

CIRCULAR DATED 23 DECEMBER 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Straits Trading Company Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed proxy form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



THE STRAITS TRADING COMPANY LIMITED

(Company Registration No.: 188700008D)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (1) The Acquisition, being the acquisition by the Company or its nominee(s) of:**
 - (i) 118,930,000 shares in ARA Asset Management Limited (“ARA Shares”) from JL Investment Group Limited, representing approximately 14.07% of the issued ARA Shares; and**
 - (ii) 50,970,000 ARA Shares from Cheung Kong Investment Company Limited, representing approximately 6.03% of the issued ARA Shares,**

amounting in aggregate to 169,900,000 ARA Shares, representing approximately 20.10% of the issued ARA Shares; and
- (2) The Real Estate Co-Investment, being the joint venture between STC Capital Pte. Ltd., a subsidiary of the Company, JL Investment Holding (2012) Ltd and JL Equity II Limited in relation to the incorporation of one or more Real Estate Co-Investment Vehicle(s) (as defined herein) which shall carry on the business of a real estate operating company to invest in real estate and real estate related investments across specific geographical locations.**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form : Monday, 6 January 2014 at 10.00 a.m.

Date and Time of Extraordinary General Meeting : Wednesday, 8 January 2014 at 10.00 a.m.

Place of Extraordinary General Meeting : Meeting Room 334, Level 3
Suntec Singapore Convention & Exhibition Centre
1 Raffles Boulevard, Suntec City
Singapore 039593

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“3Q2013”	:	The 9-month period for the STC Group ended 30 September 2013
“Acquisition”	:	The acquisition by the Company or its nominee(s) of: (i) the JL Sale Shares from JL; and (ii) the Cheung Kong Sale Shares from Cheung Kong, upon the terms and conditions of the SPAs
“AIP”	:	The in-principle approval dated 11 November 2013 from the SGX-ST for the listing and quotation of the Consideration Shares on the Main Board of the SGX-ST
“ARA”	:	ARA Asset Management Limited
“ARA Group”	:	ARA and its subsidiaries
“ARA Group 1H2013 Results”	:	The unaudited consolidated financial statements of the ARA Group for the half year ended 30 June 2013 as announced by ARA on 5 August 2013
“ARA Group 3Q2013 Results”	:	The unaudited consolidated financial statements of the ARA Group for the third quarter ended 30 September 2013 as announced by ARA on 12 November 2013
“ARA Group FY2012 Results”	:	The audited consolidated financial statements of the ARA Group for the financial year ended 31 December 2012 as set out in ARA’s annual report for 2012
“ARA Shares”	:	Ordinary shares in the capital of ARA
“AUM”	:	Assets under management
“Business”	:	The business of a real estate operating company to invest in real estate and real estate related investments across specific geographical locations
“CDP”	:	The Central Depository (Pte) Limited
“Cheung Kong”	:	Cheung Kong Investment Company Limited
“Cheung Kong Holdings”	:	Cheung Kong (Holdings) Limited
“Cheung Kong Sale Shares”	:	50,970,000 ARA Shares purchased by the Company or its nominee(s) from Cheung Kong pursuant to the terms of the agreement with Cheung Kong
“Circular”	:	This circular to Shareholders dated 23 December 2013
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	The Straits Trading Company Limited

DEFINITIONS

“Company Undertaking”	: A written undertaking from the Company that it will seek Shareholders’ ratification of the Acquisition and the Real Estate Co-Investment within 3 months from 21 October 2013, being the date of granting of the Waiver
“Completion”	: The completion of the Acquisition in accordance with the terms of the SPAs
“Completion Date”	: 29 November 2013, being the date of Completion
“Consideration Shares”	: 13,698,000 new Shares allotted and issued and credited as fully paid as partial consideration by the Company to JL pursuant to the JL SPA
“Contribution Ratio”	: The ratio in which all contributions to each Real Estate Co-Investment Vehicle shall be made (subject to the terms of the Real Estate Co-Investment Agreement) by each of (a) JLEL and (b) SCPL and/or any Other STC Subsidiary, being as follows: (i) SCPL and/or any Other STC Subsidiary – 89.47%; and (ii) JLEL – 10.53%
“Directors”	: The directors of the Company as at the Latest Practicable Date
“EGM”	: The extraordinary general meeting of the Company to be held on 8 January 2014 at 10.00 a.m., notice of which is set out on pages 26 to 27 of this Circular
“EPS”	: Earnings per Share
“Fund Entities”	: The investment vehicles to be established pursuant to the terms of the Real Estate Co-Investment Agreement
“FY2012”	: The financial year for the STC Group ended 31 December 2012
“Initial Capitalisation Amount”	: S\$200,000,000, being the initial aggregate capital to be contributed to the Real Estate Co-Investment Vehicle(s) pursuant to the terms of the Real Estate Co-Investment Agreement
“Initial Subscription”	: S\$178,947,368, being the initial aggregate capital to be contributed in cash by SCPL and/or any Other STC Subsidiary to the Real Estate Co-Investment Vehicle(s) pursuant to the terms of the Real Estate Co-Investment Agreement
“JL”	: JL Investment Group Limited, a subsidiary of JLIHL
“JLEL”	: JL Equity II Limited, a subsidiary of JLIHL
“JLIHL”	: JL Investment Holding (2012) Ltd, a company owned by Mr. John Lim and/or his immediate family
“JL Sale Shares”	: 118,930,000 ARA Shares purchased by the Company or its nominee(s) from JL pursuant to the terms of the JL SPA

DEFINITIONS

“ JL SPA ”	: The sale and purchase agreement dated 28 October 2013 entered into between the Company and JL in relation to the purchase by the Company or its nominee(s) from JL of the JL Sale Shares
“ Last Full Trading Day ”	: 24 October 2013, being the full market day prior to the date of the SPAs on which the Shares were last traded on the SGX-ST
“ Latest Practicable Date ”	: 16 December 2013, being the latest practicable date prior to the printing of this Circular
“ Listing Manual ”	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“ MAS ”	: Monetary Authority of Singapore
“ Maximum Subscription ”	: The contribution of the SCPL Aggregate Commitment Amount and the subscription for new Real Estate Co-Investment Vehicle Shares up to the SCPL Aggregate Commitment Amount by SCPL and/or any Other STC Subsidiary collectively
“ Mr. John Lim ”	: Mr. Lim Hwee Chiang
“ Notice of EGM ”	: The notice of EGM which is set out on pages 26 to 27 of this Circular
“ NTA ”	: Net tangible assets
“ Other STC Subsidiary ”	: A subsidiary of the Company, other than SCPL
“ Proceeds ”	: The sale proceeds arising from the sale(s), in the ordinary course of business, of the Real Estate Assets
“ Real Estate Assets ”	: Certain real estate assets owned by the STC Group as set out in Appendix A to this Circular
“ Real Estate Co-Investment ”	: The joint venture between SCPL, JLIHL and JLEL in relation to the incorporation of one or more Real Estate Co-Investment Vehicle(s) which shall carry on the Business upon the terms and conditions of the Real Estate Co-Investment Agreement
“ Real Estate Co-Investment Agreement ”	: The real estate co-investment agreement dated 28 October 2013 between SCPL, JLIHL and JLEL
“ Real Estate Co-Investment Vehicles ”	: The real estate co-investment vehicles to be incorporated pursuant to the terms of the Real Estate Co-Investment Agreement
“ Real Estate Co-Investment Vehicle Shares ”	: In relation to any Real Estate Co-Investment Vehicle, means ordinary shares in the capital of such Real Estate Co-Investment Vehicle
“ Sale Shares ”	: The JL Sale Shares and the Cheung Kong Sale Shares
“ SCPL ”	: STC Capital Pte. Ltd., a subsidiary of the Company

