (b) the cost of the Debt is assumed to be 3.0% per annum; and
- (c) the interest rate on the Cash Proceeds is assumed to be 1.0% per annum.

Effect on NTA per Share

The Transaction will not have any impact on the NTA per Share of the Company.

Effect on EPS

The Group's EPS would decrease from S\$0.021 to S\$0.020 as a result of the Transaction.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

- 7.1 No person is proposed to be appointed to the board of the Company in connection with the Transaction, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Transaction.
- 7.2 Save for their respective shareholding interests in the Company (if any), none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

8. DOCUMENTS FOR INSPECTION

Copies of the Rollover Agreement and the Suntec REIT Acquisition Agreement will be made available for inspection during normal business hours at the registered office of the Company for a period of three months from the date of this Announcement.

BY ORDER OF THE BOARD OF DIRECTORS

Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

8 November 2016
Singapore

This Announcement will be available at the Company's website at <http://www.stc.com.sg>

About The Straits Trading Company Limited

Incorporated in 1887, The Straits Trading Company Limited has stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities globally. It also owns a 20.1% stake in SGX-listed ARA Asset Management Limited, one of the largest real estate fund managers in the region and has a 30% interest in Far East Hospitality Holdings, one of the largest hospitality operators in the Asia Pacific region. Straits Trading also engages in tin mining and smelting through its 54.8%-owned subsidiary, Malaysia Smelting Corporation Berhad, that is dual listed on Bursa Malaysia and SGX-ST.

APPENDIX

Copy of Joint Announcement

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)

JOINT ANNOUNCEMENT

**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**

1. INTRODUCTION

1.1 The Acquisition and Scheme. The respective boards of directors of ARA Asset Management Limited (the “**Company**”) and Athena Investment Company (Cayman) Limited (the “**Offeror**”) are pleased to announce the proposed acquisition (the “**Acquisition**”) by a consortium comprising:

- 1.1.1** Straits Equities Holdings (One) Pte. Ltd. (“**SE1**”) and Straits Equities Holdings (Two) Pte. Ltd. (“**SE2**”, and together with SE1, “**SE**”), which are wholly-owned subsidiaries of The Straits Trading Company Limited (“**STC**”);
- 1.1.2** JL Investment Group Limited (“**JLIG**”), an entity wholly-owned by Mr Lim Hwee Chiang, John;
- 1.1.3** Wealthman Group Limited (“**WGL**”), an indirect wholly-owned subsidiary of Cheung Kong Property Holdings Limited (“**CKPHL**”);
- 1.1.4** Alexandrite Gem Holdings Limited (“**AGHL**”), an affiliate of Warburg Pincus LLC (“**Warburg Pincus**”); and
- 1.1.5** AVICT Dragon Holdings Limited (“**AVICT**”), a special purpose vehicle established and controlled by AVIC Trust Co., Ltd (“**AVIC Trust**”),

each of SE, JLIG, WGL, AGHL and AVIC Trust, a “**Consortium Party**” and collectively the “**Consortium Parties**”, of all the issued and fully paid-up ordinary shares in the capital of the Company (the “**Shares**”) through the Offeror.

1.2 Implementation Agreement and Rollover Agreement. The Acquisition will be effected:

- 1.2.1** by way of a scheme of arrangement (the “**Scheme**”) under Section 99 of the Companies Act 1981 of Bermuda (the “**Bermuda Companies Act**”) pursuant to which the Offeror is seeking to acquire all the Shares, other than the Shares held by SE1, SE2, JLIG and WGL (the “**Scheme Shares**”) in compliance with the Singapore Code on Take-overs and Mergers (the “**Code**”). In connection with the Acquisition, the Company and the Offeror (each, a “**Party**” and collectively the “**Parties**”) have

today entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Company and the Offeror will implement the Scheme. The directors of the Company who are considered independent for the purposes of the Scheme (the “**Independent Directors**”) have unanimously approved the Implementation Agreement and the Company entering into the Implementation Agreement; and

- 1.2.2 by way of the acquisition of all the Shares held by SE1, SE2, JLIG and WGL (the “**Rollover Shareholders**”), being an aggregate of 461,100,481 Shares (the “**Rollover Shares**”), on the terms of a subscription and rollover agreement (the “**Rollover Agreement**”) entered into today between the Offeror, the HoldCo (as defined at paragraph 2.2.2 of this Joint Announcement) and the Consortium Parties, as further described in paragraph 7.2 of this Joint Announcement).

1.3 Scheme Consideration and Premium.

Scheme Consideration = S\$1.78 for each Scheme Share

The Offeror does not intend to increase the Scheme Consideration and accordingly, this represents the **final** price for each Scheme Share.

The Scheme presents the Scheme Shareholders (as defined at paragraph 3.1.1 of this Joint Announcement) with an opportunity to realise their investment in the Scheme Shares at an attractive premium of approximately 43.9 per cent. over the Company’s 12-month volume weighted average price (“**VWAP**”) of S\$1.237 up to and including 2 November 2016¹, without incurring brokerage and other trading costs (see paragraphs 8 to 9 of this Joint Announcement for details).

2. INFORMATION ON THE COMPANY, THE OFFEROR AND THE CONSORTIUM PARTIES

2.1 The Company

- 2.1.1 **Corporate Information and Principal Business Activities.** The Company was incorporated in Bermuda on 1 July 2002, and has been listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since November 2007. The Company is an Asian real estate fund management company focused on the management of real estate investment trusts (“**REITs**”) and private real estate funds. As at the date of this Joint Announcement (the “**Joint Announcement Date**”), the Company has an issued and paid-up share capital of S\$1,994,557 comprising 997,278,289 Shares in issue and no treasury shares. There are no outstanding options or convertible securities of the Company as at the Joint Announcement Date.

¹ Being the last full trading day of the 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 the Company from the SGX-ST.

2.1.2 Board Composition. The board of directors of the Company (the “**Board**”) comprises:

- (i) Dr Chiu Kwok Hung Justin (Chairman and Non-Executive Director);
- (ii) Mr Lim Hwee Chiang, John (Group Chief Executive Officer and Executive Director);
- (iii) Ms Chew Gek Khim (Deputy Chairman and Non-Executive Director);
- (iv) Mr Ip Tak Chuen Edmond (Non-Executive Director);
- (v) Mr Lee Yock Suan (Independent Non-Executive Director);
- (vi) Mr Lim How Teck (Independent Non-Executive Director);
- (vii) Mr Colin Stevens Russel (Independent Non-Executive Director);
- (viii) Dr Cheng Mo Chi Moses (Independent Non-Executive Director); and
- (ix) Mr Yap Chee Keong (Non-Executive Director).

2.2 The Offeror

2.2.1 The Offeror is a special purpose vehicle incorporated under the laws of the Cayman Islands for the purpose of the Acquisition. As at the Joint Announcement Date, the directors of the Offeror are:

- (i) Mr Joseph Gagnon, Ms Ellen Ng and Mr Jeffrey Perlman, being the nominees of AGHL; and
- (ii) Mr Jiangtao Yao and Mr Yinghui Wei, being the nominees of AVIC Trust.

2.2.2 The Offeror is wholly-owned by Athena Investment Company (Singapore) Pte. Limited (the “**HoldCo**”), which is a special purpose vehicle incorporated under the laws of Singapore for the purpose of the Acquisition. As at the Joint Announcement Date, the only shareholders of the HoldCo are AGHL and AVICT, holding 60 per cent. and 40 per cent. of the HoldCo, respectively. Upon the Scheme becoming effective in accordance with its terms (the “**Effective Date**”), the board of the HoldCo will comprise the following nominees appointed by the respective Consortium Parties:

- (i) Ms Chew Gek Khim, being the nominee of SE;
- (ii) Dr Chiu Kwok Hung Justin and Mr Ip Tak Chuen Edmond, being the nominees of WGL;
- (iii) Mr Lim Hwee Chiang, John, being the nominee of JLIG;

(iv) Mr Joseph Gagnon, Ms Ellen Ng and Mr Jeffrey Perlman, being the nominees of AGHL; and

(v) Mr Jiangtao Yao and Mr Yinghui Wei, being the nominees of AVIC Trust.

2.2.3 The Offeror will fund the consideration payable for the Scheme Shares through a combination of external bank financing and equity commitments from AGHL and AVICT (collectively, the **“Sponsor Shareholders”**).

2.3 The Consortium Parties

2.3.1 SE and STC. SE1 and SE2 are investment holding companies incorporated in Singapore. SE1 and SE2 are wholly-owned subsidiaries of STC, a Singapore incorporated company whose shares are listed on the SGX-ST.

2.3.2 JLIG and Mr Lim Hwee Chiang, John. JLIG is a company incorporated in the British Virgin Islands (**“BVI”**) and is wholly-owned by Mr Lim Hwee Chiang, John, who has been the Group Chief Executive Officer and Executive Director of the Company since 2002. JLIG is part of the JL Family Office which is the private investment holding group of companies founded by Mr Lim Hwee Chiang, John.

2.3.3 WGL and CKPHL. WGL is a company incorporated in the BVI. WGL is an indirect wholly-owned subsidiary of CKPHL, a Cayman Islands incorporated company whose shares are listed on the Stock Exchange of Hong Kong Limited.

2.3.4 AGHL and Warburg Pincus. AGHL is a company incorporated in the BVI. AGHL is wholly-owned by private equity funds managed by Warburg Pincus. Warburg Pincus is a global private equity firm with a track record of 50 years in the private equity business.

2.3.5 AVICT and AVIC Trust. AVICT is a special purpose company incorporated in the BVI and is a wholly-owned subsidiary of AVIC Trust. AVIC Trust is a company incorporated in the People’s Republic of China. Re-registered in December 2009, AVIC Trust is one of the leading investment and trust managers in China with assets under management of over US\$51 billion. AVIC Trust is owned by Oversea-Chinese Banking Corporation (19.9988 per cent.) and indirectly owned by AVIC Capital Co, Limited (80.0012 per cent.), a company listed on the Shanghai Stock Exchange and the finance arm of the Aviation Industry Corporation of China.

