

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme APN Property Group Limited ("APD")

ACN/ARSN 109 846 068

1. Details of substantial holder (1)

Name ARA Asset Management Limited ("ARA") and the entities listed in Annexure A

ACN/ARSN (if applicable) N.A.

The holder became a substantial holder on 22/07/2010

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary	20,964,343	20,964,343	13.04%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
ARA Real Estate Investors IV Limited ("ARA REI IV")	Relevant interest under s608(1) of the Corporations Act pursuant to a share placement agreement dated 22 July 2010 between ARA and APD (see Annexure B)	20,964,343 Fully Paid Ordinary
Each entity listed in Annexure A	Deemed relevant interest under s608(3) of the Corporations Act in respect of the relevant interest held by ARA REI IV	20,964,343 Fully Paid Ordinary

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
ARA REI IV and each entity listed in Annexure A	Citicorp Nominees Pty Limited	ARA REI IV	20,964,343 Fully Paid Ordinary

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
ARA REI IV and each entity listed in Annexure A	22/07/2010	\$0.22		20,964,343 Fully Paid Ordinary

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure A	

7. Addresses

The addresses of persons named in this form are as follows:

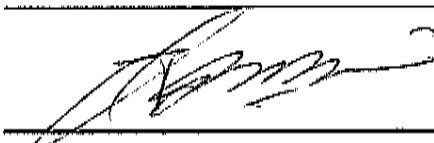
Name	Address
See Annexure A	

Signature

print name Lim Hwee Chiang

capacity Director

sign here



date 23/07/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

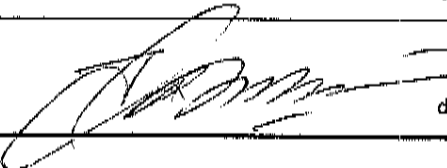
Annexure A to Form 603

This is Annexure A of page 1 referred to in Form 603 prepared by ARA Asset Management Limited in respect of APN Property Group Limited signed by me and dated 23 Jul 2010

print name Lim Hwee Chiang

capacity Director

sign here

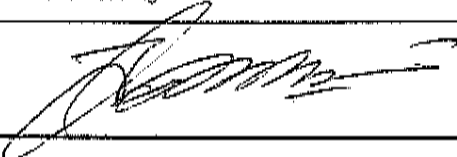

 date 23/07/2010

Name	Address	Remarks
ARA Asset Management Limited ("ARA")	6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986	-
ARA RE Investment Group (Singapore) Pte. Ltd. ("ARA REIGS")	6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986	Wholly owned subsidiary of ARA
ARA RE Investment Group Limited ("ARA REIG")	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	Wholly owned subsidiary of ARA REIGS
ARA Real Estate Investors IV Limited	KCS Chambers, PO Box 4051, Road Town, Tortola, British Virgin Islands	Wholly owned subsidiary of ARA REIG

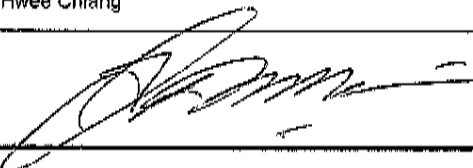
Each a "Substantial Shareholder", ARA Asset Management Limited gives this notice on behalf of itself and each of the Substantial Shareholders.

Annexure B to Form 603

This is Annexure B of page 1 referred to in Form 603 prepared by ARA Asset Management Limited in respect of APN Property Group Limited signed by me and dated 23 Jul 2010

print name	Lim Hwee Chiang	capacity	Director
sign here		date	23/07/2010

I hereby certify that the copy of the Share Placement Agreement included in this Annexure B is a true copy of that document

print name	Lim Hwee Chiang	capacity	Director
sign here		date	23/07/2010



Hall & Wilcox
Lawyers

Share placement agreement

APN Property Group Limited
ARA Real Estate Investors IV Limited

1 1 1 1

Level 30
Bourke Place
600 Bourke Street
Melbourne Vic 3000
DX 320

Telephone +61 3 9603 3555
Facsimile +61 3 9670 9632
www.hallandwilcox.com.au
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Share placement agreement

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Date 22 July 2010

Parties

APN Property Group Limited ACN 109 846 068 of Level 30, 101 Collins Street, Melbourne, Victoria, Australia (Company)

ARA Real Estate Investors IV Limited BVI Company Number 1530559 of KCS Chambers, PO Box 4051, Road Town, Tortola, British Virgin Islands (Subscriber)

Recitals

- A The Subscriber has agreed to subscribe for the Shares.
- B The Company has agreed to issue the Shares to the Subscriber on the terms and conditions of this agreement.

The parties agree

1 Definitions and interpretation

1.1 Definitions

In this agreement:

Additional Amount means:

- (a) an amount equal to a Payment multiplied by the applicable GST rate; and
- (b) any penalties or interest or both imposed by the GST Act.

ARA Director means Lim Hwee Chiang.

ASIC means the Australian Securities & Investments Commission.

Assets means all of the tangible and intangible assets used by the Company that are necessary for the ordinary operation of the Business, including goodwill.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, its related bodies corporate (as defined in the Corporations Act), or the financial market operated by ASX Limited.

