

Extraordinary/ Special General Meeting::Voluntary

Issuer & Securities

Issuer/ Manager	ARA ASSET MANAGEMENT (FORTUNE) LIMITED
Security	FORTUNE REAL ESTATE INV TRUST - SG1033912138 - F25U

Announcement Details

Announcement Title	Extraordinary/ Special General Meeting
Date & Time of Broadcast	25-Mar-2015 07:46:37
Status	New
Announcement Reference	SG150325XMETK2NL
Submitted By (Co./ Ind. Name)	Justina Chiu
Designation	Director and Chief Executive Officer

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached.

Event Dates

Meeting Date and Time	17-Apr-2015 11:30:00
Response Deadline Date	15-Apr-2015

Event Venue(s)

Place	
Venue(s)	Venue details
Meeting Venue	ROOM 331, LEVEL 3 SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE, 1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593 (ANY UNITHOLDER OR DEPOSITOR OR PROXY WHO WISHES TO TAKE PART IN THE EGM FROM HONG KONG, MAY ATTEND VIA VIDEO CONFERENCE WHICH SHALL BE HELD AT LEVEL 5, HUTCHISON HOUSE, 10 HARCOURT ROAD, CENTRAL, HONG KONG)

Attachments	📎 e_Announcement 25March2015.pdf 📎 e_Notice of EGM.pdf 📎 e_Proxy Form.pdf Total size =649K
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Fortune Real Estate Investment Trust

(constituted in the Republic of Singapore pursuant to a trust deed dated 4 July 2003 (as amended) and authorized as a collective investment scheme under section 286 of the Securities and Futures Act, Chapter 289 of Singapore)

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: Singapore: F25U and Hong Kong: 778)

Managed by



ARA Asset Management (Fortune) Limited

**(1) PROPOSED AMENDMENTS TO THE TRUST DEED
(2) MODIFICATION AND EXTENSION OF WAIVER IN RESPECT OF
CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS
(3) PROPOSED UNIT BUY-BACK MANDATE
AND
(4) CLOSURE OF REGISTER OF UNITHOLDERS**

**Independent financial adviser to
the Independent Board Committee,
the Independent Unitholders and the Trustee**

HK Independent Financial Adviser



**Independent financial adviser to
the Independent Directors and the Trustee**

Singapore Independent Financial Adviser



The Manager proposes to seek Unitholders' approval by way of Extraordinary Resolutions at the EGM for the amendments made to the Trust Deed to:

- (i) revise the structure of the divestment fee such that, where the Manager engages third party agents or brokers in connection with the relevant sale or divestment of real estate of the Fortune REIT Group and the payment to such agent or broker exceeds 0.5% of the sale price of the real estate, the rate of divestment fee payable to the Manager will be increased to the actual rate of fees charged by such agents or brokers, provided that the permitted limit of the rate of divestment fee shall not exceed 1% of the sale price of the real estate; and
- (ii) allow the Manager to repurchase Units under a unit buy-back mandate in accordance with requirements under the Trust Deed to be approved by Unitholders by way of Ordinary Resolution, provide the Manager with the discretion to determine the repurchase price (not exceeding the maximum price as approved by the Unitholders when granting the unit buy-back mandate) for a repurchase of Units under such unit buy-back mandate and set out other general terms and conditions for the repurchase of Units by the Manager under a unit buy-back mandate, subject to the requirements of any applicable Rules.

The Manager also proposes to seek Unitholders' approval by way of Ordinary Resolution at the EGM for the Waiver Modification and Extension (including the Proposed Annual Caps) to, among others,

- (i) modify the persons and entities who are regarded as the connected persons of Fortune REIT under the REIT Code to include the CKP Connected Persons Group if the completion of the CK Spin-off takes place (which, according to the Joint Announcement, subject to the fulfillment of the conditions as detailed in the Joint Announcement, is expected to be at the end of the first half of 2015);
- (ii) expand the scope of the Continuing Connected Party Transactions Under Waiver to include the Expanded Continuing Connected Party Transactions to cover transactions and arrangements which may from time to time be conducted in relation to any properties or companies in which Fortune REIT may directly or indirectly be interested;
- (iii) set annual monetary limits for the Expanded Continuing Connected Party Transactions for the New CPT Waiver Period, as described in the Circular; and
- (iv) extend the expiry date (being 31 December 2015) of the 2013 Modified Waiver for a further three years to 31 December 2018.

In addition, conditional upon the Unit Buy-back Amendments being approved, the Manager further proposes to seek Unitholders' approval by way of Ordinary Resolution at the EGM for a mandate from Unitholders to repurchase Units for and on behalf of Fortune REIT. The Unit Buy-back Mandate will give the Manager the flexibility to undertake repurchases of Units up to the 10% limit described below at any time, during the period when the Unit Buy-back Mandate is in force.

A circular containing, among other things: (1) a letter from the Board to the Unitholders containing, among other things, the details of the Proposed Trust Deed Amendments, the 2015 Modified and Extended Waiver (including the Proposed Annual Caps) and the Unit Buy-back Mandate; (2) a letter from the Independent Board Committee and to the Independent Unitholders in relation to the 2015 Modified and Extended Waiver; (3) a letter from the HK Independent Financial Adviser containing their advice to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2015 Modified and Extended Waiver; (4) a letter from the Singapore Independent Financial Adviser containing their advice to Independent Directors of the Manager and the Trustee in relation to the Divestment Fee Amendments and (5) the EGM Notice setting out the Extraordinary Resolutions and the Ordinary Resolutions to be proposed at the EGM, together with the form of proxy, is expected to be despatched to the Unitholders on 25 March 2015 (that is, the same date as this announcement).

The EGM will be held at 11:30 a.m. (or as soon thereafter following the conclusion/adjournment of the annual general meeting of Fortune REIT to be held at 11:00 a.m. on the same day and at the same place) on Friday, 17 April 2015 at Room 331, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the purpose of considering and, if thought fit, passing with or without amendments, the Extraordinary Resolutions and Ordinary Resolutions set out in the EGM Notice. Any Unitholder or depositor or proxy who wishes to take part in the EGM from Hong Kong, may attend via video conference which shall be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong.

A. PROPOSED AMENDMENTS TO THE TRUST DEED

1. Background to Divestment Fee Amendments

Under clause 15.2.1(ii) of the Trust Deed, the Manager is entitled to receive a divestment fee not exceeding the rate of 0.5% of the sale price (this maximum rate of divestment fee is referred to as the “permitted limit” under the Trust Deed) of any real estate in the form of land sold or divested directly or indirectly by Fortune REIT. Clause 15.2.4 of the Trust Deed further provides that any payment to third party agents or brokers in connection with such divestment shall be paid by the Manager to such persons out of the divestment fee received by the Manager, and not additionally out of the assets of Fortune REIT.

2. Proposed Divestment Fee Amendments

It is common in commercial property transactions in Hong Kong that a third-party agent or broker would charge a fee up to 1% of the sale price for its brokerage fees. In order to allow Fortune REIT to be on par with other market players and to obtain the best selling price possible for its disposals should opportunities arise, it is proposed that the Trust Deed be amended to the effect that, where the Manager engages third party agents or brokers in connection with the sale or divestment of the real estate of the Fortune REIT Group, and the payment to such agent or broker exceeds 0.5% of the sale price of the real estate, the rate of divestment fee payable to the Manager will be increased to the actual rate of fees charged by such agents or brokers, provided that the permitted limit of the rate of divestment fee shall not exceed 1% of the sale price of the real estate. For the avoidance of doubt, if the rate

of fee charged by the third party agent or broker referred to above is lower than 0.5% of the sale price of the real estate, a divestment fee of not exceeding 0.5% of the sale price of the real estate will be payable to the Manager.