3. THE ACQUISITION

3.1 The Scheme. The Scheme will be effected in accordance with Section 99 of the Bermuda Companies Act, subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

3.1.1 all the Scheme Shares held by the Shareholders² of the Company other than the Rollover Shareholders (the “**Scheme Shareholders**”), as at a books closure date to be announced by the Company on which the transfer books of the Company and the register of members of the Company (the “**Register of Members**”) will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme Consideration (the “**Books Closure Date**”), will be transferred to the Offeror:

- (i) fully paid up;
- (ii) free from all claims, charges, mortgages, securities, pledges, liens, options, restrictions, equities, powers of sale, hypothecations or third party rights or interests, retention of title, rights of pre-emption, rights of first refusal or security interests of any kind or agreements, arrangements or obligations to create any of the foregoing; and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Joint Announcement Date. If any dividend, right or other distribution is declared, paid or made by the Company to the Scheme Shareholders on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Scheme Consideration (as defined at paragraph 3.1.2 of this Joint Announcement) by the amount of such dividend, right or distribution; and

3.1.2 in consideration for such transfer of the Scheme Shares, the Offeror will pay each Scheme Shareholder as at the Books Closure Date S\$1.78 in cash for each Scheme Share transferred (the “**Scheme Consideration**”). The Offeror does not intend to increase the Scheme Consideration of S\$1.78 and accordingly, this represents the final price.

Subject to the satisfaction of the Scheme Conditions, it is currently expected that the Acquisition will be completed in the first half of 2017.

² In this Joint Announcement, a “**Shareholder**”, means

- (i) any person (other than The Central Depository (Pte) Limited (“**CDP**”)) who is registered in the Register of Members as the holder of Shares; and/or
- (ii) where CDP is registered in the Register of Members as the holder of Shares, any person who is registered in the Depository Register (as defined under Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) as having Shares credited to his Securities Account (as defined at paragraph 10.1 of this Joint Announcement).

- 3.2 Scheme Document.** Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by the Company and the Offeror will be set out in the document to be issued by the Company to the Scheme Shareholders containing, *inter alia*, details of the Scheme (the “**Scheme Document**”).
- 3.3 Acquisition of Rollover Shares.** Subject to the Scheme becoming effective in accordance with its terms, the Rollover Shares will be acquired by the Offeror pursuant to the Rollover Agreement, as further described in paragraph 7.2 of this Joint Announcement.
- 3.4 Delisting.** Upon the Scheme becoming effective in accordance with its terms and upon completion of the Rollover Agreement, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

4. SCHEME CONDITIONS

- 4.1 Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of the conditions precedent (the “**Scheme Conditions**”) set out in **Schedule 1** to this Joint Announcement. The Scheme will only come into effect if a copy of the order of the Supreme Court of Bermuda (the “**Court**”) pursuant to Section 99(2) of the Bermuda Companies Act sanctioning the Scheme (the “**Court Order**”) has been delivered to the Registrar of Companies in Bermuda (the “**Registrar**”) for registration pursuant to Section 99(3) of the Bermuda Companies Act and all the other Scheme Conditions have been satisfied or, if applicable, waived in accordance with the terms of the Implementation Agreement, by no later than 5.00 p.m. on 30 June 2017 or such other date as may be agreed in writing between the Company and the Offeror (the “**Cut-Off Date**”). The Scheme is not conditional or dependent on completion of the Rollover Agreement.

4.2 Benefit of Scheme Conditions

- 4.2.1 The Offeror’s Benefit.** The Offeror alone may waive the Scheme Conditions in paragraphs 6 (in relation to the Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the Company, any ARA Group Company³, Substantial Subsidiary⁴ or Fund⁵ (as applicable)), 7, 8 and 10 of **Schedule 1** to this

³ In this Joint Announcement, the “**ARA Group**” means the Company and all of its subsidiaries (as defined under the Companies Act, Chapter 50 of Singapore) as at the date of the Implementation Agreement, but excluding for the avoidance of doubt the Fund Entities (as defined in the Implementation Agreement), and “**ARA Group Company**” means any one of them.

⁴ In this Joint Announcement, “**Substantial Subsidiaries**” means (i) ARA Asset Management (Fortune) Limited; (ii) ARA Trust Management (Suntec) Limited; (iii) ARA Management Pte. Ltd.; (iv) ARA Asset Management (Prosperity) Limited; (v) ARA-CWT Trust Management (Cache) Limited; (vi) ARA Managers (APF) Pte. Ltd.; (vii) ARA Fund Management (Asia Dragon II) Limited; (viii) ARA Fund Management (CIP) Limited; (ix) Jadeline Capital Sdn. Bhd.; (x) ARA Investors II Limited; (xi) ARA Real Estate Investors V Limited; (xii) ARA Real Estate Investors VI Limited; (xiii) ARA Real Estate Investors VII Limited; (xiv) ARA Real Estate Investors VIII Limited; (xv) ARA Real Estate Investors IX Limited; (xvi) ARA Real Estate Investors X Pte. Ltd.; (xvii) ARA Real Estate Investors XI Limited; (xviii) ARA Real Estate Investors XII Limited; (xix) ARA Real Estate Investors XIII Limited; (xx) ARA Managers (Harmony) Pte. Ltd.; (xxi) Suntec Singapore International Convention & Exhibition Services Pte. Ltd; (xxii) APM Property Management Pte. Ltd.; (xxiii) SC Property Management Co., Ltd.; (xxiv) Asia Property Management (China) Limited; (xxv) ARA Fund Management (MIP) Limited; (xxvi) ARA Fund Management (Harmony III) Limited; (xxvii) ARA Fund Management (SDF) Limited; (xxviii) ARA Managers (SIP) Pte. Ltd.; (xxix) ARA Korea Limited; (xxx) ARA Fund Management (PIP) Limited; and (xxxi) ARA Managers (Harmony V) Pte. Ltd., and “**Substantial Subsidiary**” means any one of them.

Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror.

4.2.2 The Company's Benefit. The Company alone may waive the Scheme Conditions at paragraphs 6 (in relation to the Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the Offeror) and 9 of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company.

4.2.3 Both Parties' Benefit. The Scheme Conditions in paragraphs 1, 2 and 3 of **Schedule 1** to this Joint Announcement are not capable of being waived by either or both of the Parties. The Scheme Conditions in paragraphs 4 and 5 of **Schedule 1** to this Joint Announcement may only be waived (to the extent legally permissible) if such waiver has been agreed in writing between the Parties.

5. TERMINATION

5.1 Right to Terminate. The Implementation Agreement provides that if:

5.1.1 any of the Scheme Conditions set out in paragraphs 1, 2 and 3 of **Schedule 1** to the Joint Announcement is not satisfied, or if the Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on the Cut-Off Date, either Party may immediately terminate the Implementation Agreement by notice in writing to the other Party;

5.1.2 an event under which the Company is obliged to pay the Break Fee (as defined in paragraph 5.2.2 of this Joint Announcement) pursuant to Clause 10.4.1 of the Implementation Agreement (see paragraph 5.2.1 of this Joint Announcement) occurs, the Implementation Agreement shall automatically terminate;

5.1.3 an event under which the Company is obliged to pay the Break Fee pursuant to Clause 10.4.2(i) of the Implementation Agreement (see paragraph 5.2.2(i) of this Joint Announcement) occurs, the Offeror shall have the right to terminate the Implementation Agreement;

⁵ In this Joint Announcement, "**Funds**" means (i) ARA Asia Dragon Limited; (ii) ARA Asia Dragon II Limited; (iii) ARA China Investment Partners, LLC; (iv) Morningside Investment Partners, LLC; (v) Straits Investment Partners; (vi) Peninsula Investment Partners, L.P.; (vii) Peninsula Investments Partners (Australia), LP; (viii) Harmony Investors Group Limited; (ix) ARA Harmony Fund III, L.P.; (x) Park Mall Pte. Ltd.; (xi) ARA Summit Development Fund I, L.P.; (xii) Fortune Real Estate Investment Trust; (xiii) Suntec Real Estate Investment Trust; (xiv) Prosperity Real Estate Investment Trust; (xv) AmFIRST Real Estate Investment Trust; (xvi) Cache Logistics Trust; (xvii) Hui Xian Real Estate Investment Trust; (xviii) ARA-NPS Real Estate Investment Company; (xix) ARA-NPS REIT No.2; (xx) ARA-ShinYoung REIT; and (xxi) ARA-ShinYoung REIT No.2; and "**Fund**" means any one of them.

5.1.4 subject to the Party seeking termination having consulted with the Securities Industry Council (the “**SIC**”) and the SIC having given its approval, or stated that it has no objection, to such termination:

- (i) the Scheme Condition set out in paragraph 5 of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, either Party may immediately terminate the Implementation Agreement by notice in writing to the other Party;
- (ii) any of the Scheme Conditions set out in paragraphs 4 or 6 (in relation to any Prescribed Occurrences set out in **Schedule 3** to this Joint Announcement relating to the Company, any ARA Group Company, Substantial Subsidiary or Fund (as applicable)), or 7 or 8 or 10 of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Offeror may terminate the Implementation Agreement by notice in writing to the Company, provided that with respect to paragraph 8 of **Schedule 1** to this Joint Announcement (in relation to any breach of warranties by the Company), if the breach is capable of remedy, the Company fails to remedy the breach within the earlier of fifteen Business Days⁶ from receipt of notice from the Offeror of the alleged breach, or 5.00 p.m. on the Cut-Off Date, and provided further that the Company works diligently to remedy the breach during such period; or
- (iii) any of the Scheme Conditions set out in paragraph 6 (in relation to any Prescribed Occurrences set out in **Schedule 2** to this Joint Announcement relating to the Offeror) or paragraph 9 of **Schedule 1** to this Joint Announcement is not satisfied, or is incapable of being satisfied, or if applicable, has not been or will not be waived, on or before 5.00 p.m. on the Cut-Off Date, the Company may terminate the Implementation Agreement by notice in writing to the Offeror.

