



For immediate release

**JL INVESTMENT GROUP LIMITED, THE STRAITS TRADING COMPANY LIMITED,  
CHEUNG KONG PROPERTY HOLDINGS LIMITED, IN PARTNERSHIP WITH  
WARBURG PINCUS AND AVIC TRUST PROPOSE TO PRIVATISE  
ARA ASSET MANAGEMENT LIMITED**

*All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the Scheme Announcement dated 8 November 2016.*

- ARA and the Consortium believe that the privatisation represents a mutually beneficial proposition to both Scheme Shareholders and ARA:
  - the Scheme provides an opportunity for Scheme Shareholders who may find it difficult to exit in ARA due to the low historical trading liquidity, to realise their investment at an attractive valuation (refer to transaction premiums below); and
  - the privatisation provides ARA with an efficient source of significant capital through its partnership with two reputable investors, Warburg Pincus and AVIC Trust (as defined below), in support of ARA's future growth.
- Scheme Consideration of **S\$1.78 per Scheme Share**, representing significant premiums to the following benchmarks up to and including 2 November 2016<sup>1</sup>:
  - 43.9% over the 12-month VWAP;
  - 31.7%, 30.3%, 29.6% and 26.2% over the 6-month, 3-month, 1-month VWAPs and the last traded price, respectively; and
  - Exceeds the highest closing price of ARA shares over the past 2.5 years.
- The Offeror does not intend to increase the Scheme Consideration and accordingly, this represents the **final price** for each Scheme Share.
- Upon the Scheme becoming effective, JLIG, affiliates of Straits Trading and Cheung Kong Property (as defined below), will transfer all their shares in ARA to the Offeror at a valuation equivalent to the Scheme Consideration, in exchange for a combination of cash and shares in the HoldCo. Upon completion of the Acquisition, they will hold an aggregate 48.8% effective stake in ARA.

Singapore, 8 November 2016 – Singapore-listed ARA Asset Management Limited (“ARA” or the “Company”) today announced that JL Investment Group Limited (“JLIG”) and affiliates of The Straits

<sup>1</sup> Being the last full trading day of the Shares prior to the date on which trading the Shares was halted following a query regarding trading activity received on 3 November 2016 by the Company from the SGX-ST.

Trading Company Limited (“Straits Trading”) and Cheung Kong Property Holdings Limited (“Cheung Kong Property”) have partnered with affiliates of Warburg Pincus LLC (“Warburg Pincus”) and AVIC Trust Co. Ltd (“AVIC Trust”) to form a Consortium (“Consortium”) for the proposed privatisation and delisting of ARA from the SGX-ST.

Straits Trading, JLIG and Cheung Kong Property are the existing controlling shareholders of ARA with an aggregate stake of 46.24% as at 8 November 2016. Mr Lim Hwee Chiang, John and JL Philanthropy Limited, who are concert parties of JLIG, have an aggregate stake of 0.78% as of 8 November 2016.

The privatisation will be effected by way of a Scheme of Arrangement (“Scheme”), pursuant to which Athena Investment Company (Cayman) Limited (the “Offeror”), a special purpose vehicle incorporated for the purpose of the acquisition, is seeking to acquire all shares of ARA, other than those held by Straits Trading, JLIG and Cheung Kong Property at a price per share of S\$1.78 in cash (“Scheme Consideration”).

The Offeror does not intend to increase the Scheme Consideration of S\$1.78 per Scheme Share and accordingly, this represents the final price.

### **Transaction Rationale**

#### **Access to an Efficient Source of Significant Capital in Support of ARA’s Future Growth**

The Company has an established track record in growing its assets under management (“AUM”) in REITs and private real estate funds. Since the Company’s formation in 2002 and listing in 2007, the Company has built a diversified and resilient asset management portfolio across Asia Pacific, managing approximately S\$30 billion worth of assets as at 30 September 2016<sup>2</sup>.