In connection with the Revised Divestment Fee Structure, the Manager proposes the Divestment Fee Amendments as set out in the Circular.

3. Background to Unit Buy-back Amendments

Clause 7.1 of the Trust Deed currently provides, *inter alia*, that for so long as Fortune REIT is listed:

- (a) in the event the Manager decides to make any offer to repurchase Units, the repurchase price for a Unit shall be the Current Unit Value per Unit; and
- (b) any offer of repurchase shall be offered to on a *pro rata* basis to all Unitholders.

The Manager is proposing to amend the Trust Deed for the purposes of, *inter alia*:

- (i) allowing the Manager to repurchase Units under a unit buy-back mandate in accordance with requirements under the Trust Deed, subject to the requirements of any applicable Rules and the approval from the Unitholders by way of Ordinary Resolution;
- (ii) providing the Manager with the discretion to determine the repurchase price (not exceeding the maximum price as approved by the Unitholders when granting the unit buy-back mandate) for a repurchase of Units under a unit buy-back mandate; and
- (iii) setting out other general terms and conditions for the repurchase of Units by the Manager under such unit buy-back mandate.

4. Proposed Unit Buy-back Amendments

The Unit Buy-back Amendments will allow the Manager to undertake repurchases of Units under a unit buy-back mandate in a prompt and efficient manner as a flexible and cost-effective tool of capital management, by which to improve return on equity for Unitholders and/or Net Asset Value per Unit. The Manager is of the view that the proposed amendments are in line with the Listing Manual and provisions under the Companies Act, Chapter 50 of Singapore in relation to the share buy-back regime governing companies incorporated in Singapore (with such modifications as may be necessary when applied to REITs), as well as all the applicable rules in Hong Kong, including the Hong Kong Listing Rules and the Hong Kong Takeovers and Share Buy-backs Code.

The proposed Unit Buy-back Amendments allow the Manager to repurchase Units for and on behalf of Fortune REIT, subject to requirements under any applicable Rules, by way of (a) repurchasing the Units on the SGX-ST and/or SEHK; or (b) off-market repurchase made under an “equal access scheme”, and to provide a number of restrictions including:

- (i) prior approval of Unitholders in general meeting by Ordinary Resolution for a unit buy-back mandate;

- (ii) a maximum number of Units to be repurchased pursuant to any unit buy-back mandate of not more than 10% of the total number of issued Units ascertained as at the date of a general meeting when the unit buy-back mandate is approved by the Unitholders; and
- (iii) a duration of the unit buy-back mandate commencing from the date of the general meeting at which the resolution relating to the unit buy-back mandate is passed and expiring on the earliest of the following dates: (a) the date of the next annual general meeting, (b) the date the unit buy-back mandate is revoked or varied by Unitholders by way of Ordinary Resolution in general meeting or (c) the date on which the repurchase of Units under the unit buy-back mandate is carried out to the full extent mandated thereunder.

An “equal access scheme” referred to above must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - a. differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - b. differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - c. differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

5. Approval Required

To adopt the Revised Divestment Fee Structure and the Unit Buy-back Mandate, Unitholders must first approve, by way of Extraordinary Resolutions in accordance with the Trust Deed, the Divestment Fee Amendments and the Unit Buy-back Amendments. The Manager proposes to seek (i) Independent Unitholders’ approval by way of Extraordinary Resolution at the EGM approving the Revised Divestment Fee Structure together with the Divestment Fee Amendments and (ii) Unitholders’ approval by way of Extraordinary Resolution at the EGM approving the Unit Buy-back Amendments. Details of restrictions on voting are set out in the Circular.

6. Recommendation of the Board

The Board considers that the Unit Buy-back Amendments are in compliance with the applicable Rules and in the best interests of Fortune REIT and the Unitholders as a whole.

Taking into consideration the opinion of the Singapore Independent Financial Adviser, the Independent Directors consider that the proposed Revised Divestment Fee Structure together with the Divestment Fee Amendments are in compliance with the applicable Rules and in the best interests of Fortune REIT and its minority Unitholders (including the Independent Unitholders).

7. Opinion of the Trustee

Based on, and in the sole reliance on (1) the information and assurances provided by the Manager and (2) the opinion of the Board, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the Revised Divestment Fee Structure (and the related Divestment Fee Amendments) and the Unit Buy-back Amendments are in the best interests of Fortune REIT and the Independent Unitholders as well as the Unitholders as a whole.

Based on the foregoing matters, the Trustee confirmed that it has no objection to the Manager submitting (i) the Revised Divestment Fee Structure (and the related Divestment Fee Amendments) for Independent Unitholders' approval and (ii) the Unit Buy-back Amendments for Unitholders' approval. Based on the information and assurances provided by the Manager and solely for the purposes of the proviso to clause 28 of the Trust Deed, the Trustee is of the view that the Divestment Fee Amendments and the Unit Buy-back Amendments will not impose upon any Unitholder any obligation to make further payments in respect of its Units or accept any liability in respect thereof.

The Trustee's view is furnished for the sole purpose of complying with paragraph 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee in respect of the merits of the Revised Divestment Fee Structure, the Divestment Fee Amendments or the Unit Buy-back Amendments.

The Trustee has not made any assessment of the merits or impact of the Revised Divestment Fee Structure, the Divestment Fee Amendments nor the Unit Buy-back Amendments, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the Revised Divestment Fee Structure, the Divestment Fee Amendments or the Unit Buy-back Amendments, to seek their own financial or other professional advice.

Subject to (i) the prior approvals of the Independent Unitholders by way of Extraordinary Resolution approving the Revised Divestment Fee Structure and Divestment Fee Amendments, and (ii) the prior approvals of the Unitholders by way of Extraordinary Resolution approving the Unit Buy-back Amendments, the Trustee and the Manager will enter into the Amending and Restating Deed effecting the proposed Divestment Fee Amendments and/or the Unit Buy-back Amendments.

8. Opinion of the Singapore Independent Financial Adviser

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd to advise the Independent Directors of the Manager and the Trustee as to whether the proposed Divestment Fee Amendments, being an "interested person transaction" under Chapter 9 of the Listing Manual, is on normal commercial terms and is not prejudicial to the interests of Fortune REIT and its minority Unitholders.

Having considered the rationale for the proposed Divestment Fee Amendments, the comparison of the proposed divestment fees payable to the Manager pursuant to the proposed Divestment Fee Amendments with similar fees paid by other REITs and property trusts listed on the SGX-ST and the SEHK, and the alignment of the Manager's interests with those of Fortune REIT, the Singapore Independent Financial Adviser is of the opinion that the proposed Divestment Fee Amendments are on normal commercial terms and are not prejudicial to the interests of Fortune REIT and its minority Unitholders.

Details of the Singapore Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Singapore Independent Financial Adviser in relation to the Divestment Fee Amendments".

B. MODIFICATION AND EXTENSION OF WAIVER IN RESPECT OF CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS

1. Introduction

1.1 2010 Waiver

Pursuant to the letter dated 30 March 2010 issued by the SFC to the Manager, among other things, the SFC granted a waiver (subject to the terms and conditions as set out therein) from strict compliance with the disclosure and unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the connected party transactions between Fortune REIT Group on the one hand and the CKH Group or the Manager Group on the other hand, for a period to expire on 31 December 2012 (the "**2010 Waiver**"), including:

(a) Revenue transactions: leasing/licensing transactions

As part of the Fortune REIT Group's ordinary and usual course of business, leasing/licensing transactions had been, or would from time to time be, entered into between the owners of the Initial Properties on the one hand and members of the CKH Group or members of the Manager Group on the other hand in respect of the Initial Properties; and

(b) Expenditure transactions: property management arrangements, third party services and other operational transactions

In addition, various categories of continuing connected party transactions had been, or would from time to time be, conducted with members of the CKH Group, including property management transactions, third party services, deeds of mutual covenant and back-office supporting services.

Details of the 2010 Waiver were summarised in the section "17.2 Certain Continuing Connected Party Transactions of Fortune REIT" in the Introduction Listing Document.

1.2 2012 Modified Waiver

Pursuant to the letter dated 19 January 2012 issued by the SFC to the Manager, subject to the terms and conditions as set out therein, the 2010 Waiver was modified to: (i) expand the scope of the continuing connected party transactions in respect of which the 2010 Waiver was granted to include the transactions in respect of the Belvedere Square Property and the Provident Square Property, which categories of transactions were the same as the categories of the continuing connected party transactions in respect of which the 2010 Waiver was granted; and (ii) replace the 2010 Waiver so that the waiver period would commence afresh as to expire on 31 December 2014 (the “**2012 Modified Waiver**”).

1.3 2013 Modified Waiver

Pursuant to the letter dated 16 September 2013 issued by the SFC to the Manager, subject to the terms and conditions as set out therein, the 2012 Waiver was modified to: (i) expand the scope of the continuing connected party transactions in respect of which the 2012 Modified Waiver was granted to include the transactions in respect of the Fortune Kingswood Property, which categories of transactions were the same as the categories of the continuing connected party transactions in respect of which the 2012 Waiver was granted; (ii) set new annual monetary limits for the years ended 31 December 2013, 2014 and 2015; and (iii) extend the waiver expiry date so that the three-year waiver duration would commence afresh as to expire on 31 December 2015 (the “**2013 Modified Waiver**”).

2. Connected persons of Fortune REIT

The Fortune REIT Group has entered or will enter into certain continuing transactions (which will constitute continuing connected party transactions within the meaning of the REIT Code) with the following connected persons:

2.1 CKH Group and CKP Connected Persons Group

(i) CKH Group

For the purpose of the REIT Code, Cheung Kong is a significant holder (that is, a holder of 10% or more of the outstanding Units) of Fortune REIT, and is therefore a connected person of Fortune REIT under paragraph 8.1(d) of the REIT Code.

Any person who is connected to Cheung Kong as described in paragraphs 8.1(e), (f) or (g) of the REIT Code is also a connected person of Fortune REIT, and these persons include: (i) any director, senior executive or officer of Cheung Kong; (ii) any associate (as defined in the REIT Code) of Cheung Kong or of any director, senior executive or officer of Cheung Kong; and (iii) any controlling entity, holding company, subsidiary or associated company (as defined in the REIT Code) of Cheung Kong (collectively, and together with Cheung Kong, the “**CKH Group**”).

(ii) CKP Connected Persons Group

As announced in the Joint Announcement, Cheung Kong Group proposes to undergo reorganization, merger and spin-off (collectively, the “**CK Spin-off**”), the process of which will involve, among other things, the transfer of unitholding in Fortune REIT and property and project management businesses to CK Property Group, and each of the reorganization proposal, merger proposal and spin-off proposal will be subject to certain conditions precedent, including, where applicable, approval from the shareholders of the relevant companies.

If the completion of the CK Spin-off takes place, it is expected that the connected persons of Fortune REIT will include (i) a directly or indirectly wholly-owned subsidiary of CK Property, which is expected to become a significant holder (within the meaning given in the REIT Code) of Fortune REIT immediately upon the completion of the CK Spin-off (“**CKP Holder**”); (ii) “associates” of the CKP Holder as defined in the REIT Code; and (iii) entities or persons which are from time to time connected persons of Fortune REIT under the REIT Code as a result of their connection with CKP Holder (collectively, the “**CKP Connected Persons Group**”).

According to the Joint Announcement, it is expected that subject to the fulfillment of the conditions as detailed in the Joint Announcement, the CK Spin-off will be completed at around the end of the first half of 2015. For the purpose of the 2015 Modified and Extended Waiver (as defined below) and the compliance under the REIT Code, (i) if the completion of the CK Spin-off takes place, (a) the CKH Group will remain as connected persons of Fortune REIT up to such completion, and (b) the CKP Connected Persons Group is expected to become connected persons of Fortune REIT upon such completion; and (ii) if completion of the CK Spin-off does not take place, the CKH Group will remain as connected persons of Fortune REIT.

Further announcement will be made by Fortune REIT when and where appropriate after the completion of the CK Spin-off or if CK Spin-off does not proceed.

2.2 Manager Group

The Manager is a connected person of Fortune REIT under paragraph 8.1(a) of the REIT Code.

Connected persons of Fortune REIT also include any person who is connected to the Manager as described in paragraphs 8.1(e), (f) or (g) of the REIT Code as below:

- (a) any director, senior executive or officer of the Manager;
- (b) any associate (as defined in the REIT Code) of any director, senior executive or officer of the Manager; and
- (c) any controlling entity, holding company, subsidiary or associated company (as defined in the REIT Code) of the Manager.

The Manager Group excludes the connected persons of Fortune REIT falling under the definition of the CKH Group or the CKP Connected Persons Group (as the case may be, depending on whether completion of the CK Spin-off takes place).

3. Expiration of the 2013 Modified Waiver

The 2013 Modified Waiver will expire on 31 December 2015.

In accordance with its terms, the 2013 Modified Waiver may be extended beyond its expiry, and/or the terms and conditions of the 2013 Modified Waiver may be modified from time to time, provided that the terms and conditions set out below are complied with:

- (a) the due approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or amendment (as the case may be) shall be made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the 2013 Modified Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Fortune REIT after the date on which the approval referred to in (a) above is obtained.

4. 2015 Modified and Extended Waiver

In view of (a) the expiry of the 2013 Modified Waiver on 31 December 2015; (b) the CK Spin-off proposed by Cheung Kong; and (c) the 2013 Modified Waiver not covering transactions and arrangements in respect of properties and companies other than the properties in respect of which the 2013 Modified Waiver was granted, the Manager proposes to seek Unitholders' approval, by way of Ordinary Resolution at the EGM to modify and extend the 2013 Modified Waiver (the "**Waiver Modification and Extension**", and the resulting modified waiver being the "**2015 Modified and Extended Waiver**") so as to:

- (a) modify the persons and entities who are regarded as the connected persons of Fortune REIT under the REIT Code to include the CKP Connected Persons Group if the completion of the CK Spin-off takes place (which, according to the Joint Announcement, subject to the fulfillment of the conditions as detailed in the Joint Announcement, is expected to be at the end of the first half of 2015);
- (b) expand the scope of the Continuing Connected Party Transactions Under Waiver to include all transactions which were entered into and may from time to time be entered into between the Fortune REIT Group on the one hand, and the CKH Group or the CKP Connected Persons Group (as the case may be, depending on whether completion of the CK Spin-off takes place) and/or the Manager Group (as the case may be) on the other hand, in relation to any properties or companies in which Fortune REIT may directly or indirectly be interested (the "**Expanded Continuing Connected Party Transactions**") to cover transactions and

arrangements which may from time to time be conducted in relation to any properties or companies in which Fortune REIT may directly or indirectly be interested;

- (c) set annual monetary limits for the Expanded Continuing Connected Party Transactions for the New CPT Waiver Period, as described in the Circular; and
- (d) extend the expiry date (being 31 December 2015) of the 2013 Modified Waiver for a further three years to 31 December 2018.

Details of the Waiver Modification and Extension, the scope of the Expanded Continuing Connected Party Transactions and Proposed Annual Caps are set out in the Circular.

The Manager has made a submission to SFC for the 2015 Modified and Extended Waiver. The proposed Waiver Modification and Extension is subject to the approval of the SFC. In the event that the Ordinary Resolution regarding the Waiver Modification and Extension is not approved by the Independent Unitholders, the 2013 Modified Waiver will continue to apply for the remainder of its duration.

5. Opinions of the Board, Independent Board Committee, HK Independent Financial Adviser and the Trustee

The Board (including all the independent non-executive Directors) confirms that for purposes of the REIT Code:

- (1) in its opinion, the Waiver Modification and Extension, and the basis for the Waiver Modification and Extension (including the Proposed Annual Caps and the basis of arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (2) in its opinion, each of the Existing Continuing Connected Party Transactions subsisting as at the Latest Practicable Date: (i) has been entered into in the ordinary and usual course of business of Fortune REIT and is consistent with the investment objectives and strategy of Fortune REIT; (ii) has been entered into at arm's length and on normal commercial terms; and (iii) is fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (3) in its opinion, that each of the Expanded Continuing Connected Party Transactions to be entered into after the Latest Practicable Date will be: (i) in the ordinary and usual course of business of Fortune REIT and consistent with the investment objectives and strategy of Fortune REIT; and (ii) at arm's length and on normal commercial terms and fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the Waiver Modification and Extension (including the Proposed Annual Caps). BOSC International Company Limited, being the HK Independent Financial Adviser, has been appointed by the Manager and the Trustee as the independent financial adviser to provide their opinion on these matters to the

Independent Board Committee, the Independent Unitholders and the Trustee as to whether the Waiver Modification and Extension (including the Proposed Annual Caps) are fair and reasonable.

The HK Independent Financial Adviser has confirmed that they are of the view that for the purposes of the REIT Code, the Waiver Modification and Extension, and the basis for the Waiver Modification and Extension (including the Proposed Annual Caps and the basis of arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and the Expanded Continuing Connected Party Transactions have been and will be: (i) conducted in the ordinary and usual course of business of Fortune REIT and consistent with the investment objectives and strategy of Fortune REIT; (ii) on terms which are and will be at arm's length and on normal commercial terms; and (iii) fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

The Independent Board Committee, having taken into account the opinion of the HK Independent Financial Adviser and the principal factors and reasons considered by them, concurs with the opinion of the HK Independent Financial Adviser as mentioned above and is satisfied that for purposes of the REIT Code, the Waiver Modification and Extension, and the basis for the Waiver Modification and Extension (including the Proposed Annual Caps and the basis of arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and the Expanded Continuing Connected Party Transactions have been and will be: (i) conducted in the ordinary and usual course of business of Fortune REIT and consistent with the investment objectives and strategy of Fortune REIT; (ii) on terms which are and will be at arm's length and on normal commercial terms; and (iii) fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Based and in sole reliance on: (1) the opinion of the Board and the information and assurances provided by the Manager; (2) the opinion from the HK Independent Financial Adviser; and (3) the opinion from the Independent Board Committee; the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code: (a) is of the view that the Waiver Modification and Extension (including the Proposed Annual Caps) and the Expanded Continuing Connected Party Transactions are fair and reasonable so far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; (b) is of the view that the Expanded Continuing Connected Party Transactions are consistent with Fortune REIT's established investment objectives and strategy; and (c) has no objection to the Manager proceeding with the Waiver Modification and Extension (including the Proposed Annual Caps), subject to the approval of the Independent Unitholders.

Unitholders' attention is drawn to the "Letter from the Independent Board Committee in relation to the 2015 Modified and Extended Waiver" as set out in the Circular, which contains the Independent Board Committee's recommendation to the Independent Unitholders in respect of the 2015 Modified and Extended Waiver and the Proposed Annual Caps, and the "Letter from the HK Independent Financial

Adviser in relation to the 2015 Modified and Extended Waiver” as set out in the Circular, which contains the HK Independent Financial Adviser’s advice to the Independent Board Committee, the Independent Unitholders and the Trustee in respect of these matters.

C. PROPOSED UNIT BUY-BACK MANDATE

1. Background

The Manager intends to seek a mandate from Unitholders to repurchase Units for and on behalf of Fortune REIT. In this regard, conditional upon the Unit Buy-back Amendments being approved, approval is now sought from Unitholders at the EGM for the Unit Buy-back Mandate.

The Listing Manual, the Hong Kong Listing Rules, the Hong Kong Takeovers and Share Buy-backs Code and the SFC Repurchase Circular contain provisions to regulate, among other things, repurchase by REITs with primary listings of their units on the SGX-ST and the SEHK respectively. Any purchase or acquisition of its Units by Fortune REIT has to be made subject to and in accordance with, and in the manner prescribed by the Trust Deed, the Companies Act, the Listing Manual, the Hong Kong Listing Rules, the Hong Kong Takeovers and Share Buy-backs Code, the SFC Repurchase Circular and such other laws and regulations as may for the time being be applicable.

2. Rationale

The Unit Buy-back Mandate will give the Manager the flexibility to undertake repurchases of Units up to the 10% limit described in section 3.1 below at any time, during the period when the Unit Buy-back Mandate is in force.

The Board considers that:

- (a) the Unit Buy-back Mandate would be a flexible and cost-effective tool of capital management, by which to improve return on equity for Unitholders and/or the Net Asset Value per Unit; and
- (b) the Unit Buy-back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculation in the Units and bolster market confidence in the Units.

Unitholders should note that although the Unit Buy-back Mandate would authorise repurchases of Units up to the said 10% limit during the period when the Unit Buy-back Mandate is in force, the actual number of Units (if any) to be repurchased by the Manager pursuant to the Unit Buy-back Mandate may not be carried out to the full 10% limit.

The Manager will only exercise the Unit Buy-back Mandate to repurchase Units for and on behalf of Fortune REIT in compliance with the requirements under the Trust Deed (as to be amended by the Unit Buy-back Amendments provided that the Unit Buy-back Amendments are approved by Unitholders) and the applicable Rules (which includes the Hong Kong Takeovers and Share Buy-backs Code) and when it considers it to be in the best interests of Fortune REIT and the Unitholders as a whole.

3. Unit Buy-Back Mandate

Conditional upon the Unit Buy-back Amendments being approved, the authority conferred on the Manager and the limitations placed on the repurchases of Units under the Unit Buy-back Mandate by the Manager are set out below.

3.1 *Maximum Limit*

The total number of Units which may be repurchased pursuant to the Unit Buy-back Mandate is limited to that number of Units representing not more than 10% of the total number of issued Units as at the date of the EGM.

3.2 *Duration of authority*

The Unit Buy-back Mandate, if approved by Unitholders by way of Ordinary Resolution, will be in force for the period commencing from the date of the EGM and expiring on the earliest of the following dates:

- (a) the date on which the next annual general meeting of Fortune REIT is held (unless by Ordinary Resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation, the Trust Deed or the REIT Code to be held;
- (b) the date on which the authority conferred by the Unit Buy-back Mandate is revoked or varied by Unitholders by way of Ordinary Resolution in a general meeting; and
- (c) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated.

3.3 *Manner of repurchase*

Repurchases of Units pursuant to the Unit Buy-back Mandate will be made by way of on-market repurchases (“**Market Repurchases**”), which shall be repurchases of Units by the Manager for and on behalf of Fortune REIT effected on the SGX-ST and/or SEHK, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

3.4 *Repurchase price*

The repurchase price (excluding Related Expenses) determined by the Manager for a Unit repurchased on-market under the Unit Buy-back Mandate will be subject to the maximum repurchase price (the “**Maximum Price**”) of not exceeding 105% of the Average Closing Price of the Units.

“**Average Closing Price**” means the average of the closing market prices of a Unit over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

3.5 Status of Purchased Units

A Unit repurchased under the Unit Buy-back Mandate shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to the Unit will expire on such cancellation).

3.6 Source of funds

The proposed Unit Buy-back Amendments provide that Units may not be repurchased pursuant to the Unit Buy-back Mandate for a consideration other than in cash and in accordance with the applicable law and regulation in Singapore. In the case of a Market Repurchase, settlement shall be in accordance with the trading rules of the SGX-ST.

Subject to applicable law and regulation, the Manager intends to use internal sources of funds of Fortune REIT or external borrowings or combination of both to finance the repurchase of Units pursuant to the Unit Buy-back Mandate.

Details of the effect on the working capital and gearing position of Fortune REIT in relation to the Unit Buy-back Mandate are set out in the Circular.

3.7 Financial effects, Taxation, Listing status of the Units, Singapore listing rules, Reporting requirements, Take-over implications

Unitholders' attention is drawn to the sections entitled "4.2.5 Financial effects, 4.2.6 Taxation, 4.2.7 Listing status of the Units, 4.2.8 Singapore listing rules, 4.2.9 Reporting requirements and 4.2.10 Take-over implications" as set out in the Circular, which contains a description of the effects of a repurchase of Units by the Manager for and on behalf of Fortune REIT in respect of these matters.

Details of implications of the Hong Kong Takeovers and Share Buy-backs Code in relation to the Unit Buy-back Mandate are set out in the Circular.

4. Approval Required and Opinion of the Board

The Manager proposes to seek Unitholders' approval by way of Ordinary Resolution at the EGM approving the Unit Buy-back Mandate. The Directors have considered the relevant factors, including the rationale for the proposed Unit Buy-back Mandate as set out above, and considers the proposed Unit Buy-back Mandate to be in the interests of Fortune REIT and the Unitholders as a whole.

5. Explanatory Statement

The Explanatory Statement in connection with the Unit Buy-back Mandate is set out in the Circular, which contains further information on the Unit Buy-back Mandate and sets out the terms and conditions on which the Manager may exercise its power under the Unit Buy-back Mandate, if granted, to effect on-market buy-back(s) of Units on the SEHK on behalf of Fortune REIT.

D. CIRCULAR AND NOTICE OF EGM

The Circular is expected to be despatched to the Unitholders on 25 March 2015 (that is, the same date as this announcement).

The EGM will be held at 11:30 a.m. (or as soon thereafter following the conclusion/adjournment of the annual general meeting of Fortune REIT to be held at 11:00 a.m. on the same day and at the same place) on Friday, 17 April 2015 at Room 331, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the purpose of considering and, if thought fit, passing with or without amendments, the Extraordinary Resolutions and Ordinary Resolutions set out in the EGM Notice. Unitholders' attention is drawn to the "Notice of Extraordinary General Meeting" as set out in the Circular, which contains the full text of the proposed Extraordinary Resolutions and the proposed Ordinary Resolutions. Any Unitholder or depositor or proxy who wishes to take part in the EGM from Hong Kong, may attend via video conference which shall be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong.

E. CLOSURE OF REGISTER OF UNITHOLDERS

In order to determine the list of Unitholders qualified to attend and vote at the EGM, the Register of Unitholders will be closed from Tuesday, 14 April 2015 to Friday, 17 April 2015 (both days inclusive), during which no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the EGM. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all duly completed transfers of Units accompanied by the relevant Unit certificates must be lodged with the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders) for registration by 5:00 p.m. on Monday, 13 April 2015, or with the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders) for registration by 4:30 p.m. on Monday, 13 April 2015.

DEFINITIONS

"2010 Waiver"	the waiver granted by the SFC in 2010 as described in section B headed " <i>1.1 — 2010 Waiver</i> " in this announcement
"2012 Modified Waiver"	the waiver granted by the SFC in 2012 as described in section B headed " <i>1.2 — 2012 Modified Waiver</i> " in this announcement
"2013 Modified Waiver"	the existing waiver granted by the SFC as described in section B headed " <i>1.3 — 2013 Modified Waiver</i> " in this announcement
"2015 Modified and Extended Waiver"	the resulting modified and extended 2013 Modified Waiver, if the proposed modifications and extensions to the 2013 Modified Waiver are approved by the Independent Unitholders at the EGM
"Amending and Restating Deed"	a deed amending and restating the Trust Deed to be entered into between the Manager and the Trustee, to effect the proposed Divestment Fee Amendments and/or the Unit Buy-back Amendments

“Belvedere Square Property”	(i) various shops, the clinics, the kindergartens, a market, various car parking spaces and motor cycle spaces, common areas, Belvedere Garden Phase 1, Nos. 530-590 Castle Peak Road, Tsuen Wan; (ii) Belvedere Garden Phase 2, No. 620 Castle Peak Road, Tsuen Wan; and (iii) Belvedere Garden Phase 3, Nos. 625 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong, and the property was acquired by the Fortune REIT Group on 17 February 2012
“Board”	the board of Directors
“Cheung Kong”	Cheung Kong (Holdings) Limited
“Cheung Kong Group”	Cheung Kong and its subsidiaries from time to time
“Circular”	the circular of Fortune REIT containing, among other things: (1) a letter from the Board to the Unitholders containing, among other things, the details of the proposed amendments to the Trust Deed, the 2015 Modified and Extended Waiver (including the Proposed Annual Caps) and the Unit Buy-back Mandate; (2) a letter from the Independent Board Committee to the Independent Unitholders in relation to the 2015 Modified and Extended Waiver; (3) a letter from the HK Independent Financial Adviser containing their advice to the Independent Board Committee, the Independent Unitholders and the Trustee in relation to the 2015 Modified and Extended Waiver; (4) a letter from the Singapore Independent Financial Adviser containing their advice to Independent Directors of the Manager and the Trustee in relation to the Divestment Fee Amendments; and (5) the EGM Notice setting out the Extraordinary Resolutions and the Ordinary Resolutions to be proposed at the EGM, together with the form of proxy, which is expected to be despatched to the Unitholders on 25 March 2015
“CK Property”	Cheung Kong Property Holdings Limited, which, according to the Joint Announcement, was a wholly-owned subsidiary of CKH Holdings as at the date of the Joint Announcement
“CK Property Group”	CK Property and its subsidiaries from time to time
“CK Spin-off”	the proposed reorganization, merger and spin-off of the Cheung Kong Group as announced in the Joint Announcement

“CKH Group”	<p>a group of connected persons (as defined under the REIT Code) of Fortune REIT (i) up to the completion of the CK Spin-off if such completion takes place, or (ii) if the completion of the CK Spin-off does not take place, and these connected persons include:</p> <p>Cheung Kong and any person who is connected to Cheung Kong (as described in paragraphs 8.1(e), (f) or (g) of the REIT Code) including:</p> <ul style="list-style-type: none"> (i) any director, senior executive or officer of Cheung Kong; (ii) any associate (as defined in the REIT Code) of Cheung Kong or of any director, senior executive or officer of Cheung Kong; and (iii) any controlling entity, holding company, subsidiary or associated company (as defined in the REIT Code) of Cheung Kong
“CKH Holdings”	<p>CK Hutchison Holdings Limited, which, according to the Joint Announcement, (i) was a wholly-owned subsidiary of Cheung Kong as at the date of the Joint Announcement, and (ii) as at Latest Practicable Date, is expected to become the new holding company of Cheung Kong Group upon completion of the reorganization proposal of Cheung Kong Group</p>
“CKP Connected Persons Group”	<p>a group of connected persons (as defined under the REIT Code) of Fortune REIT upon the completion of the CK Spin-off if such completion takes place, and these connected persons include:</p> <p>CKP Holder, associates of the CKP Holder as defined in the REIT Code and entities or persons which are from time to time connected persons of Fortune REIT as a result of their connection with CKP Holder</p>
“CKP Holder”	<p>a directly or indirectly wholly-owned subsidiary of CK Property, which is expected to become a significant holder (within the meaning given in the REIT Code) of Fortune REIT immediately upon the completion of the CK Spin-off, if the completion of the CK Spin-off takes place</p>
“connected person”	<p>has the meaning ascribed to it under the REIT Code</p>
“Continuing Connected Party Transactions Under Waiver”	<p>the continuing connected party transactions in respect of which the 2013 Modified Waiver was granted, the details of such transactions were summarised in the circular of Fortune REIT dated 28 August 2013</p>
“Current Unit Value”	<p>the Net Asset Value of the Deposited Property divided by the number of Units in issue and deemed to be in issue</p>
“Deposited Property”	<p>all the assets of Fortune REIT, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed</p>
“Director(s)”	<p>the director(s) of the Manager</p>

“Divestment Fee Amendments”	the proposed amendments to the Trust Deed in connection with the Revised Divestment Fee Structure, as set out in the Circular, which are to be considered, and if thought fit, approved by Independent Unitholders by way of Extraordinary Resolution at the EGM
“EGM”	an extraordinary general meeting of the Unitholders to be convened on 17 April 2015 to approve, among other things, (i) the proposed amendments to the Trust Deed, (ii) the Waiver Modification and Extension (including the Proposed Annual Caps) and (iii) the proposed Unit Buy-back Mandate
“EGM Notice”	the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the Extraordinary Resolutions and the Ordinary Resolutions to be proposed at the EGM
“Existing Continuing Connected Party Transactions”	the Continuing Connected Party Transactions Under Waiver and the Laguna Continuing Connected Party Transactions
“Expanded Continuing Connected Party Transactions”	the Continuing Connected Party Transactions Under Waiver as expanded by including all transactions which were entered into and may from time to time be entered into between the Fortune REIT Group on the one hand, and the CKH Group or the CKP Connected Persons Group (as the case may be, depending on whether completion of the CK Spin-off takes place) and/or the Manager Group (as the case may be) on the other hand, in relation to any properties or companies in which Fortune REIT may directly or indirectly be interested, as summarised in the Circular
“Extraordinary Resolution”	a resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders, and with a quorum of Unitholders holding 25% of the Units in issue
“Fortune Kingswood Property”	the shopping mall known as “Fortune Kingswood”, as well as other retail, kindergarten, parking lots and ancillary spaces to such areas (including loading bays and external walls), reserve shares and common areas within Kingswood development, located at Tin Shui Wai, Yuen Long, New Territories, and the property was acquired by the Fortune REIT Group on 9 October 2013
“Fortune REIT”	Fortune Real Estate Investment Trust
“Fortune REIT Group”	Fortune REIT and other companies or entities held or controlled by it

“HK Independent Financial Adviser”	BOSC International Company Limited, a corporation licenced to carry out type 1 (dealing in securities) and type 6 (advising in corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended from time to time), and in its capacity as the independent financial adviser for the purpose of paragraph 10.10(p) of the REIT Code
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the SEHK, as amended, supplemented or modified from time to time
“Hong Kong Takeovers and Share Buy-backs Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or modified from time to time
“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the Waiver Modification and Extension (including the Proposed Annual Caps)
“Independent Directors”	the Directors who are considered independent for the purpose of the proposed Divestment Fee Amendments, being Mr. Lim Lee Meng, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Dr. Lan Hong Tsung, David
“Independent Unitholders”	Unitholders other than those who are required to abstain or prohibited from voting pursuant to paragraph 8.11 and/or 9.9(f) of the REIT Code
“Initial Properties”	the 14 properties owned by Fortune REIT as set out in the Introduction Listing Document
“Introduction Listing Document”	the listing document dated 31 March 2010 of Fortune REIT in connection with the listing of its Units by way of introduction on the SEHK
“Joint Announcement”	the joint announcement dated 9 January 2015 issued by Cheung Kong and Hutchison Whampoa Limited.
“Laguna Acquisition”	the acquisition by the Fortune REIT Group of the property known as the “Laguna Plaza”, details of which are set out in the announcements of Fortune REIT dated 8 December 2014 and 9 January 2015 respectively
“Laguna Continuing Connected Party Transactions”	continuing connected party transactions conducted with the CKH Group, as a result of and subsequent to the completion of the Laguna Acquisition, in respect of the property known as the “Laguna Plaza”
“Latest Practicable Date”	17 March 2015, being the latest practicable date prior to the printing of this announcement for the purpose of ascertaining certain information contained in this announcement