5.2 Effect of Termination. In the event the Implementation Agreement is terminated by either Party pursuant to its terms, the Implementation Agreement will cease to have any further force or effect (except for certain surviving provisions such as those relating to the break fee (see paragraphs 5.2.1 and 5.2.2 of this Joint Announcement), costs and expenses and governing law) and there shall be no further liability or obligation on the part of either Party, but such termination shall not prejudice the rights of either Party which have accrued or arisen prior to such termination (provided that the Offeror shall not be entitled to claim against the Company for any breach of the warranties by the Company), and that:

5.2.1 In the event that a Competing Offer⁷ becomes or is declared unconditional in all respects or becomes effective, as the case may be, in accordance with its terms

⁶ In this Joint Announcement, “**Business Day**” means a day (other than Saturday, Sunday or public holiday) on which banks in Bermuda, Hong Kong, New York and Singapore are generally open for business.

⁷ In this Joint Announcement, “**Competing Offer**” means any offer, proposal or expression of interest by any person other than the Offeror pursuant to which such person or any other person may, whether directly or indirectly, and

within 180 calendar days from the Joint Announcement Date, the Company shall pay a break fee equivalent to 0.5 per cent. of the aggregate Scheme Consideration payable for the Scheme Shares to the Offeror.

5.2.2 In the event:

- (i) that the Independent Directors do not provide the Recommendation⁸, or the Independent Directors withdraw, modify or qualify the Recommendation otherwise than pursuant to a Competing Offer; or
- (ii) of a material breach or non-compliance by the Company of Clauses 3.4, 6.2, 7.2 and 10.1 of the Implementation Agreement resulting in the termination of the Scheme,

the Company shall compensate the Offeror for all the costs and expenses actually incurred by or on behalf of the Offeror in connection with the Scheme and/or Acquisition, subject to a maximum amount of US\$2,000,000,

(in either case, the “**Break Fee**”).

5.2.3 Payment of the Break Fee shall be made by the Company to the Offeror within:

- (i) in the case of a payment under Clause 10.4.1 of the Implementation Agreement (see paragraph 5.2.1 above), 10 Business Days after the date on which the Competing Offer is declared unconditional in all respects or becomes effective, as the case may be; and
- (ii) in the case of a payment under Clause 10.4.2 of the Implementation Agreement (see paragraph 5.2.2 above), 10 Business Days after the Offeror has submitted a written request together with reasonable supporting evidence of the costs and expenses actually incurred by it or on its behalf in connection with the Scheme and/or Acquisition.

6. SPECIFIC OBLIGATIONS OF THE COMPANY

Pursuant to the terms of the Implementation Agreement, the Company shall execute all documents and do all acts and things necessary to implement the Scheme, as expeditiously as possible, and shall, *inter alia*, perform the obligations set out in **Schedule 4** to this Joint Announcement.

whether by share purchase, scheme of arrangement, merger or amalgamation, capital reconstruction, purchase of assets, tender offer, general offer, partial offer, joint venture, dual listed company structure or otherwise:

- (i) acquire or become the holder or owner of, or otherwise have an economic interest in: (a) all or any substantial part of the businesses, assets, revenues and/or undertakings of the Company, or (b) all or a significant portion of the share capital of the Company;
- (ii) acquire control of the ARA Group or merge with the Company;
- (iii) benefit under any other arrangement having an effect similar to any of the above; or
- (iv) effect a transaction which would preclude or restrict the Acquisition and/or the Scheme.

⁸ In this Joint Announcement, “**Recommendation**” means the recommendation given by the Independent Directors unanimously and without qualification, that the Scheme Shareholders vote in favour of the Scheme.

7. CONSORTIUM ARRANGEMENTS

7.1 Consortium Agreement. The Consortium Parties entered into a consortium agreement on 18 September 2016 (the “**Consortium Agreement**”). Pursuant to the Consortium Agreement, the Consortium Parties have established a steering committee (the “**Steering Committee**”) comprising five members (being one senior management representative from each Consortium Party). The Steering Committee is responsible for all matters relating to the Acquisition and the day-to-day supervision and management of the Acquisition. The Steering Committee comprises the following members:

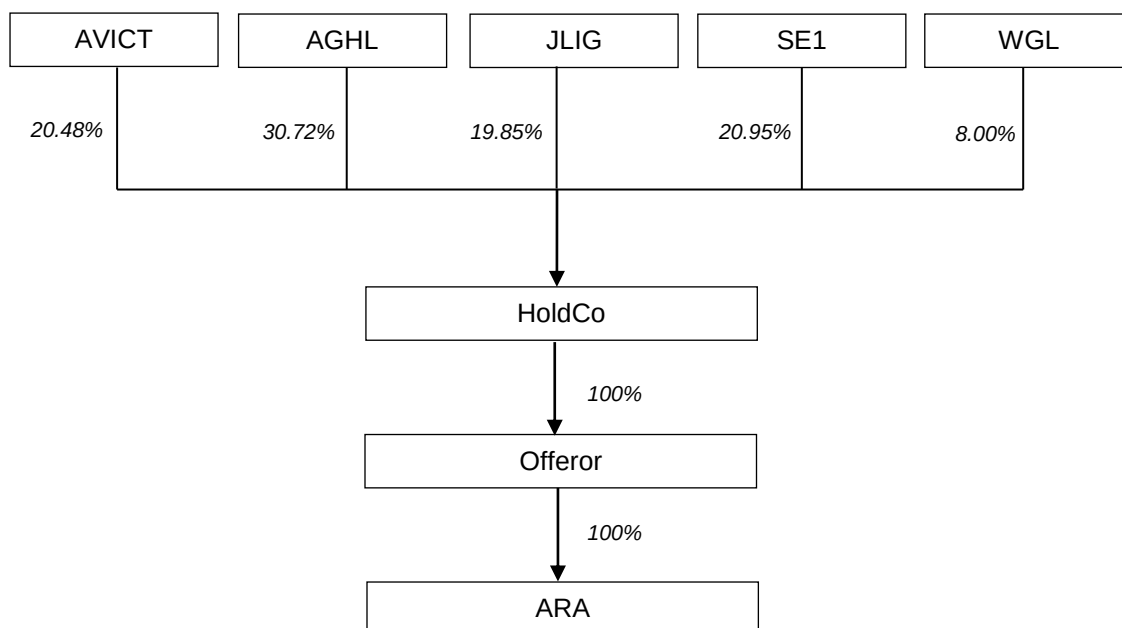
- 7.1.1 Ms Ellen Ng (Managing Director of Warburg Pincus) or, in the alternative, Mr Joseph Gagnon (Managing Director of Warburg Pincus);
- 7.1.2 Mr Lim Hwee Chiang, John (Founder of JLIG) or, in the alternative, Mr Lim How Boon, Andy (Executive Director of JLIG);
- 7.1.3 Ms Chew Gek Khim (Executive Chairman of STC) or, any alternate nominated by SE;
- 7.1.4 Mr Ip Tak Chuen Edmond (Executive Director and Deputy Managing Director of CKPHL) or, in the alternative, Ms Eirene Yeung (Company Secretary of CKPHL); and
- 7.1.5 Mr Jiangtao Yao (Chairman of AVIC Trust) or, in the alternative, Mr Yinghui Wei (Deputy General Manager of AVIC Trust).

7.2 Rollover Agreement. Pursuant to the terms of the Rollover Agreement, immediately upon the Scheme becoming effective in accordance with its terms, the Rollover Shareholders will transfer their Rollover Shares to the Offeror in exchange for a combination of cash and shares in the HoldCo. Under the terms of the Rollover Agreement:

- 7.2.1 the Sponsor Shareholders shall each subscribe for shares in the HoldCo;
- 7.2.2 SE shall transfer to the Offeror an aggregate of 200,482,000 Rollover Shares in exchange for cash and shares in the HoldCo, representing approximately 20.95 per cent. in the HoldCo. SE2 has nominated SE1 to receive its shares in the HoldCo to which it is entitled pursuant to the Rollover Agreement;
- 7.2.3 JLIG shall transfer to the Offeror an aggregate of 182,432,937 Rollover Shares in exchange for cash and shares in the HoldCo, representing approximately 19.85 per cent. of the HoldCo; and
- 7.2.4 WGL shall transfer to the Offeror an aggregate of 78,185,544 Rollover Shares in consideration for cash, and shall subscribe for shares in the HoldCo, representing approximately 8.00 per cent. of the HoldCo (together with the transfers described at paragraphs 7.2.2 and 7.2.3, the “**Rollover**”).

The cash portion of the proceeds will comprise of approximately 13.5 per cent., 9.9 per cent., and 15.3 per cent. for SE, JLIG, and WGL, respectively, of the consideration payable to each of the Rollover Shareholders.

Upon the Scheme becoming effective in accordance with its terms and on completion of the Rollover, the Company will be a wholly-owned subsidiary of the Offeror and a wholly-owned indirect subsidiary of the HoldCo, and the shareholders of the HoldCo and their respective shareholding will be as follows:



7.3 Shareholders' Agreement. The Consortium Parties, other than SE2 (collectively, the “**HoldCo Shareholders**”) will enter into a shareholders' agreement (the “**Shareholders' Agreement**”) on completion of the Rollover in respect of the governance of the HoldCo and its subsidiaries from time to time (the “**Offeror Group**”). Pursuant to the terms of the Shareholders' Agreement:

7.3.1 Best Interests. The HoldCo Shareholders have agreed to act in the best interests of the HoldCo.

7.3.2 Board Seats. The following directors of the HoldCo will be appointed as soon as reasonably practicable after the Scheme becomes effective in accordance with its terms:

- (i) Dr Chiu Kwok Hung Justin (Chairman, Rollover Shareholder Director);
- (ii) Mr Ip Tak Chuen Edmond (Rollover Shareholder Director);
- (iii) Ms Chew Gek Khim (Rollover Shareholder Director);
- (iv) Mr Lim Hwee Chiang, John (Rollover Shareholder Director);
- (v) Mr Joseph Gagnon (Sponsor Director);
- (vi) Ms Ellen Ng (Sponsor Director);
- (vii) Mr Jeffrey Perlman (Sponsor Director);

(viii) Mr Jiangtao Yao (Sponsor Director); and

(ix) Mr Yinghui Wei (Sponsor Director).

The Rollover Shareholders (save for SE2, who is not a party to the Shareholders' Agreement) will, collectively, have the right to appoint four directors, for so long as specific shareholdings in the HoldCo are maintained. The Sponsor Shareholders shall initially have the right to appoint five directors.

7.3.3 Key Management. Mr Lim Hwee Chiang, John shall serve as the Group Chief Executive Officer of the Offeror Group and Dr Chiu Kwok Hung Justin shall serve as the Chairman of the board of directors of the HoldCo. The Sponsor Shareholders shall have the right to appoint the Chief Financial Officer of the HoldCo.

7.3.4 Reserved Matters. The HoldCo Shareholders have agreed on a list of reserved matters which shall not be undertaken except with the consent of a specified per cent. of the board of directors of the HoldCo, the HoldCo Shareholders or all the HoldCo Shareholders holding over a certain number of shares in the HoldCo, as the case may be.

7.3.5 Pre-emption Rights. The HoldCo Shareholders will have customary rights such as pre-emption rights over issuances of new shares in the HoldCo.

7.3.6 Restrictions on Transfer of Shares. Subject to certain exceptions (primarily in default scenarios), no HoldCo Shareholder may transfer, directly or indirectly, any of their interests in the HoldCo for a period of not less than five years after completion of the Acquisition (the "**Moratorium Period**"), without the consent of the other HoldCo Shareholders. The HoldCo Shareholders will also have customary rights such as pre-emptive rights over transfers by other shareholders and rights of compulsory transfers in the event of specified default events.

7.3.7 Exit Mechanisms. If no liquidity event has taken place after the expiry of the Moratorium Period, then, depending on the circumstances, either the Sponsor Shareholders or, subject to the maintenance of specific shareholdings in the HoldCo, the Rollover Shareholders (save for SE2) have the right to conduct a sale process (a "**Marketed Sale**") and subject to the Marketed Sale meeting certain conditions, drag the remaining HoldCo Shareholders on the same terms. If the drag is not satisfied, the remaining HoldCo Shareholders also have a tag-along right to sell all of their shares of the HoldCo on the same terms. WGL has the right to require an independent third party valuer to value the shares of the HoldCo (such value being the "**Fair Value**") and the Fair Value will be the minimum price that it shall receive for certain of its shares under a Marketed Sale. At certain times after the end of the Moratorium Period, WGL shall have the right to require the HoldCo to repurchase certain of its shares in the HoldCo at a price which shall be determined with reference to the prevailing earnings of the HoldCo.

7.3.8 Restrictive Covenants. The HoldCo Shareholders have agreed on a set of obligations in relation to restricted actions which may apply to some of the HoldCo Shareholders post-completion of the Acquisition, including, where relevant, non-

compete and non-solicit obligations and arrangements to maintain certain existing relationships with the Offeror Group for an agreed period post-completion of the Acquisition.

7.4 Acquisition of Units of Suntec REIT. In addition to the arrangements set out above, AVICT, STC and the Company have entered into a sale and purchase agreement (the “**Suntec REIT Acquisition Agreement**”) today. Under the Suntec REIT Acquisition Agreement:

- 7.4.1 conditional upon (i) the delisting of the Company from the Official List of the SGX-ST; and (ii) AVICT having obtained the relevant regulatory approvals as set out more specifically in the Suntec REIT Acquisition Agreement (the “**ODI Condition**” and together with (i), the “**Suntec REIT Acquisition Conditions**”), AVICT will within 90 days of the satisfaction of the Suntec REIT Acquisition Conditions, acquire units in Suntec Real Estate Investment Trust (“**Suntec REIT**”) representing, in aggregate, four per cent. of all of the Suntec REIT units in issue as at the date of the Suntec REIT Acquisition Agreement (“**Suntec REIT Units**”) from the Company, at a price per unit equivalent to the 30-day VWAP of the units as at the date prior to the date of this Joint Announcement (the “**Unit Acquisition**”);
- 7.4.2 STC may by notice in writing to the Company participate in the Unit Acquisition by electing to sell up to half of the aggregate number of Suntec REIT Units (i.e. units representing two per cent. of all the Suntec REIT units in issue as at the date of the Suntec REIT Acquisition Agreement);
- 7.4.3 upon completion of the Unit Acquisition, the management fees (if any) paid to the Company or its affiliate by AVICT in respect of the Suntec REIT Units acquired under the Suntec REIT Acquisition Agreement will be shared equally between the Company and AVICT;
- 7.4.4 the Suntec REIT Acquisition Agreement shall terminate upon the termination of the Implementation Agreement or if AVICT does not provide a completion notice within 90 days of the satisfaction of the Suntec REIT Acquisition Conditions; and
- 7.4.5 any of STC, the Company or AVICT shall have the right to terminate the Suntec REIT Acquisition Agreement by giving written notice to the other parties if the ODI Condition is not satisfied by the ninetieth (90th) day after the delisting of the Company from the SGX-ST, or such other day as the parties may mutually agree in writing.

7.5 Management Incentive Arrangements. An employee share option plan (“**ESOP**”) will be put into place by the HoldCo, pursuant to which not more than five per cent. of the shares of the HoldCo may be issued to key management of the Company pursuant to options granted under the ESOP. The ESOP is intended to incentivise key management and align their interests with the HoldCo Shareholders. The Offeror has not determined the list of key management who will be permitted to participate in the ESOP, and it is contemplated that the Group Chief Executive Officer and the board of directors of the HoldCo will determine the grantees and allocations after completion of the Acquisition.

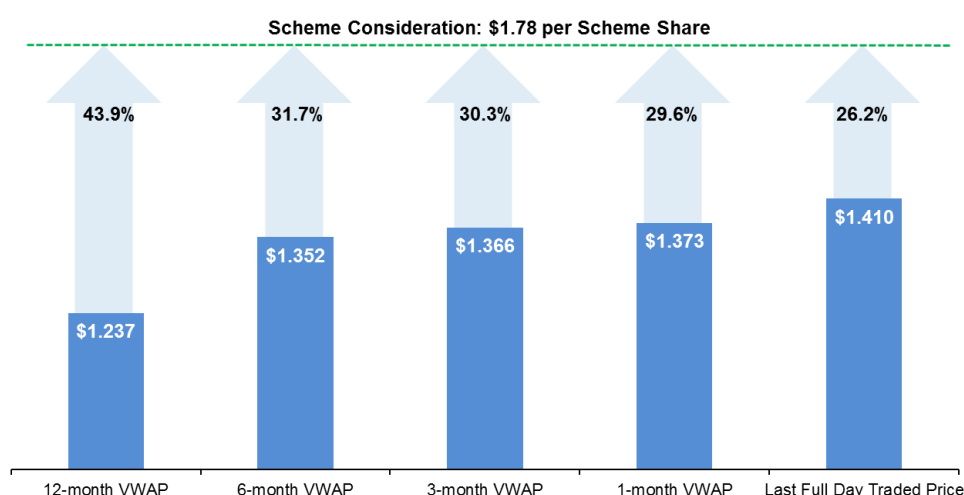
7.6 Joint Offerors. The SIC has, on 4 November 2016, confirmed that the Consortium Parties are regarded as joint offerors and that accordingly, the arrangements set out in this paragraph 7 do not constitute special deals under Rule 10 of the Code.

8. RATIONALE FOR THE ACQUISITION AND OFFEROR'S CURRENT INTENTIONS FOR THE COMPANY

8.1 Opportunity for Scheme Shareholders to Realise their Investment at an Attractive Valuation without Incurring Brokerage Fees

8.1.1 The Scheme Consideration represents an attractive premium to current and historical market prices

The Scheme Consideration represents a premium of approximately 26.2 per cent. over the Company's closing share price of S\$1.41 as of 2 November 2016 and a premium of 43.9 per cent., 31.7 per cent., 30.3 per cent. and 29.6 per cent. over the VWAP of the Shares over the 12, 6, 3, 1-month periods, respectively, up to and including 2 November 2016, being the last full trading day of the 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 the Company from the SGX-ST.



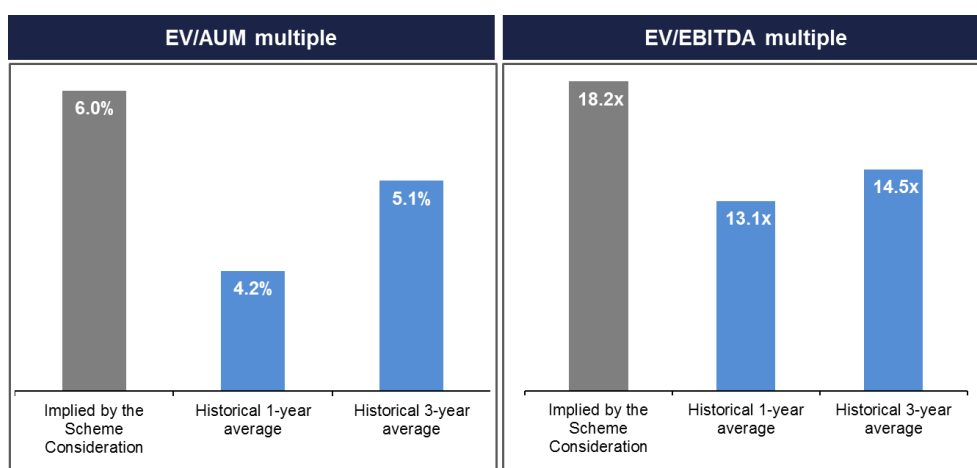
Please refer to paragraph 9 of this Joint Announcement for further details on the financial evaluation of the Scheme Consideration.