Authorised Persons means, in relation to a party:

- (a) the directors, secretary and any other person appointed to act as an authorised officer of that party;

- (b) the employees of that party;
- (c) the legal, financial and other advisers of that party; and
- (d) the respective officers and employees of those legal, financial and other advisers.

Business means the integrated property business conducted by the Company specialising in the management of property funds.

Business Day means a day that is not a Saturday, Sunday or public holiday in either Victoria, Australia or Singapore.

Cleansing Notice means a notice that complies with subsections 708A(5)(e), 708A(6), 708A(7) and 708A(8) of the Corporations Act.

Company General Warranties means each of the representations and warranties referred to in clause 4 and set out in schedule 1.

Completion means completion of the allotment and issue of the Shares to the Subscriber in accordance with this agreement.

Completion Date means 22 July 2010 or any other date that the parties agree on in writing.

Confidential Information means all Information disclosed to or acquired by the Receiving Party or the Receiving Party's Authorised Persons before or after the date of this agreement, whether orally, in writing or in electronic or machine readable form but does not include Information that:

- (a) the Receiving Party can prove by contemporaneous written documentation was in the lawful possession of the Receiving Party before the Disclosing Party had any dealings with the Receiving Party or was independently generated by the Receiving Party or on its behalf;
- (b) is or becomes in the public domain otherwise than as a result of a breach of clause 6 or any other obligation of confidentiality owed to the Disclosing Party; or
- (c) was legally and properly obtained by the Receiving Party from any other source without restriction on further disclosure.

Consequential Loss means any loss or liability which does not arise naturally from the relevant breach of this agreement, even if that loss or liability may reasonably be regarded as having been in the contemplation of both parties as a probable result of the breach at the time they entered into this agreement.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by ASIC in respect of the Company or the transactions contemplated by this agreement.

Disclosing Party means a party who discloses Confidential Information to a Receiving Party.

Documentation means any document or material regardless of form that contains, refers to or stores Information including emails, abstracts, memoranda, notes, correspondence, records, photographs, drawings, plans, papers, magnetic tapes, computer software or any other documents or medium capable of recording or storing Information.

Encumbrance means an interest or power:

- (a) reserved in or over any interest in the Shares or any Asset, including any retention of title; or
- (b) created or otherwise arising in or over the Shares or any Asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

as security for the payment of a debt or other monetary obligation or the performance of any other obligation; or

- (c) arising from any option, equity, preferential interest, adverse interest or third party claim or right of any kind, whether existing or agreed to be granted or created.

Equity Security has the same meaning as in the Listing Rules.

FATA Regulations means the *Foreign Acquisition and Takeover Regulations 1989*, as amended.

Fully Diluted Capital means, at any time, the total number of issued shares in the Company at that time plus the number of fully paid ordinary shares in the Company that would be issued on exercise or conversion of any Equity Securities (other than shares) which are on issue at that time.

Government Authority means any governmental, semi governmental, municipal, statutory, judicial or quasi judicial authority, department, agency, body, entity, organisation, commission or tribunal.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and associated legislation as amended from time to time and words and expressions defined in the GST Act and used in this agreement have the meanings given to them in the GST Act.

Information means information regardless of form relating to or developed in connection with the Disclosing Party or its business including financial affairs, projections, forecasts, accounts, prospects, strategies, business processes and system functionality, business operations, assets, liabilities, customers, personnel, suppliers, contracts, products and stock and sales information and includes the existence and terms of this agreement.

Initial Proportion means the proportion which the Shares bear to the Fully Diluted Capital on Completion.

Insolvency Event means a provisional liquidation, liquidation or winding up, being unable to pay its debts as and when due, the appointment of a controller, administrator, receiver, manager or similar insolvency administrator to a party or any substantial part of its assets or

the entering into a scheme or arrangement with creditors or the occurrence of any event that has a substantially similar effect to any of the preceding events;

Liability means any liability, loss, cost, expense, damage, charge, penalty, outgoing, or payment, however arising and whether present, unascertained, future or contingent but excludes Consequential Loss.

Listing Rules means the Official Listing Rules of ASX as amended and waived by ASX from time to time.

Material Adverse Effect means any occurrence or non-occurrence which has or is likely to have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses or prospects of the Company or any of its subsidiaries.

Participation Exception means:

- (a) an issue of shares in the Company or other Equity Securities to employees, officers, consultants or directors of the Company or its subsidiaries pursuant to a compensation or incentive scheme established for the benefit of employees, officers, directors or consultants of the Company or its subsidiaries; or
- (b) an issue of shares in the Company under a dividend reinvestment plan or bonus share plan which does not exclude participation by the Subscriber Shareholders.

Payment means:

- (a) the amount of a payment payable in connection with a supply under this agreement; and
- (b) the GST exclusive equivalent market value of any non monetary consideration in connection with a supply under this agreement as reasonably determined by the supplier.

Proposed Equity Offer means any proposed offer of Equity Securities by the Company including Equity Securities that may convert (whether at the option of the issuer or the holder) into shares or other Equity Securities issued by the Company.

Receiving Party means a party who receives Confidential Information from or on behalf of the Disclosing Party.

Shares means 20,964,343 fully paid ordinary shares in the capital of the Company.

Subscriber General Warranties means each of the representations and warranties given by the Subscriber referred to in clause 5 and set out in schedule 2.

Subscriber Group means the Subscriber and each of its related bodies corporate (as defined in the Corporations Act).

Subscriber Shareholder means, at any time:

- (a) the Subscriber (or its nominee), if it holds shares in the Company at that time; and
- (b) any member of the Subscriber Group (or its nominee) who has acquired shares in the Company from the Subscriber (or its nominee) and holds those shares at that time.

Subscription Price means A\$4,612,155.46 (A\$0.22 per Share).

1.2 Interpretation

In this agreement, headings are inserted for convenience only and do not affect the interpretation of this agreement and unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes the other gender;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) the meaning of general words is not limited by specific examples introduced by 'includes', 'including', 'for example', 'such as' or similar expressions;
- (e) a reference to a document or instrument, including this agreement, includes all of its clauses, paragraphs, recitals, parts, schedules and annexures and includes the document or instrument as amended, varied, novated, supplemented or replaced from time to time;
- (f) a reference to a statute, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (g) a party includes the party's successors and permitted transferees and assigns and if a party is an individual, includes executors and personal legal representatives;
- (h) a reference to a person includes an individual, a partnership, a corporation or other corporate body, a joint venture, a firm, a trust, an association (whether incorporated or not) and a Government Authority;
- (i) a reference to a group of persons or things is a reference to any two or more of them jointly and to each of them separately;
- (j) an agreement, representation, warranty or indemnity by two or more persons binds them jointly and each of them separately;
- (k) no provision of this agreement will be construed to the disadvantage of a party merely because that party was responsible for the preparation of the agreement or the inclusion of the provision in the agreement;
- (l) all monetary amounts are in Australian dollars, unless otherwise stated and a reference to payment means payment in Australian dollars;

- (m) if the day on or by which something must be done is not a Business Day, that thing must be done on the next Business Day; and
- (n) a period of time dating from a given day or the day of a given act or event is to be calculated exclusive of that day.

2 Subscription for Shares

2.1 Issue of the Shares

The Company agrees to issue the Shares (together with the benefits, rights and entitlements attaching to the Shares) to the Subscriber or as it directs at Completion free from any Encumbrances and on the terms and conditions of this agreement.

2.2 Payment of Subscription Price

The Subscription Price is the consideration for the Shares and the Subscriber must subscribe for the Shares and pay the Subscription Price to the Company at Completion and on the terms and conditions of this agreement.

2.3 Subscriber undertakings

The Subscriber undertakes to use all reasonable efforts to do all things reasonably necessary to enable the Company to comply with its obligations under clause 2.5 (including, but not limited to, procuring and providing to the Company all necessary consents and other information reasonably requested by the Company).

2.4 Subscriber Acknowledgments

The Subscriber acknowledges that:

- (a) in entering into this agreement and in proceeding to Completion, it does not rely on any statement, representation or warranty which may have been made by or on behalf of the Company, except the Company General Warranties and the undertakings in this agreement;
- (b) it has assessed the risks associated with an investment in the Company and does not rely on the Company in any way regarding risk assessment relating to this agreement and consequential investment; and
- (c) it will not do, and it will ensure that none of its associates (as defined in the Corporations Act) does, anything which results or could result in the Subscriber or its associates being in breach of any applicable insider trading laws, including by dealing or causing any person to deal in the Company's securities.

2.5 Company undertakings

The Company undertakes:

- (a) to apply for quotation of the Shares on ASX and use its best endeavours to obtain quotation of the Shares;
- (b) subject to Completion and subject to complying with the Company's constitution, the Corporations Act and the Listing Rules, upon receipt of notice from the Subscriber after Completion (which notice may be given by the Subscriber at any time within one year of Completion), to procure that a meeting of the Company's board is duly convened for the purpose of appointing:
 - (i) the ARA Director to fill a casual vacancy on the Company's board until the next annual general meeting of the Company; and
 - (ii) a person nominated by the ARA Director to act as an alternate director in his place, subject to the Company's board approving such alternate (such approval not to be unreasonably withheld),provided that if at any time the Subscriber Shareholders hold (in aggregate) such number of shares in the Company that is less than 10% of the issued share capital of the Company for a continuous period of 30 days, but only to the extent that this is not a result of one or more of the circumstances set out in clause 3.1(b), the Subscriber's right to be represented on the Company's board lapses and the Subscriber must use all reasonable endeavours to procure the resignation of the ARA Director; and
- (c) to give a Cleansing Notice in accordance with section 708A(6) of the Corporations Act on the Business Day following Completion in respect of the Shares issued under this agreement and such Cleansing Notice must confirm that that the Company has not withheld any excluded information for the purposes of subsections 708A(6)(e), 708A(7) or 708A(8) of the Corporations Act.