DEFINITIONS

- “SCPL Aggregate Commitment Amount”** : An amount of up to S\$850,000,000, being the maximum amount to be contributed by SCPL and/or any Other STC Subsidiary to the Real Estate Co-Investment Vehicle(s) pursuant to the terms of the Real Estate Co-Investment Agreement (a) in cash by way of shareholder loan(s) and/or notes and/or subscription for new Real Estate Co-Investment Vehicle Shares, using the Proceeds and (b) subject to and as described in **paragraph 7.3.4** of this Circular, by way of asset contribution, in the form of actual transfers of the Unsold Assets to the Real Estate Co-Investment Vehicle(s) at fair value and subject always to the terms of the Real Estate Co-Investment Agreement
- “Securities Account”** : A securities account maintained by a depositor with CDP but does not include a securities sub-account
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders”** : The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose Securities Accounts are credited with the Shares
- “Shares”** : Ordinary shares in the capital of the Company
- “SPAs”** : The inter-conditional JL SPA and the sale and purchase agreement dated 28 October 2013 entered into between the Company and Cheung Kong in relation to the purchase by the Company or its nominee(s) from Cheung Kong of the Cheung Kong Sale Shares
- “STC Group”** : The Company and its subsidiaries
- “STC Group 1H2013 Results”** : The unaudited consolidated financial statements of the STC Group for the half year ended 30 June 2013 as announced by the Company on 14 August 2013
- “STC Group 3Q2013 Results”** : The unaudited consolidated financial statements of the STC Group for the third financial quarter ended 30 September 2013 as announced by the Company on 14 November 2013
- “STC Group FY2012 Results”** : The audited consolidated financial statements of the STC Group for the financial year ended 31 December 2012 as set out in the Company’s annual report for 2012
- “TCPL”** : The Cairns Pte. Ltd., the controlling shareholder of the Company
- “TCPL Undertaking”** : Written undertakings from TCPL to the Company (i) to vote in favour of any Shareholders’ resolution(s) relating to the approval and ratification of the Acquisition and the Real Estate Co-Investment at the EGM to be convened and (ii) that it will not dispose of its equity stake in the Company before and up to the date of the EGM
- “Transfer Notice”** : Shall have the meaning ascribed to it in **paragraph 7.7** of this Circular
- “Unsold Assets”** : The remaining unsold Real Estate Assets owned by the STC Group
- “VWAP”** : Volume weighted average price

DEFINITIONS

“Waiver” : A waiver from the requirement to obtain prior Shareholders’ approval for the Acquisition and the Real Estate Co-Investment and that the Company may instead seek Shareholders’ ratification of the Acquisition and the Real Estate Co-Investment

“S\$” or “cents” : Singapore dollars or Singapore cents, respectively

“%” : Per centum or percentage

Controlling Shareholder. The term **“controlling shareholder”** shall have the same meaning ascribed to it in the Listing Manual.

Depositors. The terms **“depositor”** and **“depository register”** shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in tables included in this Circular between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to that word under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be.

Subsidiary, Related Corporation. The terms **“subsidiary”** and **“related corporation”** shall have the same meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date unless otherwise stated.

LETTER TO THE SHAREHOLDERS

THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

Directors:

Ms Chew Gek Khim (Executive Chairman)
Tan Sri Dato' Dr Lin See-Yan (Independent and Non-Executive Director)
Mr Razman Ariffin (Independent and Non-Executive Director)
Mrs Elizabeth Sam (Non-Independent and Non-Executive Director)
Ms Chew Gek Hiang (Non-Independent and Non-Executive Director)
Mr David Goh Kay Yong (Non-Independent and Non-Executive Director)
Mr Yap Chee Keong (Executive Director)
Mr Tham Kui Seng (Independent and Non-Executive Director)
Mr Gautam Banerjee (Lead Independent Director and Non-Executive Director)
Mr Tan Tiong Cheng (Independent and Non-Executive Director)

Registered Office:

9 Battery Road, #28-01,
Straits Trading Building
Singapore 049910

23 December 2013

To: **The Shareholders of The Straits Trading Company Limited**

Dear Sir/Madam,

1. INTRODUCTION

1.1 Acquisition. The Company had on 28 October 2013 entered into the following inter-conditional sale and purchase agreements ("**SPAs**"), as follows:

- 1.1.1** an agreement with JL Investment Group Limited ("**JL**"), pursuant to which the Company or its nominee(s) will purchase 118,930,000 ordinary shares in the capital of ARA Asset Management Limited ("**ARA Shares**"), representing approximately 14.07% of the issued ARA Shares ("**JL SPA**"); and
- 1.1.2** an agreement with Cheung Kong Investment Company Limited ("**Cheung Kong**"), pursuant to which the Company or its nominee(s) will purchase 50,970,000 ARA Shares, representing approximately 6.03% of the issued ARA Shares,

(collectively, the "**Acquisition**").

On 29 November 2013, the Company announced that the Acquisition has been completed and that the Company has:

- (i) paid S\$156.1 million in cash to JL and allotted and issued 13,698,000 new Shares ("**Consideration Shares**") to JL pursuant to the JL SPA; and
- (ii) paid S\$88.3 million in cash to Cheung Kong.

The Acquisition was based on a sale price of S\$1.7326 per ARA Share based on the 5-day VWAP of ARA of S\$1.7326 for the period from 21 to 25 October 2013 (both dates inclusive).

Approval in-principle ("**AIP**") has been obtained from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of the Consideration Shares issued to JL. The AIP is not to be taken as an indication of the merits of the Company, its subsidiaries, the Acquisition and the Consideration Shares. The Consideration Shares were listed on the SGX-ST on 2 December 2013.

LETTER TO THE SHAREHOLDERS

1.2 Real Estate Co-Investment. STC Capital Pte. Ltd. (“**SCPL**”), a subsidiary of the Company, had also on 28 October 2013 entered into a real estate co-investment agreement (the “**Real Estate Co-Investment Agreement**”) with each of JL Investment Holding (2012) Ltd (“**JLIHL**”) and JL Equity II Limited (“**JLEL**”) in relation to the incorporation of one or more Real Estate Co-Investment Vehicle(s) which shall carry on the business of a real estate operating company to invest in real estate and real estate related investments across specific geographical locations (“**Business**”). The parties to the Real Estate Co-Investment Agreement envisage the establishment of real estate funds, the interests in which will be held by one or more Real Estate Co-Investment Vehicles. As at the Latest Practicable Date, three funds are contemplated with the following investment mandates: (i) a development fund whose objective is to develop commercial and industrial real estate properties in Australia and Asia (excluding Japan); (ii) a distressed fund whose objective is to invest in distressed commercial real estate properties in Europe; and (iii) a strategic fund whose objective is to make strategic investments in real estate and real estate related opportunities in Asia Pacific. As at the Latest Practicable Date, specific details related to each fund (including fund size, capital allocation, tenure of funds, expected internal rate of returns and risks involved) have yet to be finalised. The contribution of each party to the Real Estate Co-Investment Agreement is set out in **paragraph 7** of this Circular.

The Acquisition and the Real Estate Co-Investment are mutually exclusive and the completion of the SPAs is not conditional upon the execution of the Real Estate Co-Investment Agreement.

1.3 Circular. The purpose of this Circular is to provide Shareholders with information relating to the ordinary resolutions in respect of the Acquisition and the Real Estate Co-Investment to be proposed at the forthcoming EGM, and to seek Shareholders’ ratification of the Acquisition and the Real Estate Co-Investment at the forthcoming EGM.

1.4 SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. ACQUISITION

2.1 Information on the Vendors¹

2.1.1 JL is ultimately owned by Mr. Lim Hwee Chiang (“**Mr. John Lim**”). Mr. John Lim has been the group chief executive officer and executive director of ARA since its establishment in 2002.

2.1.2 Cheung Kong is a wholly owned subsidiary of Cheung Kong (Holdings) Limited (“**Cheung Kong Holdings**”). Cheung Kong Holdings is the flagship company of the Cheung Kong group, the leading Hong Kong based multi-national conglomerate. The combined market capitalisation of the Cheung Kong group’s Hong Kong listed companies amounted to HK\$945 billion as at 31 August 2013. The Cheung Kong group operates in 52 countries and employs about 270,000 staff worldwide. Cheung Kong Holdings is a property development and strategic investment company. It is one of the largest developers in Hong Kong of residential, commercial and industrial properties. About one in seven private residences in Hong Kong were developed by the company.

¹ Information on Cheung Kong is obtained from (i) http://www.ckh.com.hk/eng/about_ckh.html and (ii) page 142 of ARA’s annual report for 2012.

LETTER TO THE SHAREHOLDERS

2.2 Information on ARA² and Description of Trade

2.2.1 ARA, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the Main Board of the SGX-ST. As at 30 September 2013, ARA had approximately S\$23.4 billion of assets under management (“**AUM**”).³ ARA’s business is focused on the following primary segments:

- (i) REITs (S\$16.7 billion of AUM as at 30 September 2013) – ARA Group (including its associates) 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;
- (ii) Private real estate funds (S\$6.3 billion of AUM as at 30 September 2013) – the ARA Group manages several private funds investing in real estate in Asia. Based on publicly available information⁴, the private funds managed by the ARA Group are as follows:
 - (a) ARA Asia Dragon Fund (“**ADF**”), which is the ARA Group’s flagship private real estate fund established in 2007. ADF is a closed-end fund with aggregate capital commitments in excess of US\$1.1 billion and has the mandate to make strategic and opportunistic investments across Asia with a primary focus on the main cities of China, Singapore, Hong Kong and Malaysia as well as a secondary focus on other emerging economies in Asia;
 - (b) ARA Asia Dragon Fund II (“**ADF II**”), a successor fund to ADF established by the ARA Group in 2012, which adopts the same investment strategy of ADF. ADF II has an aggregate capital commitment of US\$441 million;
 - (c) ARA China Investment Partners Fund (“**CIP Fund**”), established in 2012 with an initial committed capital of US\$500 million. With California Public Employees’ Retirement System as the main investor, CIP Fund focuses primarily on prime income producing office and retail properties in key cities in China, including Hong Kong. The committed capital of CIP Fund was further increased to US\$830 million in June 2013;
 - (d) ARA Harmony Fund, a single-asset private real estate fund which owns the Suntec Singapore International Convention & Exhibition Centre (“**Suntec Singapore**”); and
 - (e) Morningside Investment Partners, LLC (“**MIP**”), a separate account platform established by the ARA Group together with a US-based public pension fund in 2013. MIP has a committed capital of US\$240 million and is mandated to pursue a core-plus/value-add strategy focus in Singapore, Hong Kong and Malaysia;
- (iii) Real estate management services (S\$0.4 billion of AUM as at 30 September 2013) – the ARA Group provides property management services and manages the award-winning Suntec Singapore; and
- (iv) Corporate finance advisory services – the ARA Group has an in-house advisory arm providing corporate finance advisory services to related corporations.

2 Information on ARA is obtained from the press release dated 5 August 2013 released by ARA via SGXNET.

3 AUM as at 30 September 2013 from ARA Presentation Slides for the third quarter ended 30 September 2013 released by ARA via SGXNET on 12 November 2013.

4 Information on the private real estate funds business of the ARA Group is obtained from (i) ARA’s annual report for 2012, (ii) <http://www.ara-asia.com/home/index.html> and (iii) announcements made by ARA on SGXNET.

LETTER TO THE SHAREHOLDERS

2.2.2 Prior to Completion, the Cheung Kong group, through its wholly-owned subsidiary, Cheung Kong, held a 13.87% interest in ARA. Following Completion and based on publicly available information⁵, the Company understands that the Cheung Kong group owns or controls approximately 7.84% of the issued ARA Shares.

2.2.3 Following Completion, the Company through its nominees is the single largest shareholder in ARA, owning or controlling an aggregate of 169,900,000 ARA Shares, representing approximately 20.10% of the issued ARA Shares. Pursuant to the SPAs, the Company has undertaken to each of JL and Cheung Kong that it shall not sell, transfer, give or otherwise dispose of any of the legal, beneficial or economic consequences of ownership of all or any of the Sale Shares for a period of 6 months commencing from 29 November 2013, being the date of completion of the Acquisition in accordance with the terms of the SPAs ("**Completion Date**").

3. PRINCIPAL TERMS OF THE SPAS

3.1 Consideration. The consideration paid by the Company to:

3.1.1 JL, for the 118,930,000 ARA Shares purchased by the Company or its nominee(s) from JL pursuant to terms of the agreement with JL ("**JL Sale Shares**"), was satisfied by a combination of S\$156.1 million in cash, based on the 5-day VWAP of the ARA Shares of S\$1.7326 for the period from 21 to 25 October 2013 (both dates inclusive), and the allotment and issuance of 13,698,000 Consideration Shares, based on the 1-day VWAP of the Shares of S\$3.65 on 24 October 2013; and

3.1.2 Cheung Kong, for the 50,970,000 ARA Shares purchased by the Company or its nominee(s) from Cheung Kong pursuant to terms of the agreement with Cheung Kong ("**Cheung Kong Sale Shares**"), was satisfied by way of S\$88.3 million in cash, based on the 5-day VWAP of the ARA Shares of S\$1.7326 for the period from 21 to 25 October 2013 (both dates inclusive).

As a basis for comparison, the VWAP of the ARA Shares transacted on the SGX-ST on 25 October 2013, being the full market day prior to the date of the SPAs on which the ARA Shares were last traded on the SGX-ST, was S\$1.7522.

3.2 Conditions. The Acquisition is conditional upon satisfaction of the following conditions:

3.2.1 completion of the other SPA in accordance with its terms;

3.2.2 the notification by ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited and ARA-CWT Trust Management (Cache) Limited to, and approval from, the MAS for or in connection with the acquisition of the interest in the ARA Group by the Company, and if such approval is granted subject to conditions which are required to be fulfilled prior to Completion, the fulfilment of such conditions;⁶ and

3.2.3 the application by the Company to, and approval from, the MAS for or in connection with the acquisition of the interest in the ARA Group by the Company, and if such approval is granted subject to conditions which are required to be fulfilled prior to Completion, the fulfilment of such conditions.⁶

The Conditions in **paragraphs 3.2.1, 3.2.2 and 3.2.3** above have been satisfied and Completion has occurred on 29 November 2013.

⁵ Source: Bloomberg.

⁶ The reason for seeking the approval of the MAS is due to the requirements as set out in Section 97A of the Securities and Futures Act, Chapter 289 of Singapore, which requires a person to obtain the prior approval of the MAS if such person were to enter into an arrangement which would result in that person having effective control of a holder of a capital markets services licence.

As ARA Asset Management Limited holds 100% of the shares of ARA Asset Management (Fortune) Limited and ARA Trust Management (Suntec) Limited and 60% of the shares of ARA-CWT Trust Management (Cache) Limited, and each of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited and ARA-CWT Trust Management (Cache) Limited is a holder of a capital markets services licence, approval for the Acquisition was accordingly sought from the MAS.

LETTER TO THE SHAREHOLDERS

3.3 Undertakings

3.3.1 Each of JL and Cheung Kong has undertaken to the Company that it shall not, prior to and on the Completion Date, *inter alia*, sell any of its ARA Shares at a consideration per ARA Share which is lower than the sale price of each Sale Share, excluding any commission, fees or brokerage which is payable to any placement agent or broker.

As at the Completion Date, each of JL and Cheung Kong has not sold any of its remaining ARA Shares.

3.3.2 The Company has undertaken:

- (i) to each of JL and Cheung Kong that it shall not sell, transfer, give or otherwise dispose of any of the legal, beneficial or economic consequences of ownership of all or any of the Sale Shares for a period of 6 months commencing from the Completion Date; and
- (ii) to JL that it shall not, for a period of 6 months commencing from the date of the JL SPA, allot and issue any new Shares at a price lower than the price at which each Consideration Share was allotted and issued.

4. CONSIDERATION FOR THE SALE SHARES

4.1 Value of Consideration. The aggregate value of the consideration paid for the Acquisition is deemed, for the purposes of Chapter 10 of the Listing Manual, to be S\$294.4 million comprising the sum of:

4.1.1 the aggregate cash consideration payable to both JL and Cheung Kong, being S\$244.4 million and paid as follows:

- (i) S\$156.1 million in cash to JL as partial consideration for the 118,930,000 ARA Shares purchased from JL; and
- (ii) S\$88.3 million in cash to Cheung Kong as consideration for the 50,970,000 ARA Shares purchased from Cheung Kong; and

4.1.2 S\$50.0 million⁷, being the value of the Consideration Shares calculated based on the higher of the following values:

- (i) the market value of each Share of approximately S\$3.65, based on the VWAP of the Shares of S\$3.65 transacted on the SGX-ST on 24 October 2013, being the full market day prior to the date of the SPAs on which the Shares were last traded on the SGX-ST ("**Last Full Trading Day**"); and
- (ii) the net asset value represented by each Share of approximately S\$3.57 based on the STC Group 1H2013 Results.