The Company has over time, developed increasing investment and asset management capabilities over large-scale properties in multiple asset classes across Asia Pacific. Amidst shifting dynamics in the real estate funds management industry, it believes that in order to maximise the scalability of the business model in the long term, it will require a significant amount of capital to further its growth through strategic co-investments into existing and new funds, as well as through opportunistic acquisitions. Should it remain a listed company at this scale, raising capital successfully will take time and will be highly dependent on market conditions. Such capital raisings also entail costs and may result in the dilution of shareholders’ interests.

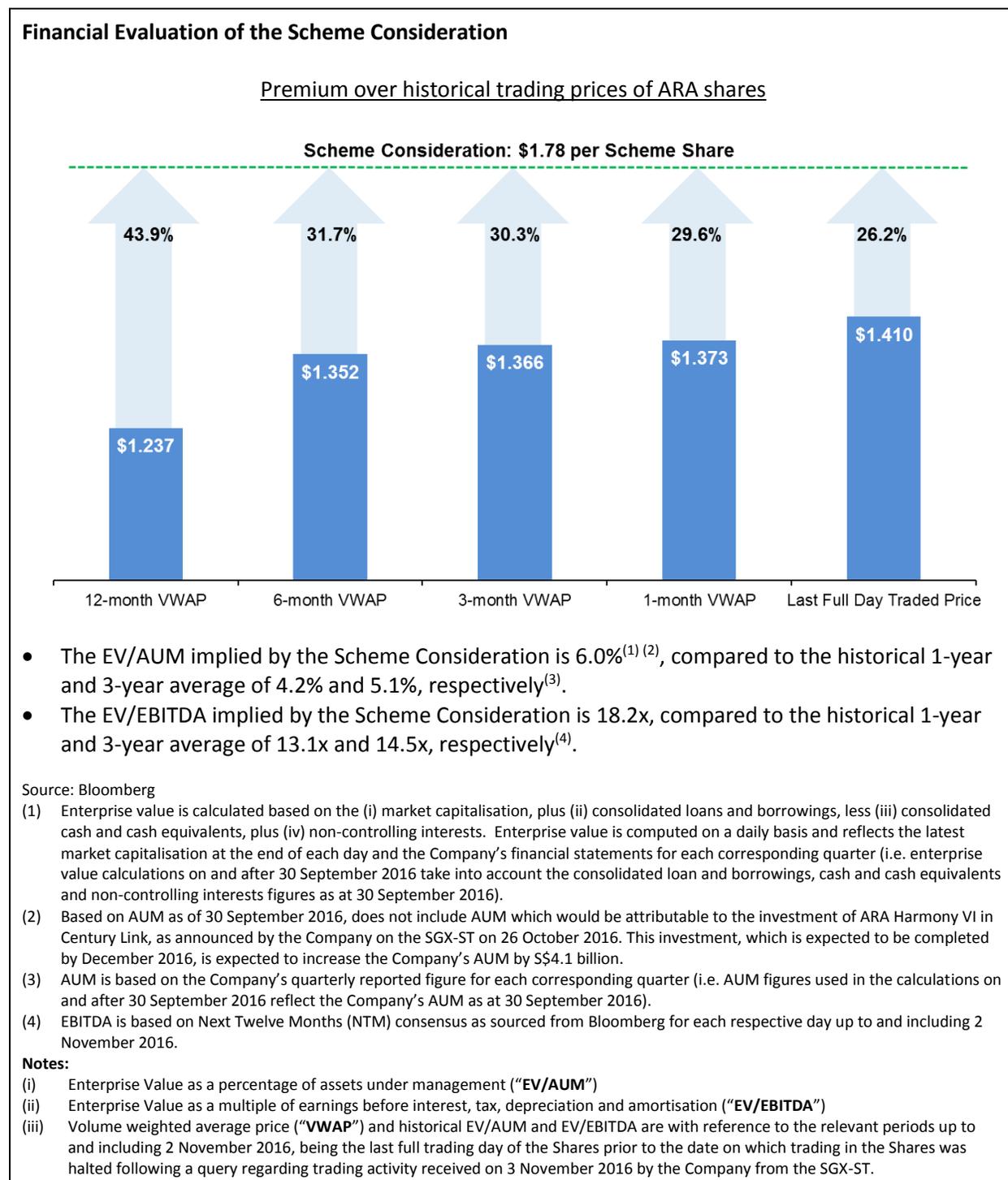
By privatising the Company together with affiliated entities of Warburg Pincus and AVIC Trust, the Consortium believes the Company will be able to secure the long-term commitment of two new strategic capital partners. These partners provide the Company with increased access to capital, which will allow it to operate more nimbly and efficiently in achieving its growth objectives. Warburg Pincus has a global network of investor relationships, experience in partnering with management teams to drive growth, and

