



(Constituted in the Republic of Singapore  
pursuant to a trust deed dated 4 July 2003 (as amended))

## SGX-ST Announcement

### DUAL PRIMARY LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED - AVAILABILITY OF LISTING DOCUMENT AND INFORMATION ON BRIDGING ARRANGEMENTS

Further to the announcements dated 24 February 2010, 1 March 2010, 3 March 2010, 22 March 2010, 26 March 2010 and 30 March 2010 in relation to, *inter alia*, the dual primary listing of Fortune Real Estate Investment Trust's ("**Fortune REIT**") units ("**Units**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**") by way of introduction (the "**Introduction**"), ARA Asset Management (Fortune) Limited, as manager of Fortune REIT (the "**Manager**"), is pleased to announce that an electronic copy of the listing document dated 31 March 2010 (the "**Listing Document**") in relation to the Introduction has been posted on the website of Fortune REIT at <http://www.fortunereit.com>, the website of the SGX-ST at <http://www.sgx.com> and the website of the SEHK at <http://www.hkexnews.hk>.

Physical copies of the Listing Document will also be made available at the following locations:

- (i) office of the Manager at Units 5508-10, 55th Floor, The Center, 99 Queen's Road Central, Hong Kong;
- (ii) office of DBS Asia Capital Limited at 22nd Floor, The Center, 99 Queen's Road Central, Hong Kong; and
- (iii) office of J.P. Morgan Securities (Asia Pacific) Limited at Chater House, 28th Floor, 8 Connaught Road Central, Hong Kong.

In connection with the Introduction: (i) DBS Bank Ltd.; and (ii) J.P. Morgan Broking (Hong Kong) Limited (and/or its affiliates authorised to carry out arbitrage activities), have been appointed as bridging dealers (the "**Bridging Dealers**") and they intend to:

- (a) implement bridging arrangements for the facilitation of the migration of Units to the Hong Kong Unit Register (as defined herein) in order for an open market in Units to develop in Hong Kong following the Introduction; and
- (b) on their own account, undertake arbitrage activities to contribute to the liquidity of trading in the Units on the SEHK upon the Introduction as well as to reduce potential material divergence between prices of Fortune REIT units on the Hong Kong and the Singapore markets.

Please refer to **Appendix A** of this announcement for further information on the bridging arrangements.

Subject to the formal and final approval from the SEHK for the listing of, and permission to deal in, the Units on the SEHK, trading is expected to commence on the SEHK on 20 April 2010.

**The information relating to the Introduction as stated in this announcement is subject to change. Unitholders are therefore reminded to exercise caution when dealing in the Units. In the event that Unitholders are in doubt when dealing in the Units, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

**The Manager will announce any material updates when appropriate.**

By Order of the Board  
ARA Asset Management (Fortune) Limited  
(Company registration no. 200303151G)  
(as manager of Fortune Real Estate Investment Trust)

Lim Hwee Chiang, John  
Director  
31 March 2010

## APPENDIX A

### Intended Arbitrage Activities during the Bridging Period<sup>1</sup>

Upon the Introduction and during the Bridging Period, the Bridging Dealers, on their own account, will seek to undertake arbitrage activities in circumstances as described below. Such arbitrage activities are expected to contribute to the liquidity of trading in the Units on the SEHK upon the Introduction as well as to reduce potential material divergence between Unit prices on the Hong Kong and the Singapore markets:

- (1) The Bridging Dealers will seek to carry out arbitrage trades in line with market practice in the context of dual listed stocks. The arbitrage trades are envisaged to be carried out where there exists a meaningful price differential between prices of Units quoted on the SEHK and those quoted on the SGX-ST. In relation to the Introduction, it is envisaged that a typical arbitrage trade would be executed if and when prices of Units quoted on the SEHK are meaningfully higher than those on the SGX-ST, in which case the Bridging Dealers will seek to purchase Units at the lower price in Singapore and sell Units at the higher price in Hong Kong.

The typical cost of executing an arbitrage trade is minimal and should constitute a small percentage of the Unit price. In the Hong Kong context, the typical cost comprises stamp duty (0.1%), trading fee (0.005%) and transaction levy (0.004%) while in the Singapore context, there is a clearing fee (0.04% up to a maximum of S\$600) and trading fee (0.0075%). Nonetheless, as the Bridging Dealers envisage, that for arbitrage trades to occur, the Unit price differential would need to exceed such transaction costs and the risk premium as perceived by the Bridging Dealers (including but not limited to factors such as price volatility and market liquidity on both markets).

