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ANNOUNCEMENT

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE – USE OF PROCEEDS

The Board of Directors (the "**Board**" or the "**Directors**") of ARA Asset Management Limited (the "**Company**") refers to its announcements on 11 November 2015, 17 November 2015, 19 November 2015, 10 December 2015, 16 December 2015, 18 December 2015, 23 December 2015, 15 April 2016, 25 May 2016 and 22 July 2016 in relation to the Rights Issue. Unless otherwise specified, capitalised terms used in this Announcement shall have the same meanings ascribed to them in the offer information statement lodged with the Monetary Authority of Singapore on 19 November 2015 (the "**Offer Information Statement**").

Subsequent to the announcement dated 22 July 2016, out of the gross proceeds of approximately S$152.1 million that has been raised from the Rights Issue, (i) S$60.0 million has been utilised to repay in full the STC Shareholder Loan; (ii) S$2.3 million has been used to pay for the expenses incurred in connection with the Rights Issue; and (iii) S$56.9 million has been utilised for strategic investments and seed capital for the existing funds which the Company manages.

As disclosed in the Offer Information Statement, pending the deployment of the net proceeds from the Rights Issue, such net proceeds may be deposited with banks and/or financial institutions or used for investment in short term money markets or debt instruments, repayment of short term debts or used for other purposes on a short term basis as the Directors may deem appropriate in the interests of the Company.

The remaining proceeds from the Rights Issue amount to approximately S$32.9 million.

The Company will make further announcements via SGXNET on the actual deployment of the remaining proceeds from the Rights Issue as and when such funds are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report.

By Order of the Board

Lim Hwee Chiang
Director

2 December 2016

About ARA Asset Management Limited

ARA is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

(a) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries namely, Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages four privately-held REITs in South Korea;

(b) Private real estate funds – The Group manages several private funds investing in real estate in Asia; and

(c) Real estate management services – The Group provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre.

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The distribution of this announcement, the Offer Information Statement, the provisional allotment letters and/or the application forms for Rights Shares and excess Rights Shares into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

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