4.2 Pricing Factors. The aggregate consideration paid for the Sale Shares, being S\$294.4 million, was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis using the 5-day VWAP of the ARA Shares for the period from 21 to 25 October 2013 (both dates inclusive) and the 1-day VWAP of the Shares on 24 October 2013, as well as taking into account, *inter alia*, the earnings, financial position, management experience, track record as well as the prospects of ARA. The use of the 5-day VWAP of the ARA Shares of S\$1.7326 for the period from 21 to 25 October 2013 (both dates inclusive) to determine the price of the Sale Shares was a commercial decision

⁷ This is equivalent to 3.4% of the Shares in issue, based on the enlarged share capital of 408,095,772 Shares following the allotment and issuance of the Consideration Shares.

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mutually agreed between the parties to form the basis of the pricing mechanism for the Sale Shares. The use of the 1-day VWAP of the Shares of S\$3.65 on 24 October 2013 to determine the number of Consideration Shares to be issued to JL was to ensure that the Consideration Shares are not priced at more than a 10% discount to the weighted average price of the Shares for trades done on the full market day before the JL SPA was signed.

4.3 Satisfaction of Consideration. The consideration for the Sale Shares was satisfied by way of:

4.3.1 the allotment and issuance of the Consideration Shares, being the 13,698,000 new Shares, to JL;

4.3.2 the use of internal funds to pay S\$156.1 million in cash to JL; and

4.3.3 the use of internal funds to pay S\$88.3 million in cash to Cheung Kong.

4.4 Cash Alternative. In the event the AIP is not received on or before 31 December 2013 and/or where the AIP is subject to condition(s) that the Company is unable to comply with on or before 31 December 2013, the Company shall pay to JL an amount in cash equal to S\$50.0 million. For the avoidance of doubt, the Company received the AIP on 11 November 2013.

5. RATIONALE FOR THE ACQUISITION

Following the divestment of the Company's 40.6% stake in WBL Corporation Limited and the sale of the Rendezvous Grand Hotel Singapore in 2013, the Company has articulated that it will be evaluating investment opportunities to acquire a sound, well managed business to form a new growth engine for the Company.

The Company believes that the acquisition through its nominees of a 20.10% stake in ARA is in-line with the above strategy as it will allow the Company to become the largest shareholder in one of the largest real estate fund managers in the region. ARA has a strong track record of AUM growth with total AUM of S\$23.4 billion as at 30 September 2013, and a well-established business model with recurring earnings stream. The compounded annual growth rate for AUM⁸ was 26% for the period between 2004 and 2012, and 17% for the period between 2007 and 2012. The year-on-year AUM growth from 2004 through 2012 is as follows:

Year	AUM Growth
2004	483%
2005	63%
2006	16%
2007	58%
2008	18%
2009	6%
2010	30%
2011	17%
2012	13%

ARA will continue to benefit from the expanded business networks and relationships of two strong sponsors. In addition, subject to definitive agreements being entered into, the Company's Real Estate Co-Investment Vehicle(s) are expected to provide seed / capital commitments to support new private real estate fund products by ARA, allowing ARA to further expand its private funds business.

⁸ The figures in **paragraph 5** of this Circular are calculated based on the AUM of ARA as extracted from the annual reports of ARA.

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The total capital commitment to the Real Estate Co-Investment Vehicle(s) is up to an aggregate of S\$950.0 million. The board(s) of the Real Estate Co-Investment Vehicle(s) will determine the allocation of such funds to either seed new private real estate funds (to be managed by ARA or another fund manager) when such opportunities materializes or other business opportunities (each subject to satisfactory due diligence and terms).

6. VALUES OF THE SALE SHARES

- 6.1 Book Value.** Based on the ARA Group 1H2013 Results, the book value (excluding non-controlling interests) of the Sale Shares is approximately S\$52.5 million.
- 6.2 Asset Value.** Based on the ARA Group 1H2013 Results, the net tangible asset value (excluding non-controlling interests) of the Sale Shares is approximately S\$52.5 million.
- 6.3 Market Value.** Based on the VWAP of the ARA Shares transacted on the SGX-ST on 25 October 2013 (being the full market day preceding the date of the SPAs on which the ARA Shares were traded on the SGX-ST), the open market value of the Sale Shares is approximately S\$297.7 million. For the avoidance of doubt, the aggregate consideration paid for the Sale Shares was S\$294.4 million arrived at based on, *inter alia*, the 5-day VWAP of the ARA Shares and the 1-day VWAP of the Shares, as more particularly described in **paragraph 4.2** of this Circular.
- 6.4 Net Profits.** Based on the ARA Group 1H2013 Results, the profit before income tax, minority interests and extraordinary items attributable to the Sale Shares is approximately S\$7.8 million.

7. REAL ESTATE CO-INVESTMENT AGREEMENT

- 7.1 Background.** SCPL, a subsidiary of the Company, had on 28 October 2013 entered into the Real Estate Co-Investment Agreement with each of JLIHL and JLEL in relation to the incorporation of one or more Real Estate Co-Investment Vehicle(s) which shall carry on the Business. Subject to the terms of the Real Estate Co-Investment Agreement, each Real Estate Co-Investment Vehicle will be owned approximately 89.47% by SCPL and/or any other subsidiary of the Company ("**Other STC Subsidiary**") and 10.53% by JLEL.
- 7.2 Initial Capitalisation Amount.** The terms of the Real Estate Co-Investment Agreement provide for the incorporation of one or more Real Estate Co-Investment Vehicles and the contribution of the Initial Capitalisation Amount to such Real Estate Co-Investment Vehicle(s) by no later than 31 December 2013 or such other date as mutually agreed in writing by the parties to the Real Estate Co-Investment Agreement, of which:
- 7.2.1** S\$178,947,368, representing approximately 89.47% of the Initial Capitalisation Amount, shall be contributed in cash by SCPL and/or any Other STC Subsidiary; and
- 7.2.2** S\$21,052,632, representing approximately 10.53% of the Initial Capitalisation Amount, shall be contributed in cash by JLEL,

in each case, by way of subscription of Real Estate Co-Investment Vehicle Shares or in the form of shareholder loans and/or notes or otherwise as agreed between the parties to the Real Estate Co-Investment Agreement. For the avoidance of doubt, JLIHL does not hold its interest in each Real Estate Co-Investment Vehicle directly but through JLEL which is a subsidiary of JLIHL.

7.3 Further Capital Injection

- 7.3.1** Each of (a) JLEL and (b) SCPL or any Other STC Subsidiary (as the case may be) shall invest in each Real Estate Co-Investment Vehicle directly (subject to the terms of the Real Estate Co-Investment Agreement) with the intent that all contributions to each Real Estate Co-Investment Vehicle shall be made in accordance with the following contribution ratio ("**Contribution Ratio**"):
- (i) SCPL and/or any Other STC Subsidiary – 89.47%; and
 - (ii) JLEL – 10.53%.

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7.3.2 The parties to the Real Estate Co-Investment Agreement have also committed to contribute to the Real Estate Co-Investment Vehicle(s) up to an aggregate maximum of S\$950,000,000 inclusive of the Initial Capitalisation Amount and which amount shall be contributed in accordance with the Contribution Ratio as follows:

- (i) in the case of SCPL and/or any Other STC Subsidiary, (a) in cash by way of shareholder loan(s) and/or notes and/or subscription for new Real Estate Co-Investment Vehicle Shares, using the sale proceeds arising from the sale(s), in the ordinary course of business, of the Real Estate Assets (“**Proceeds**”) and (b) subject to and as described in **paragraph 7.3.4** of this Circular, by way of asset contribution, in the form of actual transfers of the Unsold Assets to the Real Estate Co-Investment Vehicle(s) at fair value and subject always to the terms of the Real Estate Co-Investment Agreement, up to the sum of S\$850,000,000; and
- (ii) in the case of JLEL, in cash by way of shareholder loan(s) and/or notes or subscription for new Real Estate Co-Investment Vehicle Shares, up to the sum of S\$100,000,000.

7.3.3 The Proceeds shall be injected by the STC Group, through SCPL and/or any Other STC Subsidiary, to meet the SCPL Aggregate Commitment Amount, save that the Company shall be entitled to retain:

- (i) such part of the Proceeds equivalent to the Initial Subscription; and
- (ii) such part of the Proceeds which is in excess of the SCPL Aggregate Commitment Amount.

7.3.4 If by 31 December 2016, or such other dates as the parties to the Real Estate Co-Investment Agreement may agree in writing, SCPL and/or any Other STC Subsidiary collectively have not contributed to the Real Estate Co-Investment Vehicle(s) the SCPL Aggregate Commitment Amount, SCPL shall, in accordance with the terms of the Real Estate Co-Investment Agreement, procure the transfer to the Real Estate Co-Investment Vehicle(s) of all the Unsold Assets at the fair value of the Unsold Assets which shall be determined in accordance with the relevant provisions of the Real Estate Co-Investment Agreement.

The terms of the Real Estate Co-Investment Agreement provide that the fair value of the Unsold Assets shall be determined:

- (i) by mutual agreement in writing between SCPL and JLIHL; and
- (ii) in the absence of mutual agreement, by the value which is the average of two market values of such Unsold Asset determined by two international firms of professional valuers, one of which shall be appointed by SCPL and the other shall be appointed by JLIHL (in the event either party fails to appoint a valuer, such valuer shall be appointed by the Chairman of the Singapore Institute of Surveyors and Valuers, at the request of the party that has appointed a valuer), who shall act as experts and not arbitrators in making such determination and whose determination shall be final and binding on the parties to the Real Estate Co-Investment Agreement, and the shareholders of the relevant Real Estate Co-Investment Vehicle.

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7.4 Business. Under the Real Estate Co-Investment Agreement, each Real Estate Co-Investment Vehicle shall carry on the Business. The parties to the Real Estate Co-Investment Agreement agree to the establishment of the Fund Entities, the interests in which will be held by one or more Real Estate Co-Investment Vehicle(s). The initial three Fund Entities shall be as follows:

7.4.1 a development fund whose objective is to develop commercial and industrial real estate properties in Australia and Asia (excluding Japan);

7.4.2 a distressed fund whose objective is to invest in distressed commercial real estate properties in Europe; and

7.4.3 a strategic fund whose objective is to make strategic investments in real estate and real estate related opportunities in Asia Pacific.

For the avoidance of doubt, the parties to the Real Estate Co-Investment Agreement acknowledge and agree that in relation to the Business, for so long as JLEL holds any Real Estate Co-Investment Vehicle Shares: (i) none of the Real Estate Co-Investment Vehicles, nor any of the Fund Entities, shall invest or have any interest, or carry on business, in any hospitality sector (including but not limited to hotels, serviced residences, resorts and other lodging facilities) in any part of the world and (ii) none of the Real Estate Co-Investment Vehicles, nor any of the Fund Entities, shall invest or have any interest in, or carry on the business of, fund management, asset management and/or property management for any third parties.

The Real Estate Co-Investment Vehicle(s) and the Fund Entities will not have any interest, or carry on business, in any hospitality sector as the Company's hospitality business is carried out exclusively through its joint venture with Far East Orchard Limited.

The business sectors that the Real Estate Co-Investment Vehicle(s) intend to invest in are stated in **paragraphs 7.4.1, 7.4.2 and 7.4.3** above.

7.5 Moratorium. Under the terms of the Real Estate Co-Investment Agreement, JLEL agrees that it will not, without the prior written consent of SCPL, sell and/or transfer all or any part of the Real Estate Co-Investment Vehicle Shares held by it for the time being to any person prior to 31 December 2016 or such other date as the parties to the Real Estate Co-Investment Agreement may agree in writing. As mentioned in **paragraph 7.2** of this Circular and for the avoidance of doubt, JLIHL shall not hold its interest in each Real Estate Co-Investment Vehicle directly but through JLEL which is a subsidiary of JLIHL.

7.6 Composition of the Board. Subject to the terms of the Real Estate Co-Investment Agreement, the board of each Real Estate Co-Investment Vehicle shall comprise:

7.6.1 three persons nominated by SCPL or any Other STC Subsidiary (as the case may be); and

7.6.2 two persons nominated by JLEL.

The board of each Real Estate Co-Investment Vehicle shall appoint a management team to be responsible for the day to day operations of the Real Estate Co-Investment Vehicle. For the avoidance of doubt, Mr. John Lim will be a non-executive director of the Real Estate Co-Investment Vehicle(s).

7.7 Restriction on Transfer. Under the terms of the Real Estate Co-Investment Agreement, JLEL shall not transfer any Real Estate Co-Investment Vehicle Shares held by it or otherwise sell, dispose of or deal with all or any part of its interest in such Real Estate Co-Investment Vehicle Shares unless and until the rights of pre-emption conferred thereunder have been exhausted. The terms of the Real Estate Co-Investment Agreement provide that JLEL shall only be entitled to transfer all (and not some only) of the Real Estate Co-Investment Vehicle Shares held by it in all the Real Estate Co-Investment Vehicle(s) or otherwise sell, dispose of or deal with all (and not some only) of its interest in such Real Estate Co-Investment Vehicle Shares and if it desires to transfer all of such

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Real Estate Co-Investment Vehicle Shares, it shall give to SCPL and the other shareholder(s) of the Real Estate Co-Investment Vehicles notice in writing of such desire, such notice to include, *inter alia*, the price and such other terms and conditions of such sale and the identity of the potential third party buyer ("**Transfer Notice**"). If an allocation notice is not given to JLEL within the period of 21 business days after the date of the Transfer Notice, JLEL shall be entitled to sell all (and not some only) of such Real Estate Co-Investment Vehicle Shares to the potential third party buyer named in the Transfer Notice and on such price and terms not more favourable than the price and terms set out in the Transfer Notice except that JLEL may provide representations, warranties, covenants and indemnities customary for such transfer to such third party buyer.

8. REAL ESTATE CO-INVESTMENT CONSIDERATION

8.1 Value of Consideration. Assuming that SCPL and/or any Other STC Subsidiary collectively contribute the SCPL Aggregate Commitment Amount and subscribe for new Real Estate Co-Investment Vehicle Shares up to the SCPL Aggregate Commitment Amount, the aggregate value of the consideration payable for such new Real Estate Co-Investment Vehicle Shares pursuant to the Maximum Subscription will be up to S\$850,000,000.

8.2 Pricing Factors. As each newly incorporated Real Estate Co-Investment Vehicle is a start-up company, the pricing of each shareholder's contribution is based on the nominal value of its respective contribution. Under the terms of the Real Estate Co-Investment Agreement, SCPL and/or any Other STC Subsidiary shall contribute up to a maximum of S\$850,000,000 and JLEL shall contribute up to a maximum of S\$100,000,000, as more particularly described in **paragraph 7.3.2** of this Circular.

8.3 Satisfaction of Consideration. As mentioned in **paragraph 7.3.2(i)** of this Circular, the SCPL Aggregate Commitment Amount shall be made by SCPL and/or any Other STC Subsidiary (a) in cash by way of shareholder loan(s) and/or notes and/or subscription for new Real Estate Co-Investment Vehicle Shares and (b) by way of asset contribution in accordance with the terms of the Real Estate Co-Investment Agreement. Any such cash contribution (excluding the Initial Subscription which shall be satisfied using internal funds) shall be satisfied using the Proceeds and/or any such asset contribution shall be in the form of the transfer of the Unsold Assets in accordance with **paragraph 7.3.4** of this Circular.

9. RATIONALE FOR THE REAL ESTATE CO-INVESTMENT

As part of its corporate policy, the Company continuously evaluates long term growth options with respect to each of its portfolio businesses to enhance shareholders' interests and transform its portfolio of businesses into independent growth engines, with each business being focused players in their chosen fields.

The Company's property division currently comprises mainly a portfolio of high quality but low yielding investment properties in Singapore and Malaysia. As a small scale player in the real estate space, there may be limited profitable growth opportunities for the Company's property division. The Company believes that the Real Estate Co-Investment will enable the Company's property division to transform into a dynamic real estate investment platform that is backed by strong capital commitments and industry expertise.