8.1.2 The Company's valuation multiples implied by the Scheme Consideration are above the historical averages

The implied valuation metrics for the Company's enterprise value ("EV") as a percentage of assets under management ("AUM") (i.e. "EV/AUM") and as a multiple of earnings before interest, taxes, depreciation and amortisation ("EBITDA") (i.e. "EV/EBITDA") based on the Scheme Consideration compare favourably against the Company's historical averages.

The EV/AUM implied by the Scheme Consideration is 6.0 per cent., compared to the historical 1-year and 3-year average of 4.2 per cent. and 5.1 per cent., respectively,

up to and including 2 November 2016. The EV/EBITDA implied by the Scheme Consideration is 18.2x, compared to the historical 1-year and 3-year average of 13.1x and 14.5x, respectively, up to and including 2 November 2016.



Please refer to paragraph 9 of this Joint Announcement for further details on the financial evaluation of the Scheme Consideration.

8.1.3 Opportunity for Scheme Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity

The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the last 1-month, 3-month, 6-month and 12-month periods up to and including 2 November 2016 are detailed in the table below.

	Average daily trading volume ⁽¹⁾	Average daily trading volume as a percentage of total issued Shares (%) ^{(2),(3)}
12-month period up to and including 2 November 2016	658,027	0.066%
6-month period up to and including 2 November 2016	525,181	0.053%
3-month period up to and including 2 November 2016	571,259	0.057%
1-month period up to and including 2 November 2016	546,252	0.055%

Notes:

- (1) Calculated using the total volume of Shares traded divided by the number of days on which the Company is traded on the SGX-ST.

- (2) Calculated using the daily total volume of Shares traded divided by the total number of Shares outstanding.
- (3) Rounded to the nearest three decimal places.

8.1.4 SE, JLIG and WGL will transfer their Shares to the Offeror at a valuation equivalent to the Scheme Consideration

Pursuant to the terms of the Rollover Agreement, the Rollover Shareholders (i.e. SE, JLIG and WGL) have agreed to transfer their Rollover Shares to the Offeror at a valuation equivalent to the Scheme Consideration, upon the Scheme becoming effective in accordance with its terms.

8.2 Access to an Efficient Source of Significant Capital in Support of the Company's Future Growth

The Company has an established track record in growing its AUM in REITs and private real estate funds. Since the Company's formation in 2002 and listing in 2007, the Company has built a diversified and resilient asset management portfolio across the Asia Pacific, managing approximately S\$30 billion worth of assets as at 30 September 2016⁹.

The Company has over time, developed increasing investment and asset management capabilities over large-scale properties in multiple asset classes across Asia Pacific. Amidst shifting dynamics in the real estate funds management industry, it believes that in order to maximise the scalability of the business model in the long term, it will require a 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.

By privatising the Company together with affiliated entities of Warburg Pincus and AVIC Trust, the Consortium believes the Company will be able to secure the long-term commitment of two new strategic capital partners. These partners provide the Company with increased access to capital, which will allow it to operate more nimbly and efficiently in achieving its growth objectives. Warburg Pincus has a 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. AVIC Trust has a unique distribution capability in China and will also provide the Company with important access to the Chinese capital markets and other business opportunities in China.

8.3 Offeror's Intentions for the Company

Save as described in the foregoing, the Offeror has no intention of making any material changes to the existing businesses, re-deploying the fixed assets, or discontinuing the employment of the existing employees of the ARA Group. However, the directors of the Offeror retain the flexibility at any time to consider any options or opportunities in relation to

⁹ The AUM as of 30 September 2016 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 S\$4.1 billion.

the ARA Group which may present themselves and which they may regard to be in the best interests of the Offeror.

9. FINANCIAL EVALUATION OF THE SCHEME CONSIDERATION

The Scheme Consideration for each Scheme Share is S\$1.78 in cash. The Offeror does not intend to increase the Scheme Consideration and accordingly, this represents the final price for each Scheme Share.

The figures set out in this section are based on data extracted from Bloomberg as at 2 November 2016, being the last full trading day of the 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 the Company from the SGX-ST.

The implied premium of the Scheme Consideration over the relevant closing prices and VWAP of the Company is as follows:

	Share Price (S\$) ⁽¹⁾	Premium to Share Price (%) ⁽²⁾
12-month VWAP up to and including 2 November 2016	1.237	43.9%
6-month VWAP up to and including 2 November 2016	1.352	31.7%
3-month VWAP up to and including 2 November 2016	1.366	30.3%
1-month VWAP up to and including 2 November 2016	1.373	29.6%
Last traded price per Share on 2 November 2016	1.410	26.2%
52-week high as of 2 November 2016	1.460	21.9%
52-week low as of 2 November 2016	1.015	75.4%

Notes:

(1) Based on data extracted from Bloomberg which shows prices adjusted to reflect any changes in the share capital of the Company. Rounded to the nearest three decimal places.

(2) Rounded to the nearest one decimal place.

The Scheme Consideration also exceeds the highest closing price of the Shares in the past 2.5 years, up to and including 2 November 2016.

The implied valuation metrics for the Company's enterprise value⁽¹⁾ as a percentage of AUM⁽²⁾ and as a multiple of EBITDA⁽³⁾ based on the Scheme Consideration and the historical averages are set out in the table below.

	Percentage of AUM ⁽⁴⁾	Multiple of EBITDA ⁽⁴⁾
Implied by the Scheme Consideration as of 2 November 2016	6.0% ⁽⁵⁾	18.2x
Historical 1-year average as of 2 November 2016	4.2%	13.1x
Historical 3-year average as of 2 November 2016	5.1%	14.5x

Notes:

- (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) Rounded to the nearest one decimal place.
- (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 S\$4.1 billion.

10. APPROVALS REQUIRED

10.1 Court Meeting and Court Sanction. The Scheme will require, *inter alia*, the following approvals:

- 10.1.1 the approval of the Scheme by a majority in number representing three-fourths in value of the Scheme Shareholders present and voting at the Scheme Meeting¹⁰ pursuant to Section 99(2) of the Bermuda Companies Act; and
- 10.1.2 the sanction of the Scheme by the Court.

¹⁰ In this Joint Announcement, "**Scheme Meeting**" means the meeting of the Scheme Shareholders to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme (and shall include any adjournment of the meeting).

The Scheme will only come into effect if all the Scheme Conditions specified in the Implementation Agreement have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement, the Scheme has been sanctioned by the Court and a copy of the Court Order has been delivered to the Registrar for registration pursuant to Section 99(3) of the Bermuda Companies Act.

Under the Bermuda Companies Act, those persons who agree to become members of a Bermuda company and whose names are entered on the register of members of such a company are considered members of the company, with rights to attend and vote at general meetings of the company. Depositors¹¹ holding Shares through CDP are not recognised as Members¹² in respect of the number of Shares credited to their respective Securities Accounts¹³ and generally do not have a right under the Bermuda Companies Act to attend and vote at general meetings of the Company. To enable Depositors to attend and vote at the Scheme Meeting as Scheme Shareholders, the Company intends to seek, at the first hearing in the Court for directions to convene the Scheme Meeting, an order of the Court pursuant to which:

- (i) each Member who holds Scheme Shares in its own name in the Register of Members will have one vote and the value to be attributed to such person's vote at the Scheme Meeting will be the number of Scheme Shares held in the name of that person; and
- (ii) in respect of Scheme Shares held by CDP as Member, each Depositor who has Scheme Shares entered against its name in the Depository Register who votes as CDP's proxy (or nominates any person to vote as CDP's proxy) at the Scheme Meeting will be counted and its vote taken into account in determining if a majority in number representing three-fourths in value have voted to approve the Scheme at the Scheme Meeting.

10.2 SIC Confirmations. An application was made on behalf of the Offeror to the SIC to seek certain rulings in relation to the Scheme. The SIC has confirmed on 4 November 2016, *inter alia*, that:

10.2.1 the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

- (i) the Rollover Shareholders and their concert parties abstain from voting on the Scheme;
- (ii) the directors of the Company who are also concert parties of the Consortium Parties abstain from making a recommendation on the Scheme to the Scheme Shareholders;

¹¹ In this Joint Announcement, "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them under Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

¹² In this Joint Announcement, "**Member**" means any person who is registered as a holder of Shares in the Register of Members.

¹³ In this Joint Announcement, "**Securities Account**" shall mean the relevant securities account maintained by a Depositor (being a Scheme Shareholder) with CDP but does not include a securities sub-account.

- (iii) the Company appoints an independent financial adviser to advise the Scheme Shareholders on the Scheme; and
- (iv) the Scheme Document to be provided to the Scheme Shareholders discloses the names of the Offeror and its concert parties (including the HoldCo), their current voting rights in the Company as of the latest practicable date and their voting rights in the Company after the Scheme;

10.2.2 the Consortium Parties are joint offerors and accordingly, the arrangements between the Consortium Parties at paragraph 7 above do not constitute special deals under Rule 10 of the Code; and

10.2.3 it has no objections to the Scheme Conditions.

11. NON-ELIGIBILITY TO VOTE

The Rollover Shares do not form part of the Scheme Shares and as the Rollover Shareholders are not Scheme Shareholders under the Scheme, they are not entitled to vote the Rollover Shares on the Scheme.

In addition, in accordance with the SIC's rulings as set out in paragraph 10.2.1 above, the Offeror and its concert parties will abstain from voting on the Scheme in respect of their Scheme Shares (if any).

12. FINANCIAL ADVISERS

12.1 Joint Financial Advisers to the Offeror. DBS Bank Ltd and Goldman Sachs (Singapore) Pte. (collectively, the "**Offeror Financial Advisers**") are the joint financial advisers to the Offeror in respect of the Acquisition and the Scheme.