3 Participation rights

3.1 Duration of Participation rights

This clause 3 will apply from Completion and will cease to apply when and if:

- (a) the Subscriber Shareholders hold (in aggregate) such number of shares in the Company that is less than 10% of the issued share capital of the Company for a continuous period of 30 days; and
- (b) the reason the Subscriber Shareholders hold less than 10% of the issued share capital of the Company is not because of:
 - (i) any issue of shares pursuant to a Participation Exception;
 - (ii) the issue of shares pursuant to the exercise of any Equity Security on issue prior to the date of this agreement; or
 - (iii) the exercise of any Equity Security issued pursuant to a Participation Exception.

3.2 Notice of Issue

- (a) Subject to clause 3.2(b), the Company must give the Subscriber two Business Days' written notice of any Proposed Equity Offer.
- (b) The Company is not obliged under any circumstances to give the Subscriber notice of any Proposed Equity Offer that, if accepted, would result in a Participation Exception.

3.3 Right to participate

- (a) Except where acceptance of a Proposed Equity Offer results in a Participation Exception, the Company must ensure (subject to clause 3.4(b)) that each Subscriber Shareholder may participate in the Proposed Equity Offer by making an offer for issue to each Subscriber Shareholder of the number of Equity Securities determined in accordance with clause 3.4 and otherwise on the same terms and conditions as offers of Equity Securities are made to other investors or shareholders pursuant to the Proposed Equity Offer.
- (b) Where the Proposed Equity Offer is a pro rata offer made on an accelerated basis, the Subscriber Shareholders shall be treated as institutional shareholders for the purposes of their participation in the Proposed Equity Offer.

3.4 Number of Equity Securities

- (a) Where, in respect of a Proposed Equity Offer, the Company is required under this clause 3 to offer for issue Equity Securities to each Subscriber Shareholder, the number of Equity Securities to be offered to each Subscriber Shareholder is:
 - (i) where the Proposed Equity Offer is a pro rata offer, the pro rata entitlement of that Subscriber Shareholder; or
 - (ii) otherwise, subject to the maximum number determined in accordance with clause 3.4(b), the number of Equity Securities which would need to be issued to that Subscriber Shareholder so that after the issue of Equity Securities under the Proposed Equity Offer the holding of that Subscriber Shareholder bears the same proportion to the Fully Diluted Capital as the holding of that Subscriber Shareholder before the issue of Equity Securities pursuant to the Proposed Equity Offer bore to the Fully Diluted Capital at that time (**Pre-Equity Offer Proportion**), provided that if any Participation Exception (except any issue of shares in the Company under paragraph (b) of the definition of Participation Exception) has occurred since the Completion Date, the Fully Diluted Capital will be calculated as though the Participation Exception had not occurred.
- (b) The maximum number of Equity Securities which the Company shall be required to offer to all Subscriber Shareholders pursuant to clause 3.4(a)(ii) shall be that number of Equity Securities which will enable the Subscriber Group as a whole to subscribe for sufficient additional Equity Securities to enable the Subscriber Group to maintain the proportion of Equity Securities it owns to the Fully Diluted Capital at the same level as the Pre-Equity Offer Proportion, following completion of the Proposed

Equity Offer. For the purposes of determining the Pre-Equity Offer Proportion under this paragraph, if any Participation Exception (except any issue of shares in the Company under paragraph (b) of the definition of Participation Exception) has occurred since the Completion Date, the Fully Diluted Capital will be calculated as though the Participation Exception had not occurred.

3.5 Benefit of rights

Each Subscriber Shareholder, whether a party or not to this agreement, shall be entitled to the benefits of this clause 3 and this clause 3 may be enforced on behalf of each Subscriber Shareholder by the Subscriber.

4 Company General Warranties

4.1 Company General Warranties

The Company represents and warrants to the Subscriber that each Company General Warranty is true, accurate and not misleading or deceptive or likely to mislead or deceive in any respect on the date of this agreement and at Completion.

4.2 Scope of Company General Warranties

Each Company General Warranty is given as at the date of this agreement and immediately before Completion, except where a Company General Warranty is expressed to be given as at a specific date and then that Company General Warranty is given as at that date only.

4.3 Survival

The representations, warranties and indemnities given by the Company under this agreement shall not merge upon Completion.

4.4 Interpretation of Company General Warranties

Each Company General Warranty is to be construed separately and the meaning of each Company General Warranty is in no way limited by reference to any other undertaking, warranty or representation in this agreement.

4.5 Notice of breach of warranty

If before Completion the Company becomes aware of a breach of a Company General Warranty it must immediately give written notice to the Subscriber (such notice giving full and complete details of the breach and its consequences to the extent known).

4.6 Maximum Liability

In addition to any other provision of this agreement, the maximum aggregate Liability of the Company for all breaches of Company General Warranties will not exceed the Subscription Price.

4.7 Thresholds for claims for breach

In addition to any other provision of this agreement, the Company will not be liable for a breach of its Company General Warranties unless and until:

- (a) the Subscriber gives the Company written notice of the alleged breach; and
- (b) either:
 - (i) a claim made about a breach or series of related breaches of a single Company General Warranty exceeds \$50,000, in which case the Subscriber may claim the whole amount and not just the amount in excess of \$50,000; or
 - (ii) the aggregate amount of all claims for all breaches of Company General Warranties is more than \$250,000, in which case:
 - (A) the Company may be liable for all claims irrespective of their size; and
 - (B) the Subscriber may claim the whole amount and not just the amount in excess of \$250,000.

4.8 Duration of Company General Warranties

- (a) Each Company General Warranty given by the Company remains in full force and effect for a period of 12 months after Completion.
- (b) No claim may be brought for breach of a Company General Warranty after the period specified in paragraph (a) and any claim that is brought after that period will, for the purposes of this agreement, be deemed to be out of time, invalid and unenforceable.

5 Subscriber General Warranties

5.1 Subscriber General Warranties

The Subscriber represents and warrants to the Company that each Subscriber General Warranty is true, accurate and not misleading or deceptive or likely to mislead or deceive in any respect.

5.2 Scope of Subscriber General Warranties

The Subscriber acknowledges and agrees that each Subscriber General Warranty is given as at the date of this agreement and as at Completion, except where a Subscriber General Warranty is expressed to be given as at a specific date and then that Subscriber General Warranty is given as at that date only.

5.3 Interpretation of Subscriber General Warranties

Each Subscriber General Warranty is to be construed separately and the meaning of each Subscriber General Warranty is in no way limited by reference to any other undertaking, warranty or representation in this agreement.

5.4 Maximum Liability

In addition to any other provision of this agreement, the maximum aggregate Liability of the Subscriber for all breaches of Subscriber General Warranties will not exceed the Subscription Price.

5.5 Thresholds for claims for breach

In addition to any other provision of this agreement, the Subscriber will not be liable for a breach of its Subscriber General Warranties unless and until:

- (a) the Company gives the Subscriber written notice of the alleged breach; and
- (b) either:
 - (i) a claim made about a breach or series of related breaches of a single Subscriber General Warranty exceeds \$50,000, in which case the Company may claim the whole amount and not just the amount in excess of \$50,000; or
 - (ii) the aggregate amount of all claims for all breaches of Subscriber General Warranties is more than \$250,000, in which case:
 - (A) the Subscriber may be liable for all claims irrespective of their size; and
 - (B) the Company may claim the whole amount and not just the amount in excess of \$250,000.

5.6 Duration of Subscriber General Warranties

- (a) Each Subscriber General Warranty given by the Subscriber remains in full force and effect for a period of 12 months after Completion.
- (b) No claim may be brought for breach of a Subscriber General Warranty after the period specified in paragraph (a) and any claim that is brought after that period will, for the purposes of this agreement, be deemed to be out of time, invalid and unenforceable.

6 Confidentiality

6.1 Obligation of confidence

The Receiving Party must:

- (a) maintain the confidential nature of the Confidential Information;
- (b) only disclose Confidential Information;
 - (i) to an Authorised Person where the Authorised Person has a need to know and after the Receiving Party has made the Authorised Person fully aware of the confidential nature of the Confidential Information;
 - (ii) with the prior written consent of the Disclosing Party; or
 - (iii) as required by law, a court or Government Authority, provided that the Receiving Party must give the Disclosing Party reasonable prior notice of the proposed disclosure; and
- (c) not use the Confidential Information for the Receiving Party's own or another's advantage, or to the competitive disadvantage of the Disclosing Party.

6.2 Security and control

The Receiving Party must:

- (a) take all reasonable proper and effective precautions to maintain the confidential nature of the Confidential Information; and
- (b) as soon as practicable after becoming so aware, notify the Disclosing Party of any potential, suspected or actual unauthorised access, disclosure, copying or use or breach of this clause 6.

6.3 Return and destruction

If requested to do so by the Disclosing Party, the Receiving Party must immediately cease all use of the Confidential Information and must, at its own expense:

- (a) return to the Disclosing Party or destroy, as the Disclosing Party directs, all Documentation containing Confidential Information, whether prepared by the Receiving Party or for the Receiving Party as is in the possession, power or control of the Receiving Party or the Receiving Party's Authorised Persons; and
- (b) confirm to the Disclosing Party in writing that the Receiving Party has complied with all of its obligations under this clause 6.

6.4 No release

Return or destruction of Documentation and Confidential Information does not release the Receiving Party from its obligations of confidence under this clause 6.

6.5 Term

The rights and obligations under this clause 6 begin on the date of this agreement and end two years later.

7 Publicity and public announcements

A party must not make or authorise the making of any press release or other public announcement relating to the negotiations of the parties, the subject matter of this agreement or any of the transactions contemplated by this agreement unless:

- (a) it has the prior written approval of the other party; or
- (b) the release or announcement is required to be made by law or the rules or regulations of any stock exchange, in which case, the party making the release or announcement must give the other party a reasonable opportunity to comment on the contents of the release or announcement before its release.

8 GST

8.1 GST, if any, not included

If, for any reason, a supply made by a party under this agreement is not accepted by the Commissioner of Taxation as GST free and that supply is a taxable supply, then unless this agreement expressly states otherwise, any and all Payments do not include any amount of GST.

8.2 Recovery of GST

If a supply under this agreement is a taxable supply, the recipient of the taxable supply must pay the Additional Amount to the supplier.

8.3 Payment of any Additional Amount

The recipient must pay any Additional Amount at the same time and in the same manner as the relevant Payment is due and payable. However, the recipient need not pay the Additional Amount until the supplier gives the recipient a valid tax invoice.

8.4 Adjustment of any Additional Amount

If the Additional Amount differs from the GST payable by the supplier, the parties must do all things necessary to:

- (a) adjust the Additional Amount, so that the Additional Amount is the same as the GST payable by the supplier; and
- (b) ensure the relevant party issues an adjustment note.

8.5 Reimbursement or indemnity payments

- (a) If a party is entitled to be reimbursed or indemnified under or in connection with this agreement, the amount to be reimbursed or indemnified does not include any amount on account of GST for which the party being reimbursed or indemnified may claim an input tax credit.

- (b) A party will be assumed to be entitled to a full input tax credit unless it demonstrates that its entitlement is otherwise before the date when payment must be made.

9 Completion

9.1 Time of Completion

Completion will take place on the Completion Date at such time as is agreed by the parties.

9.2 Completion

At Completion:

- (a) the Subscriber must pay the Subscription Price in cleared funds for the Shares; and
 (b) the Company must allot and issue the Shares to the Subscriber or as it directs.

9.3 Method of Payment

The Subscriber must pay the Subscription Price in cleared funds by electronic funds transfer into the following account:

Name:	APN Property Group Limited
Bank:	Commonwealth Bank of Australia
BSB:	063012
Account number:	10286958
Bank name and address:	121 Exhibition Street, Melbourne, Victoria, Australia 3000

9.4 Holding confirmation

As soon as practicable after Completion and in any event within two Business Days of Completion (unless otherwise specified) the Company must deliver, or ensure that the Company's share registry delivers, to the legal holder of the Subscriber's Shares formal confirmation of the issue of, and holding details in respect of, the Shares.

10 Costs and stamp duty

10.1 Subscriber to pay stamp duty

The Subscriber must pay all stamp duty (including any fines or penalties or both relating to a failure to pay stamp duty) that is payable on, or relating to, the execution of this agreement and on, or relating to, any instrument signed under this agreement.

10.2 Costs

Except where clause 10.1 applies, each party must pay its own costs of negotiating, preparing and executing this agreement and performing its obligations under this agreement.

11 Termination

11.1 Subscriber's right to terminate before Completion

Completion is conditional on and subject to:

- (a) the Company General Warranties being correct and not misleading in any respect on the Completion Date; or
- (b) the Company not being subject to an Insolvency Event.

The Subscriber may terminate its obligations under this agreement by written notice to the Company at any time prior to Completion if any of the above conditions is not fulfilled.

11.2 Company's right to terminate before Completion

The Company may terminate this agreement by written notice to the Subscriber at any time before Completion if the Subscriber is subject to an Insolvency Event.

11.3 Effect of termination

If this agreement is terminated, then in addition to any other rights or remedies provided by law:

- (a) each party is released from its obligations under this agreement, other than in relation to clauses 6, 7, 8 and 10;
- (b) each party retains any rights, entitlements or remedies it has accrued before termination;
- (c) each party must cease and ensure its Authorised Persons cease using all Documentation that is in its possession, power or control that contain Confidential Information, about that other party and at the other party's option:
 - (i) return;
 - (ii) destroy and certify in writing to the other party the destruction of; or
 - (iii) destroy and permit a representative of the other party to witness the destruction of,all such Documentation.

12 Notices

12.1 General

Unless this agreement expressly states otherwise, a notice, consent, approval, waiver or other communication (notice) in connection with this agreement must be in writing and signed by the sender or a person authorised by the sender. A notice may be given by hand delivery, prepaid post, facsimile or by electronic message to the recipient's current address for service for notices as set out in this agreement or as amended by notice from time to time.

12.2 When effective

A notice given under clause 12.1 will be deemed to be received:

- (a) if hand delivered, at the time of delivery;
- (b) if sent by pre paid post, three Business Days after the date of posting or seven Business Days after the date of posting if posted to or from a place outside Australia;
- (c) if sent by facsimile, when the sender's fax machine produces a report confirming the successful transmission of the entire notice including the relevant number of pages and the correct destination fax machine number or name of recipient; or
- (d) if sent by electronic message, when the sender receives an automated message confirming delivery or eight hours after the message has been sent (as recorded on the device from which the sender sent the message) unless the sender receives an automated message that the electronic message was not delivered or the sender knows or reasonably should know that there is a network failure and accordingly knows or suspects that the electronic message was not delivered.

unless a notice is received after 5.00 pm on a Business Day in the place of receipt or at any time on a non Business Day, in which case, that notice is deemed to have been received at 9.00 am on the next Business Day.

12.3 Electronic notices

Despite clause 12.2(d), the following notices must not be sent by electronic message:

- (a) a notice of breach of this agreement; or
- (b) a notice terminating this agreement.

12.4 Addresses for notices

Any notice given in connection with this agreement must be given to the registered office of the relevant party or to any other address as that party may notify to the other party.

13 Assignment

Before Completion, a party may not assign or otherwise deal with any of its rights or obligations under this agreement without the prior written consent of the other party.

14 Amendment

This agreement may only be amended or varied in writing signed by each party.

15 Waiver**15.1 No waiver**

No failure to exercise or delay in exercising any right given by or under this agreement to a party constitutes a waiver and the party may still exercise that right in the future.

15.2 Waiver must be in writing

Waiver of any provision of this agreement or a right created under it must be in writing signed by the party giving the waiver and is only effective to the extent set out in that written waiver.

16 Counterparts

This agreement may be signed in any number of counterparts. All signed counterparts taken together constitute one agreement.

17 Severability

If any provision of this agreement is void, voidable by a party, unenforceable, invalid or illegal and would not be so if a word or words were omitted, then that word or those words are to be severed and if this cannot be done, the entire provision is to be severed from this agreement without affecting the validity or enforceability of the remaining provisions of this agreement.

18 No merger

On Completion, the rights and obligations of the parties set out in this agreement will not merge and any provision that has not been fulfilled remains in force.

19 Further steps

Each party agrees to promptly do all things reasonably necessary or desirable to give full effect to this agreement and the transactions contemplated by it, including obtaining consents and signing documents.

20 Entire agreement

This agreement constitutes the entire agreement between the parties about its subject matter and supersedes all previous communications, representations, understandings or agreements between the parties on the subject matter.

21 Governing law and jurisdiction**21.1 Governing law**

This agreement is governed by the laws of Victoria.

21.2 Jurisdiction of courts

The parties submit to the non exclusive jurisdiction of the courts of Victoria and the Federal Court of Australia and any courts that may hear appeals from those courts about any proceedings in connection with this agreement.

EXECUTED as an agreement.

Schedule 1 - Company General Warranties

1 Company's incorporation, power and authority

1.1 Company

- (a) The Company:
- (i) is validly incorporated and existing under the laws of its place of incorporation;
 - (ii) has the power to conduct the Business as it is now being conducted and to own the Assets;
 - (iii) has the power to authorise the execution, delivery and performance of this agreement in accordance with its terms, to perform its obligations under this agreement and to carry out the transactions that this agreement contemplates; and
 - (iv) has taken all necessary action to authorise the execution, delivery and performance of this agreement and the transactions this agreement contemplates in accordance with its terms.
- (b) The Company has not engaged in, nor will it engage in, conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the issue of the Shares.
- (c) The Company is not in breach of, and will not before Completion breach ASX Listing Rule 3.1 or Chapter 6CA of the Corporations Act.
- (d) The Business and affairs of the Company have at all time been and continue to be conducted in accordance with its constitution, its Australian Financial Services Licence, the Corporations Act, the Listing Rules, other applicable laws and regulations and other legally binding requirements of ASIC or ASX and are not the subject of any regulatory or governmental investigation, dispute or proceedings except as disclosed to the Subscriber or its Authorised Persons prior to the date of this agreement.
- (e) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any subsidiary or any property of the Company or any subsidiary in any court or before any arbitrator of any kind or before or by any Government Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, except as disclosed to the Subscriber or its Authorised Persons prior to the date of this agreement.

- (f) Less than 10% of the real estate assets of the Company are in the form of developed residential real estate assets for the purposes of regulation 3(j) of the FATA Regulations.

1.2 No conflict

The execution, delivery and performance of this agreement by the Company:

- (a) constitute legal, valid and binding obligations of the Company that are enforceable in accordance with its terms and conditions; and
- (b) do not result in a breach of, or a default under:
- (i) the Company's constitution or other constituent documents of the Company;
 - (ii) any material term or provision of any security arrangement, undertaking, agreement or deed that is binding on the Company or on any of the property of the Company; or
 - (iii) any law, regulation, authorisation, ruling, judgment, order or decree of any Government Authority that is binding on the Company.

1.3 No Insolvency Event

The Company is not subject to a current or threatened Insolvency Event and, as far as the Company is aware, there are no facts, matters or circumstances that are reasonably likely to give rise to the occurrence of any Insolvency Event in relation to the Company.

2 Company's shares and membership

2.1 Company's shares

- (a) All of the shares in the Company's share capital:
- (i) are fully paid and no money is owing in respect of them;
 - (ii) are validly issued; and
 - (iii) rank equally in all respects.
- (b) The Company is admitted to the official list of ASX and quotation of its shares has not been suspended or terminated. The Company has taken no action designed to, or likely to have the effect of terminating its listing from, or the quotation of its shares, on ASX nor has the Company received any notification that ASX is contemplating terminating its listing or quotation of its shares.
- (c) The Company's issued capital as at the date of this agreement is:

Class	Number
Ordinary shares	139,762,287
Options to subscribe for ordinary shares	6,000,000

2.2 Encumbrances and restrictions

At Completion, the Shares:

- (a) will be issued to the Subscriber:
 - (i) free from any and all Encumbrances; and
 - (ii) other than as set out in this agreement, without any restrictions on the transfer of those Shares, whether pre-emptive rights or otherwise;
- (b) will rank equally in all respects with the shares in the Company currently on issue; and
- (c) will be validly issued.

2.3 Cleansing Notice

- (a) The Shares are not being issued by the Company for the purpose of resale, whether by selling or transferring them, granting, issuing or transferring interests in, or options over, them.
- (b) There is no ASIC determination pursuant to subsection 708A(2) of the Corporations Act in force in respect of the Company.
- (c) The Company satisfies each of the preconditions to the case 1 exemption set out in subsections 708A(5)(a) to (d) inclusive of the Corporations Act.
- (d) The Company will issue the Cleansing Notice in accordance with clause 2.5(c).
- (e) As at the date of the Cleansing Notice, the Company has, and will have, complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act.
- (f) As at the date of this agreement and the date of the Cleansing Notice, there is and will be no excluded information of the kind referred to in subsections 708A(6)(e), 708A(7) or 708A(8) of the Corporations Act.

3 Information disclosed to the Subscriber

The Information it has disclosed to the Subscriber relating to the Company, the Business and the Shares is complete and accurate in all material respects and is not misleading or deceptive or likely to mislead or deceive and the Company has not withheld from disclosure to the Subscriber any information which has not been disclosed to ASX which a reasonable person would expect to have a material effect on the price or value of its shares.

4 Applicable laws

As far as the Company is aware, the directors of the Company have conducted the Business and the affairs of the Company in all material respects in compliance with all applicable laws and regulations.

5 Financial position**5.1 Accounts**

The Company's financial statements for the year ended 30 June 2009 (including the related schedules and notes) give a true and fair view of the financial position of the Company and its controlled entities as at 30 June 2009 and of the financial performance of the Company and its controlled entities for the period between 1 July 2008 and 30 June 2009 and have been prepared in accordance with Australian equivalents to International Financial Reporting Standards except as set forth in the notes thereto.

5.2 Since the Accounts Date

So far as the Company is aware, there have been no matters arising since 30 June 2009 that are reasonably likely to have a Material Adverse Effect which have not been disclosed to the ASX or the Subscriber prior to the date of this agreement.

Schedule 2 - Subscriber General Warranties

1 Subscriber's standing and authority

1.1 Subscriber

The Subscriber:

- (a) is validly incorporated and existing under the law of its place of incorporation;
- (b) has the power to authorise the execution, delivery and performance of this agreement in accordance with its terms and to perform its obligations under this agreement and to carry out the transactions that this agreement contemplates;
- (c) is an entity that falls within one or more of the categories of sophisticated or professional investors as described in sections 708(8), 708(10) or 708(11) of the Corporations Act;
- (d) is wholly and beneficially owned by ARA Asset Management Limited;
- (e) has taken all necessary action to authorise the execution, delivery and performance of this agreement and the transactions this agreement contemplates in accordance with its terms; and
- (f) will, subject to Completion, be the sole beneficial owner of the Shares.

1.2 No conflict

The execution, delivery and performance of this agreement by the Subscriber:

- (a) constitute legal, valid and binding obligations of the Subscriber enforceable in accordance with its terms and conditions; and
- (b) do not result in a breach of, or a default under, the Subscriber's constitution or other constituent documents of the Subscriber.

1.3 No Insolvency Event

The Subscriber is not subject to a current or threatened Insolvency Event and, as far as the Subscriber is aware, there are no facts, matters or circumstances that are reasonably likely to give rise to the occurrence of any Insolvency Event in relation to the Subscriber.

Share placement agreement

Signing page

EXECUTED by APN PROPERTY GROUP)
 LIMITED ACN 109 846 068 in accordance)
 with the *Corporations Act 2001* by being)
 signed by the following officers:)




 Signature of director
David Blight
 Group Managing Director

 Name of director *(please print)*

EXECUTED by ARA REAL ESTATE)
 INVESTORS IV LIMITED by being signed)
 by the following officers:)

 Signature of director

 Name of director *(please print)*



 Signature of director / company secretary

JOAN FREEMANTLE

 Name of director / company secretary *(please print)*

 Signature of director / company secretary

 Name of director / company secretary *(please print)*

Share placement agreement

Signing page

EXECUTED by APN PROPERTY GROUP)
 LIMITED ACN 109 846 068 in accordance)
 with the *Corporations Act 2001* by being)
 signed by the following officers:)

Signature of director

Signature of director / company secretary

Name of director (please print)

Name of director / company secretary (please print)

EXECUTED by ARA REAL ESTATE)
 INVESTORS IV LIMITED by being signed)
 by the following officers:)

Signature of director

~~Signature of director / company secretary~~ ---

Lim Hwee Chiang (Sole Director)

Name of director (please print)

~~Name of director / company secretary (please print)~~