“Liabilities”	all liabilities of Fortune REIT (including liabilities accrued but not yet paid) and any provision which the Manager decides in consultation with the auditors of Fortune REIT should be taken into account in determining the liabilities of Fortune REIT
“Listing Manual”	Listing Manual of the SGX-ST
“Manager”	ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT
“Manager Group”	the Manager and persons who are connected persons of Fortune REIT as a result of their connection with the Manager as described in paragraphs 8.1(e), (f) or (g) of the REIT Code, but excluding the connected persons of Fortune REIT falling under the definition of the CKH Group or the CKP Connected Persons Group (as the case may be, depending on whether completion of the CK Spin-off takes place)
“Market Day”	any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and/or Hong Kong (as the case may be) and the SGX-ST and/or SEHK (as the case may be) are open for trading
“Net Asset Value”	the value of the Deposited Property less the Liabilities
“New CPT Waiver Period”	the extended waiver period in respect of the 2013 Modified Waiver, being three financial years ending on 31 December 2018
“Ordinary Resolution”	a resolution proposed and passed as such by a majority being greater than 50% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened under the provisions of the Trust Deed and with a quorum of two or more Unitholders holding 10% of Units in issue
“Property Funds Appendix”	the investment guidelines regulating collective investment schemes that invest or propose to invest in real estate and real estate-related assets in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
“Proposed Annual Caps”	the proposed annual caps for the Expanded Continuing Connected Party Transactions for the New CPT Waiver Period, as set out in the Circular
“Provident Square Property”	portion of basement, portion of ground floor and portion of upper ground floor (but excluding the carparking spaces, driveways and appurtenant areas, the common areas and facilities thereof and therein) and sub-basement, 21–53 Wharf Road, North Point, Hong Kong, and the property was acquired by the Fortune REIT Group on 17 February 2012
“REIT”	real estate investment trust
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC (as amended from time to time)

“Related Expenses”	in relation to the purchase of a Unit under the Unit Buy-back Mandate, the expenses relating to brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
“Revised Divestment Fee Structure”	the proposed amendment to the divestment fee as summarised in the section A headed “2. <i>Proposed Divestment Fee Amendments</i> ” in this announcement, which is to be considered, and if thought fit, approved by Independent Unitholders at the EGM
“Rules”	any laws, rules or regulations, including the Singapore Code on Collective Investment Schemes (including the Property Funds Appendix), the REIT Code, the Listing Manual (where applicable), the Hong Kong Listing Rules (where applicable), the Singapore Securities and Futures Act, the Hong Kong Securities and Futures Ordinance and the Hong Kong Takeovers and Share Buy-backs Code
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFC”	Securities and Futures Commission of Hong Kong
“SFC Repurchase Circular”	the “Circular to Management Companies of SFC-authorized Real Estate Investment Trusts — On-market Unit Repurchases by SFC-authorized REITs”, issued by the SFC on 31 January 2008
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Singapore Independent Financial Adviser”	Ernst & Young Corporate Finance Pte Ltd
“Singapore Take-over Code”	The Singapore Code on Take-Overs and Mergers
“Trust Deed”	the trust deed entered into between the Trustee and the Manager constituting Fortune REIT, dated 4 July 2003 and as amended, varied and supplemented from time to time
“Trustee”	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT
“Unit”	a unit of Fortune REIT, and “Units” will be construed accordingly
“Unit Buy-back Amendments”	the proposed amendments to the Trust Deed in connection with the Unit Buy-back Mandate, the details of which are set out in the section A headed “4 <i>Proposed Unit Buy-back Amendments</i> ” in this announcement, which are to be considered, and if thought fit, approved by Unitholders by way of Extraordinary Resolution at the EGM
“Unit Buy-back Mandate”	the proposed general mandate to be given to the Manager to repurchase Units for and on behalf of Fortune REIT

- “Unitholder(s)” holder(s) of the Units
- “Waiver Modification and Extension” the modifications and extensions to the 2013 Modified Waiver to:
- (i) modify the persons and entities who are regarded as the connected persons of Fortune REIT under the REIT Code to include the CKP Connected Persons Group if the completion of the CK Spin-off takes place (which, according to the Joint Announcement, subject to the fulfillment of the conditions as detailed in the Joint Announcement, is expected to be at the end of the first half of 2015);
 - (ii) expand the scope of the Continuing Connected Party Transactions Under Waiver to include the Expanded Continuing Connected Party Transactions;
 - (iii) set annual monetary limits for the Expanded Continuing Connected Party Transactions for the New CPT Waiver Period; and
 - (iv) extend the expiry date (being 31 December 2015) of the 2013 Modified Waiver for a further three years to 31 December 2018.
- “%” per cent.

By order of the board of directors of
ARA Asset Management (Fortune) Limited
(in its capacity as manager of Fortune Real Estate Investment Trust)
Chiu Yu, Justina
Chief Executive Officer

Singapore, Hong Kong, 25 March 2015

The Directors of the Manager as at the date of this announcement are Dr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang, Mr. Ip Tak Chuen, Edmond and Ms. Yeung, Eirene as Non-executive Directors; Ms. Chiu Yu, Justina and Mr. Ang Meng Huat, Anthony as Executive Directors; Mr. Lim Lee Meng, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Dr. Lan Hong Tsung, David as Independent Non-executive Directors; and Mr. Ma Lai Chee, Gerald as Alternate Director to Mr. Ip Tak Chuen, Edmond.

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Fortune Real Estate Investment Trust

(constituted in the Republic of Singapore pursuant to a trust deed dated 4 July 2003 (as amended) and authorised as a collective investment scheme under section 286 of the Securities and Futures Act, Chapter 289 of Singapore)

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: Singapore: F25U and Hong Kong: 778)

Managed by



ARA Asset Management (Fortune) Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **EXTRAORDINARY GENERAL MEETING** (“EGM”) of the unitholders (the “**Unitholders**”) of Fortune Real Estate Investment Trust (“**Fortune REIT**”) will be held at Room 331, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 17 April 2015 at 11:30 a.m. (or as soon thereafter following the conclusion/adjournment of the annual general meeting of Fortune REIT to be held at 11:00 a.m. on the same day and at the same place). Any Unitholder or depositor or proxy who wishes to take part in the EGM from Hong Kong, may attend via video conference which shall be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong. The persons attending the said video conference will be able to pose questions to the management and to comment on matters to be transacted at the EGM. The EGM will be held for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

EXTRAORDINARY RESOLUTIONS

1. “**THAT**

- (A) pursuant to Clauses 15.2.1(ii) and 28 of the Trust Deed, approval be and is hereby given for (i) the Revised Divestment Fee Structure and (ii) the Divestment Fee Amendments as set out in the Circular; and
- (B) the Manager, any director of the Manager and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Fortune REIT) (the “**Trustee**”) each be and is hereby severally authorised to complete and do or cause to be done all such

acts and things (including without limitation executing such deed amending and restating the Trust Deed to be entered into between the Manager and the Trustee (the “**Amending and Restating Deed**”) and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 1.”

2. “**THAT**

(A) pursuant to Clause 28 of the Trust Deed, approval be and is hereby given for the Unit Buy-back Amendments as set out in the Circular; and

(B) the Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such Amending and Restating Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to the matters resolved upon in sub-paragraph (A) of this resolution no. 2.”

ORDINARY RESOLUTIONS

3. “**THAT**

(A) approval be and is hereby given for the Waiver Modification and Extension, including the Proposed Annual Caps as more fully described in the Circular; and

(B) authorisation be granted to the Manager, any director of the Manager, the Trustee and any authorised signatory of the Trustee to complete and to do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager, the Trustee or such authorised signatory of the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to all matters in relation to all matters upon in sub-paragraph (A) of this resolution no. 3 and to the Expanded Continuing Connected Party Transactions generally.”

4. “**THAT** subject to and conditional upon the passing of Extraordinary Resolution 2:

the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Fortune REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined) by way of on-market repurchase(s) on the SGX-ST and/or SEHK and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed, as proposed to be amended and supplemented by the Amending and Restating Deed containing the Unit Buy-back Amendments, and otherwise in accordance with all applicable law and regulation including the Listing Manual of the SGX-ST, or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-back Mandate**”);

- (A) the authority conferred on the Manager pursuant to the Unit Buy-back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of Fortune REIT is held (unless by ordinary resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation or the Trust Deed or the REIT Code to be held;
 - (ii) the date on which the authority conferred by the Unit Buy-back Mandate is revoked or varied by Unitholders by way of ordinary resolution in a general meeting; and
 - (iii) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated;
- (B) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of a Unit over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the on-market repurchase and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

“**Market Day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and/or Hong Kong (as the case may be) and the SGX-ST and/or SEHK (as the case may be) are open for trading;

“**Maximum Limit**” means that number of Units representing 10% of the total number of issued Units as at the date of the passing of this resolution;

“**Maximum Price**” in relation to a Unit to be repurchased on-market, means the repurchase price (excluding brokerage, commission, stamp duty, applicable goods and services tax and other related expenses) which shall not exceed 105% of the Average Closing Price of the Units.

- (C) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing such documents as may be required) as it or they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution no. 4.”

By order of the board of directors of
ARA Asset Management (Fortune) Limited
(in its capacity as manager of Fortune Real Estate Investment Trust)
Chiu Yu, Justina
Chief Executive Officer

Singapore, Hong Kong, 25 March 2015

Singapore office and registered address:

6 Temasek Boulevard
#16-02 Suntec Tower Four
Singapore 038986

Hong Kong office:

Units 5508–5510, 55th Floor
The Center
99 Queen’s Road Central
Hong Kong

Notes:

1. Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the unitholder circular dated 25 March 2015 (the “**Circular**”).
2. The Register of Unitholders of Fortune REIT will be closed from Tuesday, 14 April 2015 to Friday, 17 April 2015, both days inclusive, to determine which Unitholders will qualify to attend and vote at EGM during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders) not later than 4:30 p.m. on Monday, 13 April 2015 or to the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders) not later than 5:00 p.m. on Monday, 13 April 2015. You can vote at the EGM if you are a Unitholder as at the close of business on Monday, 13 April 2015.
3. A Unitholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint not more than two proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as a proxy need not be a Unitholder.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East Wanchai, Hong Kong (for Hong Kong Unitholders), not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
5. Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders of Fortune REIT in respect of such Unit shall alone be entitled to vote in respect thereof.

Personal Data Privacy

6. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any

applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder’s proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder’s breach of warranty.

Ordinary resolution no. 4 if passed, will empower the Manager from the date of the EGM until the earliest of the following dates: (i) the date on which the next annual general meeting of Fortune REIT is held (unless by ordinary resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation, the Trust Deed or the REIT Code to be held, (ii) the date on which such authority is revoked or varied by the Unitholders by way of ordinary resolution in a general meeting, or (iii) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated, to exercise all the powers to repurchase issued Units for and on behalf of Fortune REIT not exceeding in aggregate 10% of the total number of Units as at the date of the passing of this resolution by way of on-market repurchase(s) on the terms of the Unit Buy-back Mandate set out in the Circular. As the Unit Buy-back Amendments are required for the adoption of the Unit Buy-back Mandate, ordinary resolution no. 4 is conditional upon the passing of extraordinary resolution no. 2.

The Manager intends to use internal sources of funds of Fortune REIT or external borrowings or a combination of both to finance the repurchases of the Units. The impact on the financial position of Fortune REIT cannot be ascertained as at the date of this notice of EGM as these will depend on, inter alia, the aggregate number of Units repurchased, and the consideration paid at the relevant time. For illustrative purposes only, the financial effects of an assumed repurchase of 10% of the Units by the Manager, at a repurchase price equivalent to the Maximum Price per Unit based on the audited consolidated financial statements of Fortune REIT for the financial year ended 31 December 2014 and certain assumptions, are set out the Circular.

The Directors of the Manager as at the date of this announcement are Dr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang, Mr. Ip Tak Chuen, Edmond and Ms. Yeung, Eirene as Non-executive Directors; Ms. Chiu Yu, Justina and Mr. Ang Meng Huat, Anthony as Executive Directors; Mr. Lim Lee Meng, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Dr. Lan Hong Tsung, David as Independent Non-executive Directors; and Mr. Ma Lai Chee, Gerald as Alternate Director to Mr. Ip Tak Chuen, Edmond.

PROXY FORM – EXTRAORDINARY GENERAL MEETING

FORTUNE REAL ESTATE INVESTMENT TRUST

*(Constituted in the Republic of Singapore pursuant to a trust deed dated 4 July 2003)
(A Hong Kong collective investment scheme authorized under section 104
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

IMPORTANT

PLEASE READ THE NOTES TO THE PROXY FORM.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We _____ (Name)

of _____ (Address)

being a unitholder/unitholders of Fortune Real Estate Investment Trust (“Fortune REIT”), hereby appoint:

Name	Address	Identification/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	Identification/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting (“EGM”) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM of Fortune REIT to be held at Room 331, Level 3 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 17 April 2015 at 11:30 a.m. (or soon thereafter following the conclusion/adjournment of the annual general meeting of Fortune REIT to be held at 11:00 a.m. on the same day and at the same place) and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

No.	Resolutions	To be used in the event of a poll	
		No. of Votes For*	No. of Votes Against*
EXTRAORDINARY RESOLUTIONS			
1.	To approve (i) the Revised Divestment Fee Structure and (ii) the Divestment Fee Amendments as set out in the Circular.		
2.	To approve the Unit Buy-back Amendments as set out in the Circular.		
ORDINARY RESOLUTIONS			
3.	To approve the Waiver Modification and Extension, including the Proposed Annual Caps as more fully described in the Circular.		
4.	Subject to and conditional upon the passing of Extraordinary Resolution 2, to approve the Unit Buy-back Mandate as set out in the Circular.		

* If you wish to exercise all your votes “For” or “Against”, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Completion and delivery of this form of proxy will not preclude you from attending and voting at the EGM if you so wish.

Dated this _____ day of _____ 2015

Total number of Units held

Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. Full name(s) and address(es) are to be inserted in **BLOCK CAPITALS**.
2. A Unitholder entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead.
3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. A proxy needs not be a Unitholder but must attend the EGM to represent the Unitholder.
5. A Unitholder should insert the total number of Units held. If the Unitholder has Units registered in his name in the principal register of Unitholders (the “**Singapore Unit Register**”) or the Hong Kong register of Unitholders (the “**Hong Kong Unit Register**”) and together with the Singapore Unit Register, the “**Unit Registers**”), he should insert the aggregate number of Units registered in his name on the Unit Registers. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited (“**CDP**”), he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register, as well as registered in his name in the Unit Registers, he should insert the aggregate number of Units entered against his name in the Depository Register and Unit Registers. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by Unitholder.
6. In the case of joint Unitholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Unitholder(s), and for this purpose seniority will be determined by the order in which the names stand on the Depository Register and/or the Register of Unitholders in respect of the relevant joint holding, the first being the senior.
7. Any alteration made to this form of proxy must be initialled by the person who signs it.
8. The instrument appointing a proxy or proxies must be lodged at: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders), not less than forty-eight (48) hours before the time appointed for EGM.
9. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
10. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof must be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
11. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.
12. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
13. For so long as Fortune REIT is a SFC-authorised REIT, at any meeting a resolution put to the meeting shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting.