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ANNOUNCEMENT

**PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE
AND RECEIPT OF APPROVAL IN-PRINCIPLE**

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of ARA Asset Management Limited (the “**Company**”) wishes to announce the following:

- (a) that the Company is proposing to carry out a renounceable underwritten rights issue (the “**Rights Issue**”) of 152,127,196 new ordinary shares of par value S\$0.002 each in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$1.00 for each Rights Share (the “**Issue Price**”), on the basis of eighteen (18) Rights Shares for every one hundred (100) existing ordinary shares of par value S\$0.002 each in the capital of the Company (the “**Shares**”) held by Entitled Shareholders (as defined below) as at the books closure date for the purpose of determining Shareholders’ (as defined below) entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded; and
- (b) that the Company has obtained approval in-principle from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 7 below. Approval in-principle granted by the SGX-ST and the listing and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

1.2 The Company has appointed DBS Bank Ltd. as the lead manager and underwriter (the “**Lead Manager and Underwriter**”) for the Rights Issue, pursuant to the terms of a

management and underwriting agreement (the “**Management and Underwriting Agreement**”) entered into between the Company and the Lead Manager and Underwriter on 11 November 2015.

2. TERMS OF THE RIGHTS ISSUE

- 2.1 The Company is proposing to issue 152,127,196 Rights Shares pursuant to the Rights Issue in order to raise gross proceeds of approximately S\$152.1 million from the Rights Issue. The Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders on the basis of eighteen (18) Rights Shares for every one hundred (100) existing Shares held as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 The Issue Price per Rights Share is S\$1.00 and represents a discount of approximately 29.6 per cent. to the closing price of S\$1.420 per Share on the SGX-ST on 11 November 2015, being the last trading date immediately prior to this Announcement, and a discount of approximately 26.3 per cent. to the theoretical ex-rights price¹ of S\$1.356 per Share.
- 2.3 The Rights Shares will, when fully paid upon allotment and issue, rank *pari passu* in all respects with the then existing fully paid-up Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of allotment and issue of the Rights Shares.
- 2.4 The terms and conditions of the Rights Issue may be subject to such changes as the Directors may, in consultation with the Lead Manager and Underwriter, deem fit. The final terms and conditions of the Rights Issue will be contained in an offer information statement (the “**Offer Information Statement**”) and its accompanying documents to be lodged with the Monetary Authority of Singapore (the “**MAS**”) and despatched by the Company to Entitled Shareholders in due course.

3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

- 3.1 The net proceeds from the Rights Issue, together with the Company’s overall loan facilities, will be applied mainly towards providing the Company with greater financial capacity and flexibility in meeting its funding needs to support its future growth, as well as enabling the Company to capitalise on potential growth opportunities as and when they may arise.
- 3.2 The total estimated net proceeds from the Rights Issue is approximately S\$149.6 million (or approximately 0.98 cents for each dollar of the gross proceeds raised) after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$2.5 million².
- 3.3 The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights

¹ The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$1.420 per Share on the SGX-ST on 11 November 2015, being the last trading date immediately prior to this Announcement, and the number of Shares following completion of the Rights Issue.

² Discrepancies in figures included in this Announcement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Issue, in the following approximate manner, with any balance to be used for general working capital.

Purpose	S\$ million	Per cent. of net proceeds
Strategic investments and/or seed capital for the Company's existing and new funds which it manages	89.6	59.9
Repay the STC Shareholder Loan (as defined below)	60.0	40.1
Total	149.6	100.0

- 3.4 The Company intends to utilise part of the net proceeds from the Rights Issue for strategic investments and/or seed capital for the existing and new funds which it manages. The Company believes that the development of various private real estate fund franchises ranging from development-focused products to core investment products is further gaining traction, and the Group continues to evaluate investment opportunities on an ongoing basis, including, among others, in the target markets of Singapore, China, Malaysia, Hong Kong, South Korea and Australia.
- 3.5 The Company intends to utilise S\$60.0 million of the net proceeds from the Rights Issue to repay in full the S\$60.0 million shareholder loan provided by The Straits Trading Company Limited on 23 April 2015 and maturing on 3 November 2016 (the “**STC Shareholder Loan**”). The STC Shareholder Loan was used to fund the Company's investment in Suntec Real Estate Investment Trust (“**Suntec REIT**”) in May 2015, thereby increasing the Company's strategic stake held in Suntec REIT. This strategic investment reflects the Company's alignment of interest with unitholders of Suntec REIT as well as its strong commitment towards managing and further growing Suntec REIT to continue delivering premium value.
- 3.6 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.
- 3.7 The Company will announce any material disbursement of the proceeds from the Rights Issue accordingly. In addition, a status report on the use of the proceeds from the Rights Issue will be provided in the Company's annual report.

4. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

- 4.1 The Company proposes to provisionally allot the Rights Shares to all holders of Shares (the “**Shareholders**”) who are eligible to participate in the Rights Issue (the “**Entitled Shareholders**”), comprising Entitled Depositors and Eligible U.S. Investors (each as defined below).
- 4.2 “**Entitled Depositors**” are Depositors (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) with Shares standing to the credit of their Securities Accounts with The Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date and: (i) whose registered addresses with CDP are in Singapore as at the Book Closure Date; or (ii) who have, at least three (3) Market Days (being a day on which the SGX-ST is open for

trading in securities) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Shareholders who are located, resident or with a registered address in the United States or in any jurisdiction in which the offering of the provisional allotment of Rights Shares (“**Rights**”) and Rights Shares may not be lawfully made.

- 4.3 “**Eligible U.S. Investors**” are Shareholders who/which are qualified institutional buyers (as defined in Rule 144A under the Securities Act) that are also qualified purchasers (as defined in section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended) (a) whose identities have been agreed upon by the Company and the Lead Manager and Underwriter, (b) who have each provided to the Company a signed investor representation letter (in the form to be set out in the Offer Information Statement), and (c) who are Entitled Depositors.
- 4.4 Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders will be at liberty to accept, decline or renounce or trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with the Rights Shares represented by the provisional allotments that are not validly taken up by Entitled Shareholders or respective renouncee(s) or purchaser(s) and any unsold Rights of ineligible Shareholders and any Rights Shares that are not otherwise allotted for whatever reason, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders of the Company will rank last in priority.
- 4.5 All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system.
- 4.6 The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the application form for Rights Shares and excess Rights Shares issued to Entitled Shareholders in respect of their provisional allotments of Rights Shares under the Rights Issue (the “**ARE**”), the application form for Rights Shares issued to purchasers of the Rights (as defined below) under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system (the “**ARS**”).
- 4.7 Shareholders who have subscribed for or purchased Shares under the Supplementary Retirement Scheme (“**SRS**”) or through a finance company and/or depository agent can only accept their Rights and (if applicable) apply for excess Rights Shares by instructing the relevant banks, finance company and/or depository agent in which they hold their SRS Accounts to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVEMENTIONED SHAREHOLDERS THROUGH CDP OR THROUGH AUTOMATED**

TELLER MACHINES (“ATMs”) WILL BE REJECTED. Such Shareholders should refer to the Offer Information Statement for important details relating to the offer procedure in connection with the Rights Issue.

Foreign Shareholders

- 4.8 The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided CDP with addresses in Singapore for the service of notices and documents (**“Foreign Shareholders”**).
- 4.9 Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.
- 4.10 The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (**“Foreign Purchasers”**). Subject to compliance with applicable laws, Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares and (if applicable) any applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.
- 4.11 If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in “nil-paid” Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a sufficient amount can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter or CDP and their respective officers in connection therewith.

- 4.12 If such provisional allotments cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter or CDP and their respective officers in connection therewith.

5. IRREVOCABLE UNDERTAKINGS

- 5.1 Mr Lim Hwee Chiang, The Straits Trading Company Limited and Cheung Kong Property Holdings Limited (the “**Undertaking Shareholders**”) had on 11 November 2015 each given an irrevocable undertaking (the “**Irrevocable Undertakings**”) to the Company, *inter alia*:

- (a) in the case of Mr Lim Hwee Chiang, to subscribe and pay for and procure JL Philanthropy Ltd and JL Investment Group Limited (whether through sub-accounts with nominees or otherwise) to subscribe and pay for their full entitlement of Rights Shares, save that each of Mr Lim Hwee Chiang, JL Philanthropy Ltd and JL Investment Group Limited (together the “**JL Entities**”) shall have the discretion to renounce their right to subscribe for their respective Rights Shares in favour of any other JL Entity, provided that all the Undertaken Rights Shares (as defined below) which the JL Entities are entitled to subscribe for under the Rights Issue must be fully subscribed for by one or more JL Entities;
- (b) in the case of The Straits Trading Company Limited, to procure Straits Equities Holdings (One) Pte. Ltd. and Straits Equities Holdings (Two) Pte. Ltd. to subscribe and pay for their full entitlement of Rights Shares; and
- (c) in the case of Cheung Kong Property Holdings Limited, to procure Wealthman Group Limited to subscribe and pay for its full entitlement of Rights Shares (collectively, the “**Undertaken Rights Shares**”),

in each case, in accordance with the terms and conditions of the Rights Issue and not later than the Closing Date.