The Bridging Dealers intend to carry out arbitrage trades where (a) there exists a meaningful Unit price differential between the Hong Kong and Singapore markets (as determined by the Bridging Dealers), and (b) the Bridging Dealers are able to purchase sufficient quantities of Units to address such price differentials when they arise and to contribute towards trading liquidity to a meaningful extent. The bridging arrangements and the role of the Bridging Dealers will terminate and cease at the expiry of the Bridging Period.

- (2) For the Bridging Dealers to contribute meaningfully towards liquidity of trading in the Units on the Hong Kong market, there should be no trading or exchange disruption in or early closure (other than due to different trading hours) of one or both stock exchanges. There should be concurrent availability of Units on both stock exchanges. Each of the Bridging Dealers has also entered into a Unit Borrowing and Lending Agreement (as defined herein) to ensure it will have ready access to appropriate quantities of Units for settlement purposes upon the Introduction and during the Bridging Period.

---

<sup>1</sup> The 30-day period from and including the date that the Units are to be listed on the SEHK, which is currently expected to be 20 April 2010.

- (3) There is a Unit borrowing and lending agreement between Focus Eagle Investments Limited (the “**Lender**”), an indirect wholly-owned subsidiary of Cheung Kong (Holdings) Limited (“**Cheung Kong**”), and each of the Bridging Dealers with effect from 31 March 2010 (the “**Unit Borrowing and Lending Agreements**”). Pursuant to the Unit borrowing arrangement, the Lender will, at the request of each or both of the Bridging Dealers, make available to the Bridging Dealers Unit lending facilities of an aggregate of up to 10% of the Units in issue (to be shared equally between the Bridging Dealers). Such Units will be used for settlement in connection with the arbitrage trades carried out by the Bridging Dealers in Hong Kong. These Units will have been registered on the Hong Kong register of Unitholders (the “**Hong Kong Unit Register**”) prior to the Introduction. The total number of Units subject to such Unit borrowing arrangement is significantly in excess of the aggregate of the daily trading volumes of the Units on the SGX-ST for the 15 trading days immediately before and up to the Latest Practicable Date<sup>2</sup>.

Each Unit Borrowing and Lending Agreement provides, inter alia, for the Lender to recall the borrowed Units by giving advance notice of 7 days and that all the Units borrowed shall be returned to the Lender not later than 13 Business Days after the Bridging Period End Date<sup>3</sup>.

- (4) Additionally, to facilitate the role of the Bridging Dealers commencing from the pre-opening period (9.30 a.m. – 10.00 a.m.) on the first day of the Introduction, the Bridging Dealers have established a mechanism in place to build up an ownership of a small inventory of Units prior to the commencement of trading. There is a Unit sale and purchase agreement between Focus Eagle Investments Limited (the “**Vendor**”) and each of the Bridging Dealers with effect from 31 March 2010 for the sale of an aggregate of 16,300,000 Units (representing just below 1% of the Units in issue, which shall be shared equally between the Bridging Dealers) at a sale price of HK\$3.57 per Unit, being the closing price of the Units quoted on the SGX-ST on the day immediately before the Latest Practicable Date (the “**Unit Sale and Purchase Agreements**”).
- (5) Simultaneously with the Unit Sale and Purchase Agreement, there is a Unit option agreement between the Vendor and each of the Bridging Dealers with effect from 31 March 2010, pursuant to which each Bridging Dealer has a put option to sell the equivalent number of Units purchased under the relevant Unit Sale and Purchase Agreement back to the Vendor, at the same price as such Units were purchased, on or before the expiry of the Bridging Period, and the Vendor has the right to compel each Bridging Dealer to exercise such put option to sell the equivalent number of Units purchased under the relevant Unit Sale and Purchase Agreement back to the Vendor upon the expiry of the Bridging Period (the “**Unit Option Agreements**”). Currently, it is intended that each Bridging Dealer will at the relevant time exercise its put option with respect to all of the Units it will have purchased under the relevant Unit Sale and Purchase Agreement.

---

<sup>2</sup> 25 March 2010, being the latest practicable date for the purpose of ascertaining certain information contained in the Listing Document.

<sup>3</sup> 19 May 2010.