12.2 Independent Financial Adviser to the Independent Directors. Deloitte & Touche Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser (the "**IFA**") to advise the Independent Directors for the purposes of making a recommendation to the Scheme Shareholders in connection with the Scheme. Full details of the Scheme including the recommendation of the Independent Directors along with the advice of the IFA (the "**IFA Letter**") will be included in the Scheme Document.

13. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror Financial Advisers confirm that the Offeror has sufficient financial resources to acquire, and satisfy in full, the aggregate Scheme Consideration payable by the Offeror for all the Scheme Shares to be acquired by the Offeror pursuant to the Scheme (which for the avoidance of doubt, excludes any consideration payable for the Rollover Shares).

14. SCHEME DOCUMENT

14.1 Scheme Document. The Scheme Document containing full details of the Scheme (including the Recommendation of the Independent Directors along with the IFA Letter) and

giving notice of the Scheme Meeting to approve the Scheme will be despatched to the Scheme Shareholders in due course.

Scheme Shareholders are advised to refrain from taking any action in relation to their Scheme Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors on the Scheme as well as the advice of the IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

15. DISCLOSURE OF INTERESTS

15.1 Company. As at the Joint Announcement Date, the interests in Shares held by the directors of the Company are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr Lim Hwee Chiang, John	6,368,254	0.64	183,860,737 ⁽²⁾	18.43
Mr Lee Yock Suan	85,668	0.0086	-	-
Mr Lim How Teck	837,800	0.084	-	-
Mr Colin Stevens Russel	21,780	0.0022	-	-

Notes:

- (1) All references to percentage shareholding of the issued share capital of the Company in this paragraph 15.1 of this Joint Announcement are based on the total issued Shares (excluding treasury shares) as at the date of this Joint Announcement.
- (2) Mr Lim Hwee Chiang, John has an indirect interest in the 182,432,937 Shares of JLIG held in a sub-account with Citibank Nominees Singapore Pte Ltd. JLIG is wholly-owned by Mr Lim Hwee Chiang, John. He is also deemed interested in the 1,427,800 Shares of JL Philanthropy Ltd held in a sub-account with Citibank Nominees Singapore Pte Ltd. The beneficiary of JL Philanthropy Ltd is JL Charitable Settlement and Mr Lim Hwee Chiang, John is the settlor of JL Charitable Settlement.

Save as disclosed in this Joint Announcement, no director or controlling Shareholder of the Company has any interest in the Scheme (other than by reason only of being a director of the Company or a Shareholder).

15.2 Offeror.

15.2.1 Holdings. As at the Joint Announcement Date, save as disclosed in **Schedule 5**, none of (i) the Offeror and the HoldCo; (ii) STC and SE; (iii) CKPHL and WGL; (iv) JLIG; (v) AVICT and AVIC Trust; (vi) AGHL; (vii) the directors of each of the aforementioned companies; and (viii) the Offeror Financial Advisers (collectively, the **“Relevant Persons”**):

- (a) owns, controls or has agreed to acquire any (I) Shares or securities which carry voting rights in the Company; and (II) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company (collectively, the “**Company Securities**”);
- (b) has dealt in any Company Securities during the three-month period prior to the Joint Announcement Date; and
- (c) has received any irrevocable undertaking from any party to vote in favour of the Scheme.

15.2.2 Other Arrangements. Save as disclosed in **Schedule 5** to this Joint Announcement, neither the Offeror nor the Relevant Persons has:

- (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed from another person any Company Securities (excluding borrowed securities which have been on-lent or on-sold); or
- (iii) lent to another person any Company Securities.

15.2.3 Confidentiality. In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made any enquiries in respect of certain other parties who are or who may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, each of the Offeror Financial Advisers has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

16. OVERSEAS SCHEME SHAREHOLDERS

The applicability of the Scheme to Scheme Shareholders whose addresses are outside Singapore, as shown on the Register of Members, or as the case may be, in the records of CDP (each, an “**Overseas Scheme Shareholder**”), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Scheme Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror and the Company reserve the right not to send such documents to the Scheme Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Scheme Shareholders (including the Overseas Scheme Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Scheme Shareholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to Overseas Scheme Shareholders will be contained in the Scheme Document.

17. DOCUMENTS FOR INSPECTION

Copies of the Implementation Agreement and the Suntec REIT Acquisition Agreement 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 Joint Announcement Date up until the Effective Date.

18. RESPONSIBILITY STATEMENTS

- 18.1 Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to the Company (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 the Company have been omitted from this Joint 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 Joint 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.

- 18.2 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 Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Joint 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 Joint 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.

8 November 2016

By order of the Board

By order of the board of directors

ARA ASSET MANAGEMENT LIMITED

**ATHENA INVESTMENT COMPANY (CAYMAN)
LIMITED**

Any queries relating to this Joint Announcement, the Acquisition or the Scheme should be directed to one of the following:

ARA Asset Management Limited

Athena Investment Company (Cayman) Limited

ARA Asset Management Limited

DBS Bank Ltd

Tel: +65 6835 9232

Tel: +65 6878 4293

Goldman Sachs (Singapore) Pte.

Tel: +65 6889 1000

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement 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 the Company’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 the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE 1

SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the Company in Singapore from the Joint Announcement Date up until the Effective Date.

The Acquisition is conditional upon the following:

1. **Approval by Scheme Shareholders:** the approval of the Scheme by a majority in number representing three-fourths in value of the Scheme Shareholders present and voting at the Scheme Meeting pursuant to Section 99(2) of the Bermuda Companies Act;
2. **Court Order:** the grant of the Court Order sanctioning the Scheme;
3. **Registration of Court Order with the Registrar:** the delivery of a copy of the Court Order to the Registrar for registration pursuant to Section 99(3) of the Bermuda Companies Act;
4. **Regulatory Approvals:** all the Regulatory Approvals as set out below having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration:
 - (i) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code shall not apply to the Scheme, subject to any conditions the SIC may impose but without prejudice to Clause 3.4 of the Implementation Agreement (Best Endeavours);
 - (ii) approval-in-principle from the SGX-ST of the Scheme, the Scheme Document and for the proposed delisting of the Company from the SGX-ST;
 - (iii) confirmation from the SIC that the Consortium Parties are regarded as joint offerors under Note 6 on Rule 10 of the Code for the purposes of the Acquisition and that the Consortium Arrangements do not constitute a special deal under Rule 10 of the Code;
 - (iv) approval from the anti-monopoly bureau of the MOFCOM in relation to the Acquisition;
 - (v) in respect of the participation of AVIC Trust Co., Ltd in the Acquisition:
 - (a) a record filing notice from the NDRC (or its competent local counterparts);
 - (b) a certificate of outbound investment from the MOFCOM; and
 - (c) completion of foreign exchange registration with the relevant bank in the PRC as required by the SAFE;

- (vi) approval from the MAS for:
 - (a) the application by the Consortium Parties for the change in effective control of each of the REIT Managers, pursuant to Section 97A of the Securities and Futures Act, Chapter 289 of Singapore; and
 - (b) the application by each of the REIT Managers for the change of the shareholding of the Company, in accordance with the conditions of their respective Capital Markets Services Licenses; and
 - (vii) approval by the SFC pursuant to Section 132(1) of the SFO, of persons who will become “substantial shareholders” (as defined in Schedule 1 to the SFO) of each of ARA Asset Management (Fortune) Limited, ARA Asset Management (Prosperity) Limited and Hui Xian Asset Management Limited;
5. **No Illegality:** between the date of the Implementation Agreement and up to immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration, no order, injunction, judgment or decree issued by any Governmental Authority or other legal restraints or prohibition or Law preventing the consummation of the Acquisition or implementation of the Scheme shall be in effect;
6. **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration, no Prescribed Occurrence in relation to (i) the Offeror (as set out in **Schedule 2** of this Joint Announcement); or (ii) the Company, any ARA Group Company, Substantial Subsidiary or Fund (as applicable) (as set out in **Schedule 3** of this Joint Announcement), in each case, occurring other than as required by the Implementation Agreement or the Scheme;
7. **Third Party Consent:** the following Third Party Consent having been obtained and in effect as at the day immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration:
- (i) in relation to the Facilities Agreements, the occurrence of one of the following:
 - (a) United Overseas Bank, in its capacity as lender under the Facilities Agreements, has:
 - (I) consented to the Acquisition and delisting of the Company from the SGX-ST; and
 - (II) consented to the amendments to the Facilities Agreements in a form satisfactory to the Offeror to permit the Facilities to remain in place after the Acquisition and delisting of the Company from the SGX-ST; or

- (b) the Offeror or the Company has obtained debt facilities that will allow the Company and its subsidiaries to refinance the Facilities in full on completion of the Acquisition; or
 - (c) the Facilities have been repaid in full;
- 8. **Company Warranties:** there having been no breach by the Company of its Warranties given under Clause 7.2 of the Implementation Agreement as at the date of the Implementation Agreement and the day immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the ARA Group (taken as a whole) and is material in the context of the Scheme;
- 9. **Offeror Warranties:** there having been no breach by the Offeror of its Warranties given under Clause 7.1 of the Implementation Agreement as at the date of the Implementation Agreement and the day immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration as though made on and as at each such date except to the extent any Warranty expressly relates to an earlier date (in which case as at such earlier date), in each such case which has resulted in a material adverse effect on the business of the Offeror (taken as a whole) and is material in the context of the Scheme; and
- 10. **No Material Adverse Event:** none of the following events having occurred for the period from the Joint Announcement Date up to the time immediately prior to the date on which a copy of the Court Order has been delivered to the Registrar for registration:
 - (i) the EBITDA of the ARA Group as derived from the unaudited accounts of the Company (or if available, the audited accounts of the Company) for the 12 months ended 31 December 2016 being less than 80 per cent. of that of the ARA Group for the 12 months ended 31 December 2015; or
 - (ii) the ARA Group ceasing to be the manager for:
 - (a) any of Suntec REIT, Prosperity REIT, Fortune REIT, Hui Xian REIT or ARA Asia Dragon II Limited; or
 - (b) Funds (other than ARA Asia Dragon II Limited or any Listed REIT referred to in (a)) which in aggregate have more than S\$2 billion of assets under management as at the Joint Announcement Date.

SCHEDULE 2

THE OFFEROR'S PRESCRIBED OCCURRENCES

For the purposes of the Implementation Agreement, a “**Prescribed Occurrence**”, in relation to the Offeror, as referred to in paragraphs 4.2.2 and 5.1.4(iii) of the Joint Announcement and paragraph 6 of **Schedule 1** to this Joint Announcement and defined in the Implementation Agreement, means any of the following:

1. **Injunction:** an injunction or other order issued against the Offeror by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by the Offeror;
2. **Resolution for Winding Up:** the Offeror resolving that it be wound up;
3. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of the Offeror;
4. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Offeror;
5. **Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
6. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Offeror;
7. **Insolvency:** the Offeror becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
8. **Cessation of Business:** the Offeror ceases or threatens to cease for any reason to carry on business in the usual and ordinary course;
9. **Investigations and Proceedings:** if the Offeror or any of its directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding; or
10. **Analogous Event:** any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

SCHEDULE 3

THE COMPANY'S PRESCRIBED OCCURRENCES

For the purpose of the Implementation Agreement, "**Prescribed Occurrence**", in relation to the Company (or, where applicable, any ARA Group Company, Substantial Subsidiary or Fund), as referred to in paragraphs 4.2.1 and 5.1.4(ii) of the Joint Announcement, paragraph 6 of **Schedule 1** and paragraph 20(ii)(a) of **Schedule 4** to this Joint Announcement and defined in the Implementation Agreement, means any of the following:

1. **Conversion of Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** the Company (i) undertaking any share buy-backs pursuant to its existing share buy-back mandate; or (ii) entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Bermuda Companies Act or the equivalent companies or securities legislation. For the avoidance of doubt, this does not include any existing, or the renewal of a share buy-back mandate obtained from the Shareholders;
3. **Alteration of Share Capital:** the Company resolving to reduce or otherwise alter its share capital in any way;
4. **Allotment of Shares or Units:** the Company or any ARA Group Company (where the allotment or granting of option is made to a third party other than another ARA Group Company) making an allotment of, or granting an option to subscribe for, any shares, units or securities convertible into shares or units or agreeing to make such an allotment or to grant such an option or convertible security, other than an ARA Group Company making an allotment or granting an option pursuant to an existing contractual commitment prior to the date hereof which has been disclosed to the Offeror in the Disclosure Letter;
5. **Issuance of Debt Securities:** the Company or any ARA Group Company issuing, or agreeing to issue, convertible notes or other debt securities;
6. **Dividends:** the Company declaring, making or paying any dividends or any other form of distribution to its Shareholders;
7. **Injunction:** an injunction or other order issued against the Company or any ARA Group Company by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by the Company or any ARA Group Company;
8. **Resolution for Winding Up:** the Company or any ARA Group Company resolving that it be wound up, other than by way of a voluntary liquidation;
9. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or any other similar officer of the Company or any ARA Group Company;

10. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company or any ARA Group Company;
11. **Composition:** the Company or any ARA Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
12. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company or any ARA Group Company;
13. **Insolvency:** the Company or any ARA Group Company becoming or being deemed by Law or a court to be insolvent or being unable to pay its debts when they fall due or stops or suspends or threatens to stop or suspend payment of its debts of a material amount as they fall due;
14. **Cessation of Business:** the Company or any Substantial Subsidiary ceases or threatens to cease for any reason to carry on business in the usual ordinary course;
15. **Breach of the Implementation Agreement:** the Company being in material breach of Clauses 3.4, 6.2 and/or 10.3 of the Implementation Agreement, and such breach is material in the context of the Scheme;
16. **Investigations and Proceedings:** if the Company, any ARA Group Company, Fund or any of their respective directors is the subject of any formal governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding (other than any routine Tax audit) which has been served on such person in writing which (i) will reasonably likely have a material adverse effect on the ARA Group (taken as a whole); or (ii) relates to any breach of any Anti-Bribery Law, Anti-Money Laundering Law or Law restricting dealings with a Sanctioned Person; or (iii) would have a material adverse impact on the reputation or goodwill of the ARA Group (taken as a whole); or
17. **Analogous Event:** any event occurs which, under the Laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

SCHEDULE 4

SPECIFIC OBLIGATIONS OF THE COMPANY

The Company's obligations under paragraphs 1 to 20 of this **Schedule 4** are subject to (i) the fiduciary duties of its directors; and (ii) compliance with all applicable Laws.

1. **Joint Announcement:** release the Joint Announcement jointly with the Offeror on the SGX-ST on the Joint Announcement Date;
2. **Implementation of the Scheme:** take all steps required to be taken by it in relation to the Scheme and use its best endeavours to procure that the Scheme is implemented on the terms set out in the Implementation Agreement and to be set out in the Scheme Document including complying with all procedures and processes imposed by the Court in connection with the Scheme;
3. **IFA:** appoint an IFA to (i) advise the Independent Directors in connection with the Scheme; and (ii) publicly state in its opinion whether the terms of the Scheme are fair and reasonable;
4. **Regulatory Approvals:** procure the ARA Group and the Fund Entities to make applications for all Regulatory Approvals as set out at paragraph 4 of **Schedule 1** to this Joint Announcement;
5. **Scheme Document and Approval of Documents by the Offeror:** prepare the requisite shareholder documents, including the Scheme Document in consultation with the Offeror and in accordance with any order of the Court, the Code, the Bermuda Companies Act, the Listing Manual and all applicable Laws and regulations and despatch the same, provide all documents required for the implementation of the Scheme in draft form to the Offeror with sufficient time for the Offeror's review, being at least five Business Days, or such longer time as the Offeror may reasonably require and obtain the Offeror's written approval (such approval not to be unreasonably withheld or delayed) prior to (i) despatching all documents required for the implementation of the Scheme; (ii) despatching all documents to be sent to the Scheme Shareholders; (iii) the making of any application to the Court under Section 99 of the Bermuda Companies Act; and (iv) the filing of any documents with a Governmental Authority in connection with the Scheme;
6. **SGX-ST Clearance:** (i) file the draft Scheme Document (including the draft IFA opinion on the Scheme) with the SGX-ST for clearance, in each case in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed; (ii) as soon as reasonably practicable after receiving comments or queries from the SGX-ST, file a revised draft of the Scheme Document with the SGX-ST, in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed; (iii) as soon as reasonably practicable, provide queries from and responses to the SGX-ST to the Offeror; and (iv) diligently pursue the SGX-ST's clearance for the Scheme Document;
7. **Scheme Meeting:** subject to obtaining the prior written approval in principle of the SGX-ST for the draft Scheme Document, (i) apply to the Court for an order under Section 99(1) of the Bermuda Companies Act to convene the Scheme Meeting and for any ancillary orders relating thereto (including to enable Depositors with Shares credited to their Securities Accounts to vote and for their votes to be taken into account in determining if the Scheme has

been approved by the requisite majority pursuant to Section 99(1) of the Bermuda Companies Act), all such applications and orders, including the originating summons for the Scheme and all affidavits in support thereof, to be in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed; (ii) diligently pursue such application so as to obtain the Court's order to convene the Scheme Meeting and other necessary ancillary orders as soon as reasonably practicable; and (iii) convene the Scheme Meeting;

8. **Despatch of Documents:** subject to obtaining the Court's order under Section 99(1) of the Bermuda Companies Act to convene the Scheme Meeting, despatch to the Scheme Shareholders the Scheme Document and appropriate forms of proxy in such form and within such period as may be directed by the Court, each in form and substance reasonably acceptable to the Offeror, for use at the Scheme Meeting;
9. **Requests for Inspection of Documents:** following despatch of the Scheme Document, upon request by the Offeror, inform the Offeror promptly in writing of any requests made to inspect any document(s) which has been made available for inspection;
10. **Updates on Proxy Votes Received:** upon request by the Offeror, keep the Offeror updated in writing on the number of proxy votes received in respect of the resolutions to be proposed at the Scheme Meeting;
11. **Court Order:** subject to the Scheme being approved by the requisite majority of the Scheme Shareholders at the Scheme Meeting, apply to the Court for the Court Order and for any ancillary orders relating thereto (all such applications, orders and all affidavits in support thereof, including the Court Order, to be in such form and substance as may be approved by the Offeror, such approval not to be unreasonably withheld or delayed) and diligently pursue such application so as to obtain the sanction and confirmation of the Scheme by the Court as soon as reasonably practicable;
12. **Registration of Court Order with the Registrar:** subject to the Court Order being granted, expeditiously deliver a copy of the Court Order to the Registrar for registration pursuant to Section 99(3) of the Bermuda Companies Act;
13. **Representation:** ensure that it, through its legal counsel, is represented at the Court Hearings, and if required by the Court, provide an undertaking to the Court to do all things and take all actions to fulfil its obligations under the Scheme;
14. **Provision of Information and Consultation with the Offeror:** from the date of the Implementation Agreement until the Effective Date, subject to the Company's and every ARA Group Company's and/or Fund Entity's legal obligations or restrictions and to every ARA Group Company's and/or Fund Entity's directors' fiduciary duties, provide (and procure that the ARA Group, the Fund Entities and their respective Representatives will so provide) the Offeror with access to such information relating to the Company, the ARA Group, the Fund Entities, the Company's directors and the Company's concert parties which the Offeror may reasonably require in relation to or in connection with the Acquisition, the Scheme, the Offeror's financing arrangements or the Offeror's post-Acquisition plans for the Business. To the extent that any legal or contractual obligations in relation to third parties or any ARA Group Company's and/or Fund Entity's directors' fiduciary duties may limit the Company's obligations to comply with this paragraph 14, the Company shall forthwith inform the Offeror

of that fact and, where applicable, consult with the Offeror as to the steps which may be taken to obtain any necessary third party consents to enable it to comply with this paragraph 14, or to otherwise arrange within those constraints, that part of the information that is material to the Acquisition and/or the Scheme;

15. **Access:** upon the Offeror providing reasonable notice and as the Offeror may reasonably require, make available its Representatives during Working Hours to discuss and assist with the Offeror's transition planning and financing arrangements;
16. **Application for Delisting of the Company:** subject to the Scheme becoming effective in accordance with its terms, apply to the SGX-ST for a delisting of the Company with effect on or after the Effective Date;
17. **Third Party Consent:** procure that the ARA Group and/or the Fund Entities seek the Third Party Consent (as referred to at paragraph 7 of **Schedule 1** to this Joint Announcement) and approvals as may be required for the implementation of the Scheme;
18. **Directors' Responsibility:** ensure that its directors shall take responsibility for all information included in the Scheme Document (other than information relating to the Offeror and its concert parties provided by or on behalf of the Offeror to the Company for inclusion in the Scheme Document) and all ancillary documents, as required by all applicable Laws and regulations, including any order of the Court, the Code, the Listing Manual and the Bermuda Companies Act;
19. **No Action:** save for the exercise of any of its rights under the Implementation Agreement, take no action which may be prejudicial to the completion of the Acquisition or the implementation of the Scheme;
20. **Conduct of Business by the ARA Group and the Fund Entities:** during the period from the date of the Implementation Agreement up to (and including) the Effective Date or the date on which the Implementation Agreement is terminated pursuant to Clause 4 of the Implementation Agreement, undertake that the Company (and undertake to procure that all the ARA Group Companies, and in respect of paragraphs 20(ii)(d) and 20(ii)(k) below, the Fund Entities):
 - (i) shall carry on the Business of the ARA Group as a going concern in the ordinary and usual course consistent with past practices, and not (a) alter the general nature or scope of its Business; (b) launch any new products, effect any change in strategy, launch any new funds or enter into any new joint ventures if and to the extent that doing so would represent a material deviation from the current business strategy of the ARA Group or entry into a new geographic market; or (c) take any action which would be prejudicial to, or could reasonably be expected to materially delay the successful outcome of the Scheme, save insofar as agreed in writing by the Offeror;
 - (ii) without prejudice to the generality of paragraph 20(i) above and save as required by Law, shall not (and shall procure that all the ARA Group Companies, and in respect of paragraphs 20(ii)(d) and 20(ii)(k) below, the Fund Entities, shall not), without the prior written consent of the Offeror (such consent not to be unreasonably withheld or delayed):

- (a) to the extent it is within its power or control, make, permit or suffer any Prescribed Occurrences;
- (b) modify, amend or waive the terms of any Material Contracts, if such modification, amendment or waiver would have a material adverse effect on the financial position of the ARA Group (taken as a whole);
- (c) enter into, or exercise an option in relation to, any agreement or incur any commitment involving any capital expenditure in excess of S\$10 million in aggregate, in each case exclusive of GST;
- (d) in respect of the Fund Entities (through the Company using best endeavours in its capacity as the owner of the REIT manager, general partner or otherwise), enter into any agreements or arrangements containing a change in control provision which would give a counterparty any rights exercisable as a result of the Scheme or Acquisition;
- (e) enter into or amend any agreement with any Interested Person otherwise than in the ordinary and usual course of business or if such amendment or agreement would result in a material adverse effect on the financial position of the ARA Group (taken as a whole);
- (f) except as would not be material in the context of the ARA Group (taken as a whole) or otherwise in the ordinary course of business, acquire or agree to acquire or dispose of any assets, shares or other interests in or of any company, partnership or other venture;
- (g) enter into any agreement or arrangement to co-invest in or alongside the Funds other than (I) up to three co-investments of up to US\$25 million each, subject to a maximum cap of US\$50 million in aggregate for such co-investments; and (II) any investment in successor funds of the Funds provided that the investment is of the same or a lower proportion of the fund as the ARA Group Company's previous investment in such Funds;
- (h) incur any additional borrowings or incur any other indebtedness other than indebtedness in the ordinary and usual course of business, which, for the avoidance of doubt, shall not include any borrowings from banks or other financial institutions, other than (I) borrowings under any existing credit facilities of any ARA Group Company, provided that such borrowings do not exceed US\$130 million in aggregate; and (II) refinancing of the Facilities as required to satisfy the Third Party Consent referred to at paragraph 7 of **Schedule 1** to this Joint Announcement;
- (i) save as required by Law:
 - (I) make any material amendment to the terms and conditions of employment (including remuneration, pension entitlements and other benefits) of any Key Manager, other than any periodic adjustments consistent with past practices;

- (II) provide or agree to provide any gratuitous payment or benefit to any Key Manager or any of his dependants, other than any payments or benefits that are consistent with past practices; and
- (III) dismiss any Key Managers other than for cause;
- (j) enter into any guarantee, indemnity or other agreement to secure any obligation of a third party or create any Encumbrance over the Business (including the shares in any of the subsidiaries) or any part of it, otherwise than in the ordinary and usual course of business;
- (k) (I) settle any Claim if such settlement (A) will result in a cash outflow for the ARA Group of US\$5 million or more (inclusive of litigation costs); or (B) relates to any breach by any ARA Group Company of any Anti-Bribery Law, Anti-Money Laundering Law or Law restricting dealings with a Sanctioned Person; or (II) in respect of the Fund Entities (through the Company using best endeavours in its capacity as the owner of the REIT manager, general partner or otherwise), settle any Claim which relates to any breach by any Fund Entity of any Anti-Bribery Law, Anti-Money Laundering Law or Law restricting dealings with a Sanctioned Person; or (III) settle any Claim if such settlement would have a material adverse impact on the reputation or goodwill of the ARA Group (taken as a whole);
- (l) make any change to its accounting practices or policies or amend its Constitutional Documents other than for compliance with applicable Law; and/or
- (m) make (or seek the approval of the Court to make) any amendments to the Scheme Document or adjournment of the Scheme Meeting in respect of the Scheme,

provided that nothing in this paragraph 20 shall restrict any ARA Group Company from fulfilling its obligations under existing contractual commitments, which have been disclosed to the Offeror prior to the date of the Implementation Agreement;

21. **Appointment of Nominees of the Offeror; etc:** as soon as practicable after the Effective Date, but in any event not later than two Business Days thereafter in respect of the ARA Group Companies, the Company will appoint such nominees of the Offeror to the Board and the boards of the other ARA Group Companies, as the Offeror may direct, subject to applicable Laws and restrictions under the Constitutional Documents of the ARA Group Companies;
22. **Appeal Process:** if the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme, the Company shall appeal the Court's decision to the fullest extent possible (except to the extent that the Parties agree otherwise in writing);
23. **No Solicitation:** during the No-Shop Period, the Company will not, and will ensure that none of its Representatives will, on behalf of the Company, whether directly or indirectly, solicit, initiate, or encourage any initial or further communication to procure proposals on Competing Offers, or communicate any intention to do any of these things in respect of a Competing

Offer, or enter into any agreements or other arrangements regarding a Competing Offer, provided that nothing in the foregoing prevents the Company from providing information to any *bona fide* third party in compliance with Rule 9.2 of the Code or prevents the Company from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary and usual course of business.

Provided further that, and for the avoidance of doubt, nothing in the Implementation Agreement shall (i) prohibit the Company from taking such action as may be required for the Company to comply with any applicable Law and its obligations under the Code; or (ii) prohibit or restrict the directors of the Company from complying with or discharging their fiduciary duties and complying with all applicable Laws. In the event the Company receives any unsolicited or uninitiated expression of interest, or an offer or proposal is received by the Company, the Company shall be entitled to:

- (a) if permitted pursuant to the Listing Manual and/or the Code, announce such expression of interest, offer or proposal;
- (b) make any required recommendation to the Scheme Shareholders if a general offer is made in accordance with the Code; and
- (c) entertain such unsolicited expression of interest, offer or proposal to the extent that the directors of the Company determine that failure to take such action could violate their fiduciary duties and any applicable Laws and regulations (including obligations under the Code);

24. Notification of Approaches: during the No-Shop Period, the Company shall promptly notify the Offeror if it receives an approach regarding a proposal on a Competing Offer, and in such event the Company shall, subject to any applicable Law, provide the Offeror the material terms of such approach; and

25. Recommendation: the Company shall use its best endeavours to procure that all of its Independent Directors will unanimously and without qualification provide the Recommendation, and will not withdraw, modify or qualify the Recommendation, subject to and without prejudice to the Independent Directors' fiduciary duties and compliance with all applicable Laws. For the avoidance of doubt, nothing in this paragraph 25 shall be construed as requiring the Company to act, or to procure its Independent Directors to act, or to refrain from acting, in any manner which may be in breach of their fiduciary duties or any applicable Laws.

SCHEDULE 5

DISCLOSURE OF INTERESTS IN COMPANY SECURITIES BY THE RELEVANT PERSONS

No.	Name	Type of Company Securities	Number of Company Securities	Percentage of total number of Company Securities (per cent.) ⁽¹⁾⁽²⁾
1.	Straits Equities Holdings (One) Pte. Ltd.	Shares	100,241,000 ⁽³⁾	10.05
2.	Straits Equities Holdings (Two) Pte. Ltd.	Shares	100,241,000 ⁽⁴⁾	10.05
3.	JL Investment Group Limited	Shares	182,432,937	18.29
4.	Mr Lim Hwee Chiang, John	Shares	6,368,254	0.64
5.	JL Philanthropy Limited	Shares	1,427,800	0.14
6.	Wealthman Group Limited	Shares	78,185,544	7.84

Notes:

- (1) Rounded to the nearest two decimal places.
- (2) Computed based on a total of 997,278,289 Shares, being the number of Shares in issue as at the date of this Joint Announcement.
- (3) 84,950,000 Shares held by SE1 have been charged in favour of DBS Bank Ltd as security for a loan to an STC group company.
- (4) 84,950,000 Shares held by SE2 have been charged in favour of DBS Bank Ltd as security for a loan to an STC group company.