- 5.2 As of the date of the Irrevocable Undertakings:

- (a) Mr Lim Hwee Chiang holds directly and indirectly through JL Investment Group Limited and JL Philanthropy Ltd 161,211,010 Shares, representing approximately 19.07% of the total number of issued Shares of the Company as at the date of the Irrevocable Undertakings;
- (b) The Straits Trading Company Limited holds indirectly, through Straits Equities Holdings (One) Pte. Ltd. and Straits Equities Holdings (Two) Pte. Ltd. 169,900,000 Shares, representing approximately 20.1% of the total number of issued Shares of the Company as at the date of the Irrevocable Undertakings; and

- (c) Cheung Kong Property Holdings Limited holds indirectly, through Wealthman Group Limited, 66,258,936 Shares, representing approximately 7.84% of the total number of issued Shares of the Company as at the date of the Irrevocable Undertakings.

The Undertaken Rights Shares constitute approximately 47.02% of the number of Rights Shares.

6. UNDERWRITING

- 6.1 The Rights Shares (excluding the Undertaken Rights Shares) (the “**Underwritten Rights Shares**”) have been underwritten by the Lead Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement.
- 6.2 Pursuant to the Management and Underwriting Agreement, the Company will pay the Lead Manager and Underwriter an underwriting commission of S\$1.5 million.

7. RECEIPT OF IN-PRINCIPLE APPROVAL

- 7.1 The Board is pleased to announce that approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST. The SGX-ST has approved in-principle the listing and quotation of the Rights Shares subject to, *inter alia*:
 - (a) compliance with the SGX-ST’s listing requirements;
 - (b) submission of a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the SGX-ST Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
 - (c) submission of a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the SGX-ST Listing Manual with regard to the allotment of any excess Rights Shares;
 - (d) submission of a written confirmation from financial institution(s) as required under Rule 877(9) of the SGX-ST Listing Manual that the Undertaking Shareholders have sufficient financial resources to fulfil their obligations under the Irrevocable Undertakings; and
 - (e) disclosure via SGXNet of the details of the STC Shareholder Loan that will be repaid from the Rights Issue proceeds and the use of proceeds of the STC Shareholder Loan.
- 7.2 Approval in-principle granted by the SGX-ST and the listing and quotation of the Rights Shares are not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

8. NOTICE OF BOOKS CLOSURE DATE

Notice of books closure for the Rights Issue is contained in a separate announcement titled “Notice of Books Closure for Rights Issue” released by the Company today.

9. INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable listing certain important dates and times relating to the Rights Issue is set out below. All dates and times referred to below are Singapore dates and times.

Shares trade ex-Rights	:	17 November 2015 from 9.00 a.m.
Lodgement of the Offer Information Statement with the MAS	:	17 November 2015
Books Closure Date	:	19 November 2015 at 5.00 p.m.
Despatch of the Offer Information Statement (together with the ARE) to Entitled Shareholders	:	24 November 2015
Commencement of trading of “nil-paid” Rights	:	24 November 2015 from 9.00 a.m.
Last date and time for trading of “nil-paid” Rights ⁽¹⁾	:	2 December 2015 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares ⁽¹⁾	:	8 December 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of participating banks)
Last date and time for acceptance and payment for Rights Shares by renouncees ⁽¹⁾	:	8 December 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of participating banks)
Last date and time for application and payment for excess Rights Shares ⁽¹⁾	:	8 December 2015 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of participating banks)
Expected date of issuance of Rights Shares	:	16 December 2015

Expected date and time of commencement of trading of Rights Shares : 17 December 2015 at 9.00 a.m.

Note:

- (1) This does not apply to SRS investors and investors who hold Shares through a finance company and/or depository agent. SRS investors and investors who hold Shares through a finance company and/or depository agent should refer to the Offer Information Statement after the lodgement of the Offer Information Statement with the MAS.

The above timetable is indicative only and is subject to change.

By Order of the Board

Lim Hwee Chiang
Director

11 November 2015

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 three privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages several private funds investing in real estate in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

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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.

This announcement is not an offer for sale of securities in the United States or elsewhere. Rights and Rights Shares are not being registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of US persons (as defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States.