

## General Announcement::CHANGES IN BOARD COMPOSITION

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	ARA ASSET MANAGEMENT (FORTUNE) LIMITED
<b>Securities</b>	FORTUNE REAL ESTATE INV TRUST - SG1O33912138 - F25U
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	General Announcement
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<b>Announcement Sub Title</b>	CHANGES IN BOARD COMPOSITION
<b>Announcement Reference</b>	SG161230OTHR12PR
<b>Submitted By (Co./ Ind. Name)</b>	Justina Chiu
<b>Designation</b>	Director and Chief Executive Officer
<b>Description (Please provide a detailed description of the event in the box below)</b>	ANNOUNCEMENT POSTED BY THE MANAGER ON HONG KONG STOCK EXCHANGE ON 30 DECEMBER 2016 - CHANGES IN BOARD COMPOSITION Please see attached.

<b>Attachments</b>	<a href="#">E_Fortune REIT Announcement change of board composition 30Dec2016.pdf</a> Total size =114K
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## **Fortune Real Estate Investment Trust**

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

**(Stock Code: 778)**

**Managed by**



**ARA Asset Management (Fortune) Limited**

### **CHANGES IN BOARD COMPOSITION**

In order to comply with the proposed amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations (as further described below), the Board wishes to announce the following changes to the composition of the Board and the Board committees with effect from 1 January 2017:

- (a) Dr Chiu Kwok Hung, Justin will step down as chairman of the Board but will remain as a non-executive director;
- (b) Mrs Sng Sow-Mei (alias Poon Sow Mei) and Dr Lan Hong Tsung, David will resign as Independent Non-Executive Directors and cease to be members of the Audit Committee;
- (c) Mr Lim Lee Meng will cease to be the lead independent director, the chairman of the Audit Committee and a member of the Disclosures Committee and Designated Committee but will remain as an Independent Non-Executive Director and a member of the Audit Committee;
- (d) Mr Chui Sing Loi (alias Tsui Sing Loi) will be appointed as an Independent Non-Executive Director, the chairman of the Board and a member of the Audit Committee; and
- (e) Ms Cheng Ai Phing will be appointed as an Independent Non-Executive Director, the chairman of the Audit Committee and a member of the Disclosures Committee and Designated Committee.

Separately, the Board also wishes to announce that Mr Ang Meng Huat, Anthony will resign as an executive director with effect from 1 January 2017 to pursue his personal interests.

## CHANGES IN BOARD COMPOSITION

The board of directors (the “**Board**”) of ARA Asset Management (Fortune) Limited (the “**Manager**”), as the manager of Fortune Real Estate Investment Trust (“**Fortune REIT**”), reviews the structure, size and composition of the Board from time to time to ensure that the Board has the appropriate mix of expertise and experience in order to achieve a balance of skills, experience and diversity of perspectives. As part of its renewal process, the Board has identified several persons who have the experience and skills to widen the diversity of perspectives on the Board and maintain good corporate governance, to succeed the current independent non-executive directors (“**Independent Non-Executive Directors**”) of the Manager.

In addition, as a holder of a Capital Markets Services License in Singapore, the Manager is required to comply with proposed amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations relating to the independence and board composition requirements that will take effect no later than the first annual general meeting of Fortune REIT for the financial year ending 31 December 2016. In this regard, an independent director of the Manager shall not serve on the Board for a continuous period of 9 years or longer, or shall not hold any directorships in the related corporations of the substantial shareholder of the Manager or the substantial unitholder of Fortune REIT. Also, the Manager shall not appoint any immediate family member of the chief executive officer as the chairman of the Board. A similar requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (as if applicable to Fortune REIT) to the effect that if an independent non-executive director has served on the Board for more than 9 years, his/her further appointment shall be subject to separate unitholders approval of Fortune REIT has been set out in the Manager's compliance manual (the “**Compliance Manual**”).

In order to comply with the proposed amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations mentioned above, the Board wishes to announce the following changes to the composition of the Board and the Board committees with effect from 1 January 2017:

- (a) Dr Chiu Kwok Hung, Justin will step down as chairman of the Board but will remain as a non-executive director;
- (b) Mrs Sng Sow-Mei (alias Poon Sow Mei) and Dr Lan Hong Tsung, David will resign as Independent Non-Executive Directors and cease to be members of the Audit Committee;
- (c) Mr Lim Lee Meng will cease to be the lead independent director, the chairman of the Audit Committee and a member of the Disclosures Committee and Designated Committee but will remain as an Independent Non-Executive Director and a member of the Audit Committee;
- (d) Mr Chui Sing Loi (alias Tsui Sing Loi) will be appointed as an Independent Non-Executive Director, the chairman of the Board and a member of the Audit Committee; and
- (e) Ms Cheng Ai Phing will be appointed as an Independent Non-Executive Director, the chairman of the Audit Committee and a member of the Disclosures Committee and Designated Committee.

Separately, the Board also wishes to announce that Mr Ang Meng Huat, Anthony will resign as an executive director with effect from 1 January 2017 to pursue his personal interests.

Dr Chiu Kwok Hung, Justin, Mrs Sng Sow-Mei (alias Poon Sow Mei), Dr Lan Hong Tsung, David, Mr Lim Lee Meng and Mr Ang Meng Huat, Anthony have each confirmed that he/she has no disagreement with the Board and there are no other matters regarding their changes or resignations (as the case may be) that need to be brought to the attention of the unitholders of Fortune REIT.

The Board would like to take this opportunity to express its gratitude to Mrs Sng Sow-Mei (alias Poon Sow Mei), Dr Lan Hong Tsung, David and Mr Ang Meng Huat, Anthony for their valuable contributions to the Manager and Fortune REIT during their tenure of services.

Following the aforesaid changes, the composition of the Board and Board committees will be as follows with effect from 1 January 2017:

#### Board

- Mr Chui Sing Loi (alias Tsui Sing Loi) (Chairman and Independent Non-Executive Director)
- Dr Chiu Kwok Hung, Justin (Non-Executive Director)
- Mr Lim Hwee Chiang (Non-Executive Director)
- Ms Eirene Yeung (Non-Executive Director)
- Mr Ma Lai Chee, Gerald (Non-Executive Director)
- Ms Chiu Yu, Justina (Chief Executive Officer and Executive Director)
- Mr Lim Lee Meng (Independent Non-Executive Director)
- Ms Cheng Ai Phing (Independent Non-Executive Director)

#### Audit Committee

- Ms Cheng Ai Phing (Chairman)
- Mr Lim Lee Meng
- Mr Chui Sing Loi (alias Tsui Sing Loi)

#### Disclosures Committee

- Ms Chiu Yu, Justina (Chairman)
- Ms Eirene Yeung
- Ms Cheng Ai Phing

#### Designated Committee

- Ms Chiu Yu, Justina (Chairman)
- Mr Ma Lai Chee, Gerald
- Ms Cheng Ai Phing

The Board confirms that the composition of the Board and the Board committees will remain in compliance with the Manager's corporate governance policy following the aforesaid changes.

#### **Mr Chui Sing Loi (alias Tsui Sing Loi) ("Mr Chui")**

Mr Chui, aged 68, is a non-executive director of the following private subsidiaries of Cheung Kong Property Holdings Limited and CK Hutchison Holdings Limited: Property Enterprises Development (Singapore) Pte Ltd, Japura Pte Ltd, Japura Development Pte Ltd, Glenfield Investments Pte Ltd, Grand Waterfront Development Pte Ltd, Luxury Green Development Pte Ltd, Kovan Treasure Pte Ltd, HWP Finance (Singapore) Private Limited, HWP Investment Holdings (Singapore) Private Limited, CK Capital (Singapore) Pte Limited, Hutchison Biofilm Solutions Pte Limited, Hutchison Ports Jakarta Pte Limited, Hutchison Water International Holdings Pte Limited and Advent Investments Pte Ltd (collectively, the "**Relevant Companies**"). Each of the Relevant Companies is regarded as a connected person of Fortune REIT for the purpose of the Hong Kong Code on Real Estate Investment Trusts by virtue of being an associate or associated company of Focus Eagle Investments Limited, a significant holder of Fortune REIT.

Mr Chui has extensive professional experience in property development, investment and facility management.

Mr Chui holds a Bachelor of Science (Engineering) from The University of Hong Kong.

The Manager is of the view that Mr Chui meets the director independence requirements of the Compliance Manual and the Listing Rules (as if applicable to Fortune REIT) after taking into account that, as at the date of this announcement and save as disclosed above:

- (a) each of the Relevant Companies is incorporated in Singapore. Under the Singapore Companies Act, such companies must have at least one director who is ordinarily resident in Singapore. Mr Chui is the Singapore resident director of the Relevant Companies, and has not held any executive or management function in the Relevant Companies during the past two years;
- (b) the Relevant Companies have not entered into any transactions with Fortune REIT, and also do not compete with Fortune REIT since their core business is different to Fortune REIT's. Prior to Mr Chui's appointment as an Independent Non-Executive Director becoming effective, he will also resign as a director of each of the Relevant Companies and cease to have any positions or other interest in such companies;
- (c) Mr Chui does not have any relationship with any directors or senior management of the Manager, the trustee of Fortune REIT or the significant holders (as defined in the Hong Kong Code on Real Estate Investment Trusts) of Fortune REIT, that could interfere or be reasonably perceived to interfere with the exercise of his independent business judgment with a view to the best interests of Fortune REIT;
- (d) Mr Chui does not have any interest in the units of Fortune REIT within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (e) to the best of the Manager's knowledge, Mr Chui will not be financially dependent on his annual emolument as an Independent Non-Executive Director;
- (f) the Manager believes that Mr Chui is able to exercise his professional judgment and draw upon his extensive knowledge in property development and investment management for the benefit of Fortune REIT and its unitholders as a whole, in particular, the independent unitholders;
- (g) Mr Chui has confirmed his independence to the Manager with reference to the criteria affecting independence, as set out in the Compliance Manual, and has undertaken to inform the Securities and Futures Commission as soon as practicable if there is any subsequent change of circumstance which may affect his independence in acting as an Independent Non-Executive Director during the term of his directorship; and
- (h) save for his directorship in the Relevant Companies in the past two years (for the avoidance of doubt, prior to Mr Chui's appointment as an Independent Non-Executive Director becoming effective, he will resign as a director of each of the Relevant Companies and cease to have any positions or other interest in such companies), none of the other factors set out in Rule 3.13 of the Listing Rules and the Compliance Manual applies to Mr Chui.

In light of the above, notwithstanding Mr Chui has been a director of the Relevant Companies during the past two years, the present Audit Committee, as well as the full Board (including all the Independent Non-Executive Directors) are of the opinion that Mr Chui has the character, integrity, experience and independent judgment to carry out his duties as an Independent Non-Executive Director and is independent from Fortune REIT. The Manager has informed HSBC Institutional Trust Services (Singapore) Limited in its capacity as the trustee of Fortune REIT of such opinion, and confirm that they have no objection in respect of the same.

## **Ms Cheng Ai Phing ("Ms Cheng")**

Ms Cheng, aged 59, is a partner of GIG Consulting Pte Ltd which provides consulting services. She is also a non-executive director of Amare Investment Management Group Pte Ltd (“**Amare**”) and senior partner of Aric Partners LLP. Amare is in the business of property fund management while Aric Partners LLP is an accounting firm which provides taxation, accounting, corporate and consulting services.

Ms Cheng was a senior partner in Assurance from Deloitte & Touche LLP from September 1987 to August 2015 when she retired from the firm after being with the firm for 36 years. She was the firm's practice leader for Global Financial Services, Real Estates, Banking and Complex Financial Instruments during the course of her professional career with the firm. Ms Cheng was also the chairman of the firm's Corporate Governance Committee for several years up to her retirement. Ms Cheng is a fellow Chartered Accountant of Institute of Singapore Chartered Accountants (“**ISCA**”), a fellow Certified Public Accountant of CPA Australia and a fellow Chartered Certified Accountant of Association of Chartered Certified Accountants, United Kingdom.

Ms Cheng currently holds various positions with governmental bodies and professional associations in Singapore. She is a member of the Board of Trustees of the Education and Training Fund of the National Trade Union Congress, a member of the Technical Advisory Panel of Accounting and Corporate Regulatory Authority (“**ACRA**”) and a member of the Accounting Standards Council of Singapore (“**ASC**”).

From 2012, Ms Cheng has been appointed as a member of the Financial Reporting Committee of ISCA and she also became a member of the Investigation and Disciplinary Panel of ISCA in 2016. From 2009, she has been a member of the Financial Instruments Working Group and Chairman of the Conceptual Framework Working Group of the ASC. In 2016, she has been appointed as chairman of both the Singapore Financial Reporting Framework Working Group and Financial Statements Disclosure Working Group of the ASC. She is also the past chairman of the Financial Statements Review Committee of ISCA for 9 years before stepping down in 2015 and was involved in ACRA's rolling out of its inaugural Expanded Financial Reporting Surveillance Program in 2014.

Ms Cheng holds a Bachelor of Accountancy from National University of Singapore.

Each of Mr Chui and Ms Cheng has not held any other directorships in the three years preceding the date of this announcement in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the date of this announcement, each of Mr Chui and Ms Cheng is not interested in any units of Fortune REIT within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Each of Mr Chui and Ms Cheng has entered into a service agreement with the Manager. Their tenure as Independent Non-Executive Directors is subject to retirement and re-election at annual general meetings of the Manager in accordance with the articles of association of the Manager and the relevant laws and regulations. All emoluments payable to Mr Chui and Ms Cheng will be paid and borne by the Manager out of its own resources.

Mr Chui (save as disclosed above) and Ms Cheng do not have other relationship with any directors, senior management or substantial or controlling shareholders of the Manager and Fortune REIT. Mr Chui and Ms Cheng have each confirmed to the Board that he/she satisfies the independence criteria contained in the Compliance Manual and is also independent for the purpose of the Code on Corporate Governance 2005 of Singapore.

Save as disclosed above, there are no other information in relation to the appointment of Mr Chui and Ms Cheng that needs to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, as if they were applicable to real estate investment trusts. Save as disclosed above, there are no other factors or circumstances that the Manager is aware of that may affect Mr Chui's and Ms Cheng's independence as Independent Non-Executive Directors. The Board considers Mr Chui and Ms Cheng to be independent and that there is no other matter that needs to be brought to the attention of the unitholders of Fortune REIT in connection with their appointments.

The Board would like to take this opportunity to welcome Mr Chui and Ms Cheng to join the Board.

This announcement is made pursuant to paragraph 10.3 of the Hong Kong Code on Real Estate Investment Trusts.

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*

Hong Kong, 30 December 2016

*The Directors of the Manager as at the date of this announcement are Dr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang, Ms. Yeung, Eirene and Mr. Ma Lai Chee, Gerald 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.*