The Fund Entities that the parties to the Real Estate Co-Investment Agreement will establish are envisaged to broaden the scope of the Company's current property division and allow the Company to re-deploy capital into potentially higher return real estate opportunities across specific geographical locations. For the avoidance of doubt, as stated in **paragraph 7.4** of this Circular, none of the Real Estate Co-Investment Vehicle(s), nor any of the Fund Entities, shall invest or have any interest in, or carry on the business of, fund management, asset management and/or property management for any third parties so as to mitigate any conflicts with ARA's businesses.

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In addition, subject to definitive agreements being entered into, the Real Estate Co-Investment Vehicle(s) will provide seed / capital commitments to support new private real estate fund products by ARA. This is expected to help ARA grow its private funds business and in turn create value for shareholders' of ARA and the Company. As stated in **paragraph 5** of this Circular, the total capital commitment to the Real Estate Co-Investment Vehicle(s) is up to an aggregate of S\$950.0 million. The board(s) of the Real Estate Co-Investment Vehicle(s) will determine the allocation of such funds to either seed new private real estate funds (to be managed by ARA or another fund manager) when such opportunities materialises or other business opportunities (each subject to satisfactory due diligence and terms).

10. VALUES OF THE REAL ESTATE CO-INVESTMENT VEHICLES

10.1 Book Value and Asset Value. Assuming (i) SCPL and/or any Other STC Subsidiary collectively contribute the SCPL Aggregate Commitment Amount, and (ii) the Maximum Subscription has taken place, the book value and the net tangible asset value of the Maximum Subscription is S\$850,000,000.

10.2 Net Profits / Losses. As the Real Estate Co-Investment Vehicle(s) have not commenced business, the Real Estate Co-Investment Vehicle(s) do not have any reported net profits or losses.

11. ILLUSTRATIVE FINANCIAL EFFECTS

11.1 Assumptions. The pro-forma combined financial effects of the Acquisition, the Initial Subscription and the Maximum Subscription on the EPS, the NTA per Share, and the share capital of the Company are set out below and have been computed based on the STC Group FY2012 Results and the STC Group 3Q2013 Results.

The financial effects as set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of the STC Group.

11.2 NTA – FY2012. For purely illustrative purposes only, assuming the Acquisition, Initial Subscription and Maximum Subscription had been effected on 31 December 2012, being the end of FY2012, the effect of the Acquisition, Initial Subscription and Maximum Subscription on the NTA per Share for FY2012, based on the STC Group FY2012 Results, would be as follows:

	Before the Acquisition ⁽¹⁾	After the Acquisition ⁽²⁾	After the Acquisition and the Initial Subscription ⁽²⁾	After the Acquisition and the Maximum Subscription ⁽²⁾
NTA (S\$ million)	1,110.0	1,160.0 ⁽³⁾	1,160.0 ⁽³⁾	1,160.0 ⁽³⁾
NTA per Share (S\$)	3.41	3.42	3.42	3.42

Notes:

- (1) Calculated based on 325,897,000 issued Shares, being the number of Shares outstanding as at 31 December 2012.
- (2) Calculated based on 339,595,000 Shares in issue, following the allotment and issuance of the Consideration Shares.
- (3) The NTA had increased after the Acquisition by an amount of S\$50.0 million, such amount representing the value of the Consideration Shares which were issued at a premium to the NTA per Share before the Acquisition.

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11.3 EPS – FY2012. For purely illustrative purposes only, assuming the Acquisition, Initial Subscription and Maximum Subscription had been effected on 1 January 2012, being the beginning of FY2012, the effect of the Acquisition, Initial Subscription and Maximum Subscription on the EPS for FY2012, based on the STC Group FY2012 Results and the ARA Group FY2012 Results, would be as follows:

	Before the Acquisition⁽¹⁾	After the Acquisition⁽²⁾	After the Acquisition and the Initial Subscription⁽²⁾	After the Acquisition and the Maximum Subscription⁽²⁾
Profit / (Loss) after tax and non-controlling interests (S\$ million)	(55.2)	(43.3) ⁽³⁾	(45.5) ⁽⁴⁾	(74.2) ⁽⁵⁾
EPS (cents)	(16.95)	(12.76)	(13.40)	(21.85)

Notes:

- (1) Calculated based on 325,897,000 issued Shares, being the number of Shares outstanding as at 31 December 2012.
- (2) Calculated based on 339,595,000 Shares in issue, following the allotment and issuance of the Consideration Shares.
- (3) The losses after tax and non-controlling interests decreased from S\$55.2 million before the Acquisition to S\$43.3 million after the Acquisition mainly due to equity accounting of the share of ARA's profits of S\$11.9 million.
- (4) The losses after tax and non-controlling interests increased from S\$43.3 million after the Acquisition to S\$45.5 million after the Acquisition and the Initial Subscription mainly due to an increase in the interest expenses of S\$2.2 million, as a result of higher borrowing to fund the Initial Subscription.
- (5) The computation assumes that the Maximum Subscription will be made in cash from the proceeds arising from the sale(s) of the Real Estate Assets. As a result, the computation excludes earnings of S\$28.7 million from the Real Estate Assets adjusted for related interest expenses and income, and assumes the property related borrowings will be refinanced. No forecast is made on the earnings from the Real Estate Co-Investment Vehicle(s).

11.4 NTA – 3Q2013. For purely illustrative purposes only, assuming the Acquisition, Initial Subscription and Maximum Subscription had been effected on 30 September 2013, being the end of 3Q2013, the effect of the Acquisition, Initial Subscription and Maximum Subscription on the NTA per Share for 3Q2013, based on the STC Group 3Q2013 Results, would be as follows:

	Before the Acquisition⁽¹⁾	After the Acquisition⁽²⁾	After the Acquisition and the Initial Subscription⁽²⁾	After the Acquisition and the Maximum Subscription⁽²⁾
NTA (S\$ million)	1,243.5	1,293.5 ⁽³⁾	1,293.5 ⁽³⁾	1,293.5 ⁽³⁾
NTA per Share (S\$)	3.15	3.17	3.17	3.17

Notes:

- (1) Calculated based on 394,397,772 issued Shares, being the number of Shares outstanding as at 30 September 2013.
- (2) Calculated based on 408,095,772 Shares in issue, following the allotment and issuance of the Consideration Shares.
- (3) The NTA had increased after the Acquisition by an amount of S\$50.0 million, such amount representing the value of the Consideration Shares which were issued at a premium to the NTA per Share before the Acquisition.

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11.5 EPS – 3Q2013. For purely illustrative purposes only, assuming the Acquisition, Initial Subscription and Maximum Subscription had been effected on 1 January 2013, being the beginning of 3Q2013, the effect of the Acquisition, Initial Subscription and Maximum Subscription on the EPS for 3Q2013, based on the STC Group 3Q2013 Results and the ARA Group 3Q2013 Results, would be as follows:

	Before the Acquisition ⁽¹⁾	After the Acquisition ⁽²⁾	After the Acquisition and the Initial Subscription ⁽²⁾	After the Acquisition and the Maximum Subscription ⁽²⁾
Profit / (Loss) after tax and non-controlling interests (S\$ million)	106.9	117.3 ⁽³⁾	117.3	63.7 ⁽⁴⁾
EPS (cents)	27.09	28.75	28.75	15.62

Notes:

- (1) Calculated based on 394,397,772 issued Shares, being the number of Shares outstanding as at 30 September 2013.
- (2) Calculated based on 408,095,772 Shares in issue, following the allotment and issuance of the Consideration Shares.
- (3) The profits after tax and non-controlling interests increased from S\$106.9 million before the Acquisition to S\$117.3 million after the Acquisition mainly due to equity accounting of the share of ARA's profits of S\$10.4 million.
- (4) The computation assumes that the Maximum Subscription will be made in cash from the proceeds arising from the sale(s) of the Real Estate Assets. As a result, the computation excludes earnings of S\$53.6 million from the Real Estate Assets adjusted for related interest expenses and income, and assumes the property related borrowings will be refinanced. No forecast is made on the earnings from the Real Estate Co-Investment Vehicle(s).

11.6 Share Capital. For purely illustrative purposes only, upon completion of the Acquisition, the Real Estate Co-Investment Agreement and the allotment and issuance of the Consideration Shares, the issued and paid up share capital of the Company will increase from S\$520.1 million comprising 394,397,772 Shares to S\$570.1 million comprising 408,095,772 Shares.

12. SHAREHOLDERS' APPROVAL

12.1 Acquisition – Relative Figures. The relative figures for the Acquisition computed on the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Acquisition	STC Group	Relative Figures (%)
(b)	The net profit / (loss) attributable to the Sale Shares, compared with the STC Group's net profit / (loss) ⁽¹⁾ .	S\$7.8 million	S\$75.3 million	10.3
(c)	The aggregate value of the consideration paid ⁽²⁾ , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares ⁽³⁾ .	S\$294.4 million	S\$1,439.6 million	20.4
(d)	The number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities previously in issue.	13.7 million	394.4 million	3.5

Notes:

- (1) Net profits / losses is defined as profit or loss before income tax, minority interests and extraordinary items. The figures are based on the ARA Group 1H2013 Results and the STC Group 1H2013 Results. Net profit of S\$38.6 million was reported by the ARA Group in the ARA Group 1H2013 Results. Net profit of S\$75.3 million was reported by the STC Group in the STC Group 1H2013 Results.
- (2) For the purposes of Rule 1006(c) of the Listing Manual, the consideration for the Acquisition is deemed to be S\$294.4 million, calculated based on the criteria set out in **paragraph 4.1** of this Circular.

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- (3) Market capitalisation has been calculated on the basis of 394,397,772 Shares in issue as at the Last Full Trading Date multiplied by the VWAP of the Shares transacted on the Last Full Trading Day, being S\$3.65.

12.2 Real Estate Co-Investment – Relative Figures. The relative figures for the Maximum Subscription computed on the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Maximum Subscription	STC Group	Relative Figures (%)
(b)	The net profit / (loss) attributable to the Maximum Subscription, compared with the STC Group's net profit / (loss) ⁽¹⁾ .	Not applicable ⁽²⁾		
(c)	The aggregate value of the consideration paid ⁽³⁾ , compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares ⁽⁴⁾ .	S\$850.0 million	S\$1,439.6 million	59.0

Notes:

- (1) Net profits / losses is defined as profit or loss before income tax, minority interests and extraordinary items.
- (2) The Real Estate Co-Investment Vehicle(s) have not commenced business and accordingly do not have any reported net profits or losses.
- (3) For the purposes of Rule 1006(c) of the Listing Manual, the consideration for the Maximum Subscription is deemed to be the SCPL Aggregate Commitment Amount, being S\$850 million.
- (4) Market capitalisation has been calculated on the basis of 394,397,772 Shares in issue as at the Last Full Trading Day multiplied by the VWAP of the Shares transacted on the Last Full Trading Day, being S\$3.65.

12.3 Classification. As the relative figures under Rule 1006(c) in relation to each of the Acquisition and the Real Estate Co-Investment exceeds 20%, each of the Acquisition and the Real Estate Co-Investment is a “major transaction” as defined in the Listing Manual which requires Shareholders’ approval.

12.4 Grounds for Waiver of Rule 1014(2). As the Acquisition involves securities in two listed entities, it is in the interest of shareholders of both the Company and ARA that the Acquisition completes as soon as possible. An early execution of the Real Estate Co-Investment Agreement would also allow the parties to the Real Estate Co-Investment Agreement (including SCPL) to commence business and to seek acquisitions at the earliest opportunity and not miss out on potential opportunities in the time required if prior Shareholders’ approval was required.

Accordingly, an application was made on behalf of the Company to the SGX-ST to seek, *inter alia*, a waiver from the requirement to obtain prior Shareholders’ approval for the Acquisition and the Real Estate Co-Investment and that the Company may instead seek Shareholders’ ratification of the Acquisition and the Real Estate Co-Investment.

12.5 Conditions for Waiver. In this regard, the SGX-ST granted the Waiver on 21 October 2013, subject to the following:

12.5.1 submission of a written undertaking from the Company that it will seek Shareholders’ ratification of the Acquisition and the Real Estate Co-Investment within 3 months from 21 October 2013, being the date of granting of the Waiver (“**Company Undertaking**”);

12.5.2 TCPL, being the largest Shareholder with a shareholding interest in the Company of approximately 72.47%⁹, providing to the SGX-ST a copy of its written undertakings to the Company (i) to vote in favour of any Shareholders’ resolution(s) relating to the approval and ratification of the Acquisition and the Real Estate Co-Investment at the EGM to be convened and (ii) that it will not dispose of its equity stake in the Company before and up to the date of the EGM (“**TCPL Undertaking**”);

⁹ Based on 394,397,772 Shares in issue as at 21 October 2013.

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12.5.3 unanimous approval by the Directors of the Acquisition and Real Estate Co-Investment; and

12.5.4 the Company announcing the Waiver, the reasons for seeking the Waiver and the conditions, as required under Rule 107 of the Listing Manual.

In satisfaction of the conditions of the Waiver:

- (i) the Company has submitted the Company Undertaking to the SGX-ST on 28 October 2013 and the Company will be convening the EGM to seek Shareholders' ratification of the Acquisition and the Real Estate Co-Investment on Wednesday, 8 January 2014 at 10.00 a.m., which is within 3 months from the date of granting of the Waiver;
- (ii) a copy of the TCPL Undertaking has been provided to the SGX-ST on 28 October 2013;
- (iii) the Acquisition and Real Estate Co-Investment were unanimously approved by the Directors; and
- (iv) the Company had on 28 October 2013 announced the Waiver, the reasons for seeking the Waiver and the conditions attaching to the Waiver. Further details relating to the grounds for seeking the Waiver have also been disclosed in **paragraph 12.4** of this Circular.

13. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

13.1 Directors' Interests. None of the directors of the Company has any interest, direct or indirect, in the transactions contemplated by the Acquisition and the Real Estate Co-Investment.

13.2 Controlling Shareholders' Interests. None of the controlling shareholders of the Company has any interest, direct or indirect, in the transactions contemplated by the Acquisition and the Real Estate Co-Investment.

13.3 Shareholdings. The interests of the directors and the substantial shareholders of the Company before and after the Acquisition are set out in **Appendix B** to this Circular.

14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acquisition and the Real Estate Co-Investment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

15. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Acquisition and the Real Estate Co-Investment are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the Acquisition and the Real Estate Co-Investment to be proposed at the EGM.

16. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 26 to 27 of this Circular, will be held at Meeting Room 334, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 8 January 2014 at 10.00 a.m. for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

LETTER TO THE SHAREHOLDERS

17. ACTION TO BE TAKEN BY SHAREHOLDERS

17.1 Appointment of Proxies. Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find enclosed in this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910, not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

17.2 When Depositor regarded as Shareholder. A depositor shall not be regarded as a Shareholder entitled to attend the EGM and vote thereat unless his name appears on the depository register at least 48 hours before the time appointed for the EGM.

18. INSPECTION OF DOCUMENTS

Copies of the SPAs and Real Estate Co-Investment Agreement are available for inspection by Shareholders during normal business hours at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 for three months from 28 October 2013, being the date of the announcement made by the Company in relation to the Acquisition and the Real Estate Co-Investment.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Real Estate Co-Investment and the STC Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of
The Board of Directors of
THE STRAITS TRADING COMPANY LIMITED

Chew Gek Khim
Executive Chairman
23 December 2013

APPENDIX A

Real Estate Assets Owned by the STC Group

A. Singapore Real Estate Assets

1. Straits Trading Building, a 28-storey commercial building at No. 9 Battery Road
2. 13 residential units at Gallop Green¹⁰
3. 6 bungalows at Cable Road
4. 14 residential units at The Holland Collection
5. 3 plots of land for residential development at Nathan Road

B. Malaysia Real Estate Assets

1. Straits Trading Building, a 7-storey commercial building at No. 2 Lebuhr Pasar Besar, Kuala Lumpur
2. A parcel of residential land, Lot No. 11260, Mukim of Hulu Kinta, District of Kinta, Perak
3. A parcel of residential land, Lot No. 34612 Jalan Gopeng, Ipoh, Perak
4. Parcels of commercial land, Lot Nos. 1105 to 1110, 2122 and 2123 Town of Seremban, District of Seremban, Negeri Sembilan
5. Lot Nos. 197 and 199, Section 4 Town of Butterworth, Pulau Pinang
6. Lot Nos. 2569 and 2626, Section 4 Town of Butterworth, Pulau Pinang
7. Lot Nos. 2499, 189, 190 and 270, Section 4 Town of Butterworth, Pulau Pinang; accommodating 6 residential units, a single-storey bungalow with 2 annex buildings, a single-storey club house and 1½ storey squash court and vacant plots
8. Lot Nos. 195, 2502 and 2570, Section 4 Town of Butterworth, Pulau Pinang; accommodating a 3-storey club house with a guard house, three single-storey bungalows with/without annex building and vacant plots
9. 3-storey shophouses (8 units), No. 4819 to 4826 Jalan Pantai, Taman Selat, Butterworth, Pulau Pinang
10. 3 units of 3-storey shophouses and 5 units of 4-storey shophouses, Nos. 5, 7, 9, 31, 33, 35, 37 and 75 Jalan Selat, Taman Selat, Butterworth, Pulau Pinang
11. Wavertree Bungalow at Jalan Lady Maxwell, 49000 Bukit Fraser, Pahang
12. Lot 448, Mukim of Sabai, District of Bentong, Pahang Darul Makmur

¹⁰ An option to purchase 1 residential unit at Gallop Green was granted to a purchaser on 31 October 2013 and exercised by such purchaser on 27 November 2013. Completion of the sale is scheduled to take place on 5 February 2014.

APPENDIX B

Directors' and Substantial Shareholders' Interests in Shares before and after the Acquisition

Name of Shareholder	Before the Acquisition			After the Acquisition		
	Direct		Deemed	Direct		Deemed
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
The Cairns Pte. Ltd. ⁽³⁾	285,839,552	72.475	–	–	285,839,552	70.042
Raffles Investments Limited ⁽³⁾	–	–	285,839,552	72.475	–	–
Aequitas Pte. Ltd. ⁽³⁾	–	–	285,839,552	72.475	–	–
Siong Lim Private Limited ⁽³⁾	–	–	285,839,552	72.475	–	–
Tecity Pte. Ltd. ⁽³⁾	–	–	285,839,552	72.475	–	–
Kambau Pte. Ltd. ⁽³⁾	–	–	285,839,552	72.475	–	–
Grange Investment Holdings Private Limited ⁽³⁾	–	–	285,839,552	72.475	–	–
Dr Tan Kheng Lian ⁽³⁾	4,860	0.001	285,839,552	72.475	4,860	0.001
Aberdeen Asset Management Asia Limited ⁽⁴⁾	–	–	33,268,957	8.435	–	–
Aberdeen International Fund Managers Limited ⁽⁴⁾	–	–	23,032,088	5.840	–	–
Aberdeen Asset Management PLC ⁽⁴⁾	–	–	33,268,957	8.435	–	–
Third Avenue Management LLC ⁽⁵⁾	–	–	30,187,815	7.654	–	–
Third Avenue International Value Fund ⁽⁵⁾	26,635,049	6.753	–	–	26,635,049	6.527
Chew Gek Khim	41,200	0.010	–	–	41,200	0.010
Chew Gek Hiang	23,000	0.006	–	–	23,000	0.006

Notes:

- (1) The figures are calculated based on 394,397,772 issued Shares.
- (2) The figures are calculated based on 408,095,772 Shares in issue, including the allotment and issuance of the Consideration Shares.
- (3) The shareholdings of each of The Cairns Pte. Ltd., Raffles Investments Limited, Aequitas Pte. Ltd., Siong Lim Private Limited, Tecity Pte. Ltd., Kambau Pte. Ltd., Grange Investment Holdings Private Limited and Dr Tan Kheng Lian are based on each of their disclosures to the Company which were filed on SGXNET on 3 December 2013.
- (4) The shareholdings of Aberdeen Asset Management Asia Limited (held in its capacity as fund manager and agent for its clients), Aberdeen International Fund Managers Limited and Aberdeen Asset Management PLC are based on each of their disclosures to the Company which were filed on SGXNET on 2 May 2013.
- (5) The shareholdings of Third Avenue Management LLC and Third Avenue International Value Fund are based on each of their disclosures to the Company which were filed on SGXNET on 20 June 2013.

NOTICE OF EXTRAORDINARY GENERAL MEETING



THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of The Straits Trading Company Limited (the “**Company**”) will be held at Meeting Room 334, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 8 January 2014 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following ordinary resolutions:

RESOLUTION 1

THE ACQUISITION

RESOLVED THAT:

- (a) the acquisition (“**Acquisition**”) by the Company or its nominee(s) of:
- (i) 118,930,000 shares in ARA Asset Management Limited (“**ARA Shares**”), representing approximately 14.07% of the issued ARA Shares, from JL Investment Group Limited (“**JL**”); and
 - (ii) 50,970,000 ARA Shares, representing approximately 6.03% of the issued ARA Shares, from Cheung Kong Investment Company Limited (“**Cheung Kong**”),

amounting in aggregate to 169,900,000 ARA Shares, representing approximately 20.10% of the issued ARA Shares, for an aggregate consideration comprising S\$244,371,040 in cash and the allotment and issuance of 13,698,000 new shares in the Company to JL or a nominee as may be designated by JL, upon the terms and conditions of the sale and purchase agreements (“**SPAs**”) dated 28 October 2013 entered into between, on the one hand, the Company and on the other hand, each of JL and Cheung Kong, be and is hereby approved, confirmed and ratified;

- (b) the directors of the Company (“**Directors**”) and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents including, without limitation, the SPAs, as may be required), as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Acquisition, the SPAs and this Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Acquisition, the SPAs and this Resolution be and are hereby approved, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 2

THE REAL ESTATE CO-INVESTMENT

RESOLVED THAT:

- (a) the entry into by STC Capital Pte. Ltd., a subsidiary of the Company, of a real estate co-investment agreement dated 28 October 2013 ("**Real Estate Co-Investment Agreement**") with each of JL Investment Holding (2012) Ltd and JL Equity II Limited in relation to the incorporation of one or more real estate co-investment vehicle(s) which shall carry on the business of a real estate operating company to invest in real estate and real estate related investments across specific geographical locations ("**Real Estate Co-Investment**"), be and is hereby approved, confirmed and ratified;
- (b) the Directors and each of them be and are/is hereby authorised to perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents including, without limitation, the Real Estate Co-Investment Agreement, as may be required), as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Real Estate Co-Investment, the Real Estate Co-Investment Agreement and this Resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Real Estate Co-Investment, the Real Estate Co-Investment Agreement and this Resolution be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei
Company Secretary
23 December 2013

Notes:

- 1. A member of the Company entitled to attend and vote at the EGM of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- 3. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

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THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

PROXY FORM

Extraordinary General Meeting

I/We* _____ (Name)

of _____ (Address)

being a member/members* of **THE STRAITS TRADING COMPANY LIMITED** (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or*

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing such proxy/proxies*, the Chairman of the extraordinary general meeting ("**EGM**"), as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM to be held at Meeting Room 334, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 8 January 2014 at 10.00 a.m., and at any adjournment thereof.

(Please indicate with a "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies* will vote or abstain from voting as the proxy/proxies* may think fit, as the proxy/proxies* will on any other matter arising at the EGM.)

	To be used on a show of hands		To be used in the event of a poll	
	For	Against	No. of Votes For	No. of Votes Against
Ordinary Resolution: To approve, confirm and ratify the Acquisition				
Ordinary Resolution: To approve, confirm and ratify the Real Estate Co-Investment				

Dated this ____ day of _____ 2013/4*

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second-named proxy as an alternate to the first named.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with the Articles of Association of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 not less than 48 hours before the time appointed for the EGM. The sending of this form of proxy by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant instrument of proxy will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. A member of the Company should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time appointed for the EGM.
9. Agent banks acting on the request of investors who have purchased shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") who wish to attend the meeting as observers are required to submit in writing, a list with details of the CPF Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorized signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the EGM.

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