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<sup>2</sup> The AUM as of 30 September 2016 does not include AUM which would be attributable to the investment of ARA Harmony VI in Century Link, as announced by the Company on the SGX-ST on 26 October 2016. This investment, which is expected to be completed by December 2016, is expected to increase the Company’s AUM by approximately S\$4.1 billion.

a strong investment track record in real estate platforms around the world. AVIC Trust has a unique distribution capability in China and will also provide the Company with important access to the Chinese capital markets and other business opportunities in China.

### Opportunity for Scheme Shareholders to Realise their Investment at an Attractive Valuation



*“A deeper capital base well-positions ARA in executing its business strategies going forward, including tapping growth opportunities through the network of our new partners,” said Mr. John Lim, Group CEO and Executive Director of ARA.*

*“Straits Trading welcomes Warburg Pincus and AVIC Trust as partners in ARA. Given their deep experience and wide network of business relationships in the China region, we believe they will create value and opportunities to support ARA’s future growth,” said Ms. Chew Gek Khim, Executive Chairman of Straits Trading.*

*“We are excited to partner with Mr. Lim and ARA’s management team on this initiative and the opportunity to accelerate the Company’s growth by leveraging the combined capital markets capabilities of AVIC Trust and Warburg Pincus,” said Mr. Joseph Gagnon, Managing Director and Head of Real Estate of China and Southeast Asia, Warburg Pincus.*

*“By working with ARA shareholders and Warburg Pincus, we believe that AVIC Trust can help to grow ARA’s platform in China and open the doors for more future business opportunities in the country,” said Mr. Yao Jiangtao, Chairman of AVIC Trust.*

### **Transaction Structure and Post-Completion Ownership Structure**

The privatisation is proposed to be carried out by the Offeror, a wholly-owned subsidiary of Athena Investment Company (Singapore) Pte. Limited (the “HoldCo”).

As at the date of this announcement, the only shareholders of the HoldCo are the affiliates of Warburg Pincus and AVIC Trust. Subject to the Scheme becoming effective, JLIG and affiliates of Straits Trading and Cheung Kong Property will transfer their shares in ARA to the Offeror at a valuation equivalent to the Scheme Consideration, in exchange for a combination of cash and shares in the HoldCo.

Upon completion of the Acquisition, ARA will become a wholly-owned subsidiary of the Offeror and a wholly-owned indirect subsidiary of the HoldCo and the shareholding of the HoldCo will be as follows:

<b>Consortium Members</b>	<b>Effective ownership of ARA at completion/Shareholding in the HoldCo</b>
JLIG	19.85%
Affiliate of Straits Trading	20.95%
Affiliate of Cheung Kong Property	8.00%
Affiliate of Warburg Pincus	30.72%
Affiliate of AVIC Trust	20.48%
<b>Total</b>	<b>100.00%</b>

The successful completion of the Acquisition will not trigger any takeover offer for any publicly listed REITs currently managed and/or owned by ARA.

### **Scheme Conditions**

The Scheme will require, amongst others, the following approvals:

- **Share-count Condition:** Approval of at least 75% in value of the Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting; and
- **Head-count Condition:** Approval of more than 50% of the number of Scheme Shareholders present and voting in person or by proxy at the Scheme Meeting

Straits Trading, JLIG, Cheung Kong Property and their concert parties will not vote their shares at the Scheme Meeting.

In addition to approval from the Scheme Shareholders, the Scheme would also be subject to various conditions including:

- court approval;
- approvals from governmental and regulatory agencies in China in relation to the Acquisition; and
- regulatory approvals from MAS and SFC for the change in shareholding of ARA and the REIT managers.

### **Scheme Document**

The Directors of ARA who are considered independent for the purposes of the Scheme (the “Independent Directors”) have appointed Deloitte & Touche Corporate Finance Pte Ltd as an independent financial adviser (“IFA”) to advise them for the purposes of making a recommendation to the Scheme Shareholders in connection with the Scheme. Full details of the Scheme, including the recommendation of the Independent Directors and the advice of the IFA, will be included in a Scheme document to be sent to Scheme Shareholders in due course.

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

### **Joint Financial Advisers**

DBS Bank Ltd and Goldman Sachs (Singapore) Pte. are the joint financial advisers to the Offeror in connection with the Acquisition and the Scheme.

## **Responsibility Statements**

**ARA.** The directors of ARA (including any who may have delegated detailed supervision of the preparation of this document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this document which relate to ARA (excluding information relating to the Offeror and its concert parties or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts which relate to ARA have been omitted from this document, and the directors of ARA jointly and severally accept responsibility accordingly.

Where any information which relates to ARA has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or its concert parties, the sole responsibility of the directors of ARA has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this document. The directors of ARA do not accept any responsibility for any information relating to the Offeror and/or its concert parties or any opinion expressed by the Offeror.

**Offeror.** The directors of the Offeror and each of the members of the Steering Committee (as defined in the Scheme announcement) (including any who may have delegated detailed supervision of the preparation of this document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this document (excluding information relating to ARA or any opinion expressed by ARA) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this document, and the directors of the Offeror and each of the members of the Steering Committee jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from ARA, the sole responsibility of the members of the directors of the Offeror and the members of the Steering Committee has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this document. The directors of the Offeror and the members of the Steering Committee do not accept any responsibility for any information relating to or any opinion expressed by ARA.

## **Forward-looking Statements**

All statements other than statements of historical facts included in this document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or ARA’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Scheme Shareholders and investors of the Offeror and ARA should not place undue reliance on such forward-looking statements, and neither the Offeror nor ARA undertakes any obligation to update publicly or revise any forward-looking statements.

All investor enquiries relating to this press release or the Scheme should be directed to:

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## **About ARA**

ARA is a real estate fund management company listed on the Main Board of the SGX-ST. ARA's business is focused on the following business 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 (both listed in Singapore), Hui Xian REIT and Prosperity REIT (both listed in Hong Kong) and AmFIRST REIT (listed in Malaysia). The Group also manages four privately-held REITs in South Korea;
- b) Private real estate funds – The Group manages several private funds investing in real estate in Asia; and
- c) Real estate management services – The Group provides property management services and convention and exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre.

## **About JLIG**

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

## **About Straits Trading**

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

## **About Cheung Kong Property**

Cheung Kong Property is a Cayman Islands incorporated company whose shares are listed on the Stock Exchange of Hong Kong Limited.

### **About Warburg Pincus**

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in private equity assets under management. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 15 private equity funds, which have invested more than \$58 billion in over 760 companies in more than 40 countries.

### **About AVIC Trust**

AVIC Trust is one of the leading investment and trust managers in China with assets under management of over US\$51 billion. AVIC Trust is owned by Oversea-Chinese Banking Corporation (19.9988%) and indirectly owned by AVIC Capital Co, Limited (80.0012%), a company listed on the Shanghai Stock Exchange and the finance arm of the Aviation Industry Corporation of China.