- (6) The sole purpose of the Unit Sale and Purchase Agreement is to facilitate the Bridging Dealers in contributing towards trading liquidity in the Units on the Hong Kong market, by making available a quantity of Units to facilitate arbitrage trades commencing from the pre-opening period (9.30 a.m. – 10.00 a.m.) during the Bridging Period. Under the arrangement described in the above paragraphs (4) and (5), the Vendor will maintain a neutral position in respect of its unitholdings in Fortune REIT.
- (7) Each Bridging Dealer will continue to replenish its Unit inventory while carrying out the arbitrage trades. When a buy order has been executed on the Singapore market and a sale order has been executed on the Hong Kong market, the Bridging Dealers will instruct the Singapore Unit Registrar, being Boardroom Corporate & Advisory Services Pte. Ltd., to transfer the Units purchased on the Singapore market to Hong Kong to replenish its Unit inventory for further trading. While such transfer of Units takes place, the Bridging Dealers will utilise the Units borrowed under the Unit Borrowing and Lending Agreements for settlement of the sale made in Hong Kong.
- (8) Each of the Bridging Dealers will set up a designated dealer identity number solely for the purposes of carrying out arbitrage trades under this exercise in Hong Kong, in order to ensure identification and thereby enhance transparency of such trades on the Hong Kong market. Once the respective designated dealer identity numbers are available and in any event not later than three Business Days<sup>4</sup> before the first day of the Introduction, the Bridging Dealers will notify the Manager of their respective designated dealer identity numbers. Such information will then be posted by the Manager on the website of Fortune REIT, and disclosed by way of an announcement on both stock exchanges. Any change in such designated dealer identity numbers will be disclosed as soon as practicable using the same channels as described above.
- (9) The Bridging Dealers will enter into such bridging arrangement (including the arbitrage activities) on a voluntary basis with a view to contributing towards liquidity of Units in Hong Kong, and intend for such bridging arrangements to constitute proprietary transactions. The Bridging Dealers will act independently of each other and not in concert.

It is emphasised that other than the Bridging Dealers, arbitrage activities and bridging arrangements may be carried out by market participants who have access to the Units. Also, other existing Unitholders who may have transferred part or all of their unitholdings from Singapore to Hong Kong upon the commencement of trading (or thereafter) can also carry out arbitrage trades in the Units. Such activities will depend on the extent of price differentials between the two stock exchanges, and the number of market participants (other than the Bridging Dealers) who elect to enter into such arbitrage activities and bridging arrangements.

The arbitrage activities of the Bridging Dealers and any persons acting for them will be entered into in accordance with all applicable laws, rules and regulations. The bridging arrangements being implemented in connection with the Introduction are not equivalent to the price stabilisation

---

<sup>4</sup> Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Hong Kong and/or Singapore (as the case may be) and the SEHK and/or the SGX-ST (as the case may be) are open for trading.

activities which may be undertaken in connection with an initial public offering. In addition, the Bridging Dealers are not acting as market makers and do not undertake to create or make a market in Units on the Hong Kong market.

### **Spread of Unitholdings**

It is expected that the following measures and factors will assist in creating and/or improving the spread of holdings of the Units available for trading on the SEHK following the Introduction:

- As the Units are of one and the same class, Unitholders may at their discretion transfer Units from Singapore to Hong Kong upon or after the Introduction, as described in section 19.6 of the Listing Document (“Listings, Registration, Dealings and Settlement – Transfer of Units”). Special arrangements have been made to facilitate transfers of Units, and to incentivise existing Unitholders to transfer their Units to Hong Kong prior to the Introduction by enabling them to do so at a reduced cost. Details of such arrangements are set out in section 19.6.7 of the Listing Document (“Transfer of Units — Special Arrangements to Facilitate Transfers prior to the Introduction”). To the extent that existing Unitholders elect to transfer Units to Hong Kong before or shortly after the Introduction, such Units may help contribute to the general liquidity of the Units on the Hong Kong market.
- Cheung Kong has confirmed to the Manager that it intends to transfer, and/or procure the transfer of, Units representing an aggregate of about 15% of the Units in issue to the Hong Kong Unit Register prior to the Introduction. As indicated in paragraph (3) above, Focus Eagle Investments Limited will lend and make available to the Bridging Dealers Units which will be used solely for settlement in connection with the arbitrage trades carried out by the Bridging Dealers in Hong Kong.
- In conducting arbitrage activities in circumstances as described in the section entitled “Intended Arbitrage Activities during the Bridging Period” above, the Bridging Dealers are effectively acting as a conduit to transfer some of the trading liquidity of the Units in the Singapore market to the Hong Kong market.

The Manager and the Joint Listing Agents<sup>5</sup> consider that having regard to the special arrangements described in sections 19.6.7 (“Transfer of Units – Special Arrangements to Facilitate Transfers prior to the Introduction”), 19.7 (“Bridging Arrangements”, or this Appendix A) and 19.8 (“Investor Education”) of the Listing Document, all reasonable efforts have been made to facilitate the migration of Units to the Hong Kong Unit Register to provide the basis for an open market at the time of Introduction.

---

<sup>5</sup> DBS Asia Capital Limited, a corporation licensed under the Hong Kong Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) to engage in types 1, 4 and 6 of the regulated activities (as defined under the SFO); and J.P. Morgan Securities (Asia Pacific) Limited, a corporation licensed under the SFO to engage in types 1, 4, 6, and 7 of the regulated activities (as defined under the SFO).

## **Benefits of the Bridging Arrangements**

It is believed that the bridging arrangements will benefit the Introduction in the following ways:

- As arbitrage trades are intended to be carried out by the Bridging Dealers during the Bridging Period where there exists a meaningful price differential in the Unit prices, the bridging arrangements are expected to contribute to the liquidity of the Units on the Hong Kong market upon the Introduction.
- Arbitrage trades, by their nature, would typically contribute to reducing potential material divergence between Unit prices on the Hong Kong and the Singapore markets.
- The bridging arrangements are perceived to be a mechanism which is fair to all market participants who have access to the Units, as it is open to all the Unitholders and other market participants who have such access to carry out arbitrage trades similar to those to be carried out by the Bridging Dealers.

## **Disclosure of the Bridging Arrangements**

In order to enhance transparency of the arbitrage activities carried out under the bridging arrangements, various measures to provide information to the market and potential investors will be undertaken as described in section 19.8 (“Listings, Registration, Dealings and Settlement – Investor Education”) of the Listing Document.

Further, the Manager will, as soon as practicable and in any event before the opening of trading hours on the Business Day immediately before the first day of the Introduction, release an announcement on the SEHK and the SGX-ST to inform the investing public of the following information as at the latest practicable date prior to such announcement:

- the number of Units in respect of which the Singapore Unit Registrar has received instructions from Unitholders for the transfer of such Units to the Hong Kong Unit Register (whether under the batch-transfer arrangements<sup>6</sup> or otherwise); and
- the total number of Units which have been registered on the Hong Kong Unit Register.

In respect of the arbitrage trades to be carried out by the Bridging Dealers, each of them will set up a designated dealer identity number solely for the purposes of carrying out such trades in Hong Kong, in order to ensure identification and thereby enhance transparency of the trades on the Hong Kong market. Information relating to such designated dealer identity numbers will be disclosed as set out under paragraph (8) above.

---

<sup>6</sup> As described in Fortune REIT’s announcement on 30 March 2010, in connection with the Introduction, the Singapore Unit Registrar and Computershare Hong Kong Investor Services Limited, the Hong Kong Unit Registrar, will provide three batch-transfers of Singapore listed Units for Unitholders seeking to transfer their Units to the Hong Kong Unit Register prior to the Introduction, with the deadline of the first batch-transfer closing on 9 April 2010.

### ***About Fortune REIT***

Fortune Real Estate Investment Trust (“**Fortune REIT**”) is a real estate investment trust constituted by a Trust Deed entered into on 4 July 2003 (as amended) made between ARA Asset Management (Fortune) Limited, as the Manager of Fortune REIT, and HSBC Institutional Trust Services (Singapore) Limited, as the Trustee of Fortune REIT. Fortune REIT was listed on the Singapore Exchange Securities Trading Limited on 12 August 2003.

Fortune REIT holds a portfolio of fourteen retail properties in Hong Kong, spread across Kowloon and the New Territories, through the ownership of property companies (the “**Property Companies**”), worth approximately HK\$11.5 billion. The retail properties are City One Shatin Property, Ma On Shan Plaza, Metro Town, The Metropolis Mall, Waldorf Garden Property, Caribbean Bazaar, Smartland, Tsing Yi Square Property, Jubilee Court Shopping Centre, The Household Center, Centre de Laguna Property, Hampton Loft, Lido Garden Property and Rhine Garden Property.

More information can be found at [www.fortunereit.com](http://www.fortunereit.com).

### ***About ARA Asset Management (Fortune) Limited, the Manager***

Fortune REIT is managed by ARA Asset Management (Fortune) Limited, a wholly owned subsidiary company of ARA Asset Management Limited, which is listed on the Mainboard of the SGX-ST.

More information can be found at [www.ara-asia.com](http://www.ara-asia.com).

### **Important Notice**

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT.