

Circular dated 1 March 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “SGX-ST”) takes no responsibility for the correctness of any statements made, opinions expressed or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in Fortune Real Estate Investment Trust (“Fortune REIT”, and the units in Fortune REIT, “Units”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting (“EGM”, and the notice, the “Notice of EGM”) and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



FORTUNE REAL ESTATE INVESTMENT TRUST

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

MANAGED BY



Asset Management (Fortune) Limited

CIRCULAR TO UNITHOLDERS

IN RELATION TO

- (1) **THE PROPOSED DUAL PRIMARY LISTING OF UNITS IN ISSUE ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “SEHK”) BY WAY OF INTRODUCTION (THE “INTRODUCTION”); AND**
- (2) **THE PROPOSED TRUST DEED AMENDMENT TO FACILITATE COMPLIANCE WITH HONG KONG REGULATORY REQUIREMENTS (THE “TRUST DEED AMENDMENT”).**

Financial Adviser to ARA Asset Management (Fortune) Limited



IMPORTANT DATES AND TIMES

- | | | |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 24 March 2010 at 11:00 a.m. |
| Date and time of Extraordinary General Meeting | : | 26 March 2010 at 11:00 a.m.
or immediately after the conclusion/
adjournment of the Annual General Meeting of
Fortune REIT to be held at 10:00 a.m. on the
same day and at the same place. |
| Place of Extraordinary General Meeting | : | Level 2, Room 208
Suntec Singapore International Convention &
Exhibition Centre
1 Raffles Boulevard, Suntec City
Singapore 039593 |

TABLE OF CONTENTS

	Page
CORPORATE INFORMATION	ii
SUMMARY	1
INDICATIVE TIMETABLE	2
LETTER TO UNITHOLDERS	
1. Summary of Approvals Required	3
2. The Introduction and the Rationale for the Introduction	3
3. The Proposed Trust Deed Amendment	5
4. Financial Effects of the Introduction	22
5. Interests of Directors and Substantial Unitholders	22
6. Working Capital	24
7. Legal and Arbitration Proceedings	24
8. Material Contracts	24
9. Significant Changes	24
10. Recommendations	24
11. Extraordinary General Meeting	25
12. Action to be taken by Unitholders	25
13. Directors' Responsibility Statement	25
14. Documents on Display	25
IMPORTANT NOTICE	27
GLOSSARY	28
APPENDICES	
Appendix A Further Information Relating to the Dual Primary Listing	A-1
Appendix B Listings, Registration, Dealings and Settlement	B-1
Appendix C The Proposed Trust Deed Amendment	C-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	D-1
PROXY FORM	

CORPORATE INFORMATION

Directors of ARA Asset Management (Fortune) Limited (the manager of Fortune Real Estate Investment Trust (the “Manager”))	Mr Chiu Kwok Hung, Justin (<i>Chairman and Director</i>) Mr Lim Hwee Chiang, John (<i>Director</i>) Mr Ip Tak Chuen, Edmond (<i>Director</i>) Ms Yeung, Eirene (<i>Director</i>) Mr Lim Lee Meng (<i>Independent Director and Chairman of Audit Committee</i>) Dr Cheng Mo Chi, Moses (<i>Independent Director</i>) Mrs Sng Sow-Mei (alias Poon Sow Mei) (<i>Independent Director</i>) Mr Ma Lai Chee, Gerald (<i>Alternate Director to Mr Ip Tak Chuen, Edmond</i>)
Registered office of the Manager	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Trustee of Fortune Real Estate Investment Trust (the “Trustee”)	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser to the Manager as to Singapore law	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager and the Trustee as to Hong Kong law	Baker & McKenzie 23/F One Pacific Place 88 Queensway Hong Kong
Financial Adviser to the Manager	DBS Bank Ltd. 6 Shenton Way DBS Building, Tower One Singapore 068809
Legal Adviser to the Trustee as to Singapore law	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 28 to 30 of this Circular. Terms not defined in the Glossary may be found in the trust deed constituting Fortune REIT dated 4 July 2003 (as amended) (the “Trust Deed”).

THE INTRODUCTION

Overview of the Introduction

On 24 February 2010, the Manager announced that it was considering a dual primary listing of Fortune REIT's Units in issue on the main board of the SEHK by way of Introduction, subject to, *inter alia*, the approval of unitholders of Fortune REIT (“**Unitholders**”) as well as the authorisation of Fortune REIT as a collective investment scheme by the Securities and Futures Commission of Hong Kong (the “**SFC**”) under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and the granting by the SEHK of the listing of, and permission to deal in, all the Units in issue on the SEHK.

Subject to the receipt of all necessary approvals under the applicable Singapore and Hong Kong laws, rules and regulations and the conditions set out in this Circular being obtained or fulfilled, the Manager expects to complete the Introduction by no later than 30 April 2010. Unitholders should however note that the Introduction may occur on a later date.

Rationale for the Introduction

The Units have been listed on the SGX-ST since 12 August 2003. The Manager considers that it would be desirable and beneficial for Fortune REIT to have a dual primary listing of the Units in Hong Kong and Singapore as this may enhance Fortune REIT's profile in Hong Kong, facilitate investment by Hong Kong investors, and enable Fortune REIT to gain access to Hong Kong's capital markets. The two markets also attract different investor profiles, thereby widening the investor base of Fortune REIT and potentially increasing the liquidity of the Units. In particular, a dual primary listing enables Fortune REIT to benefit from its exposure to a wider range of private and institutional investors. The Manager considers that this is important for Fortune REIT's growth and long term development, given that all of its properties are located in Hong Kong and Fortune REIT trades in Hong Kong dollars.

(See paragraph 2.4 of the Letter to Unitholders for further details.)

THE PROPOSED TRUST DEED AMENDMENT

The Manager proposes to amend the Trust Deed for the purposes of allowing Fortune REIT to comply with the relevant Hong Kong regulatory requirements including the Hong Kong Code on Real Estate Investment Trusts (“**Hong Kong REIT Code**”), issued by the SFC, as well as the Hong Kong real estate investment trust (“**REIT**”) regime in general and to provide for the dual primary listing on the SEHK.

(See paragraph 3 of the Letter to Unitholders for further details.)

Unitholders should note that the resolutions regarding the Introduction and the Trust Deed Amendment are subject to, and contingent upon, each other. In the event that Fortune REIT fails to obtain Unitholders' approval for the Introduction, Fortune REIT will not proceed with the Trust Deed Amendment, and vice versa.

INDICATIVE TIMETABLE

Event	Date and Time
Last date and time for lodgement of Proxy Forms	: 24 March 2010 at 11:00 a.m.
Date and time of EGM	: 26 March 2010 at 11:00 a.m.

FORTUNE REAL ESTATE INVESTMENT TRUST

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

Directors of the Manager

Mr Chiu Kwok Hung, Justin (*Chairman and Director*)
Mr Lim Hwee Chiang, John (*Director*)
Mr Ip Tak Chuen, Edmond (*Director*)
Ms Yeung, Eirene (*Director*)
Mr Lim Lee Meng (*Independent Director and Chairman of
Audit Committee*)
Dr Cheng Mo Chi, Moses (*Independent Director*)
Mrs Sng Sow-Mei (alias Poon Sow Mei) (*Independent Director*)
Mr Ma Lai Chee, Gerald (*Alternate Director to Mr Ip Tak Chuen,
Edmond*)

Registered Office

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

1 March 2010

To: Unitholders of Fortune Real Estate Investment Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS REQUIRED

The Manager proposes to seek the approval of Unitholders for each of the following resolutions:

- (i) the Introduction by way of an Ordinary Resolution; and
- (ii) the Trust Deed Amendment by way of an Extraordinary Resolution,

at the EGM to be held at 11:00 a.m. on 26 March 2010 at Level 2, Room 208, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 or immediately after the conclusion/adjournment of the Annual General Meeting of Fortune REIT to be held at 10:00 a.m. on the same day and at the same place.

Unitholders should note that the resolutions regarding the Introduction and the Trust Deed Amendment are subject to, and contingent upon, each other.

2. THE INTRODUCTION AND THE RATIONALE FOR THE INTRODUCTION

2.1 The Introduction

On 24 February 2010, the Manager announced that it was considering a dual primary listing of Fortune REIT's Units in issue on the main board of the SEHK by way of Introduction, subject to, *inter alia*, the approval of Unitholders as well as the authorisation of Fortune REIT as a collective investment scheme by the SFC under the SFO and the granting by the SEHK of the listing of, and permission to deal in, all the Units in issue on the SEHK.

2.2 Timing

Subject to the receipt of all necessary approvals under the applicable laws, rules and regulations and the conditions set out in this Circular being obtained or fulfilled, the Manager expects to complete the Introduction by no later than 30 April 2010. Unitholders should however note that the Introduction may occur on a later date.

2.3 Dual Primary Listing

In the event that the Manager successfully proceeds with the Introduction, Fortune REIT will be concurrently listed on the main board of the SGX-ST and the main board of the SEHK pursuant to which Fortune REIT will need to comply with the applicable Singapore and Hong Kong laws, listing rules and regulations, including, *inter alia*, the takeover requirements (to the extent applicable), the disclosure requirements and the listing requirements of the SGX-ST and the SEHK.

In the event of any conflict between the applicable Singapore and Hong Kong laws, listing rules and regulations as are applicable to Fortune REIT, or any discrepancies between such laws, listing rules and regulations, Fortune REIT shall comply with the more restrictive or stringent law, rule or regulation respectively.

Further, Unitholders have the flexibility to transfer their Units between the SGX-ST and the SEHK, and to trade on either or both of these stock exchanges.

(See **Appendix A** “Further Information Relating to the Dual Primary Listing” for further information relating to, *inter alia*, the take over obligations of the offeror of the Units and the salient provisions of the SGX-ST Listing Manual (the “**Listing Manual**”), the Hong Kong Listing Rules, the guidelines for real estate investment trusts as found in Appendix 2 of the CIS Code (as defined herein) issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”) and the Hong Kong REIT Code as are applicable to Fortune REIT after the Introduction.)

(See **Appendix B** “Listings, Registration, Dealings and Settlement” for the procedures for trading and transfer of Units from the SGX-ST to the SEHK, and vice versa.)

2.4 Rationale for the Introduction

The Units have been listed on the SGX-ST since 12 August 2003. The Manager considers that it would be desirable and beneficial for Fortune REIT to have a dual primary listing of the Units in Hong Kong and Singapore as this may enhance Fortune REIT’s profile in Hong Kong, facilitate investment by Hong Kong investors, and enable Fortune REIT to gain access to Hong Kong’s capital markets. The two markets also attract different investor profiles, thereby widening the investor base of Fortune REIT and potentially increasing the liquidity of the Units. In particular, a dual primary listing enables Fortune REIT to benefit from its exposure to a wider range of private and institutional investors. The Manager considers that this is important for Fortune REIT’s growth and long term development, given that all of its properties are located in Hong Kong and Fortune REIT trades in Hong Kong dollars.

The Manager believes that the Introduction is important for Fortune REIT’s growth and long term development, and will bring about the following benefits to Unitholders:

2.4.1 Improve Liquidity and Widen Investor Base

As the Singapore and Hong Kong markets attract different investor profiles, the Introduction would enable Fortune REIT to benefit from exposure to better investor coverage and appreciation from private and institutional investors in Hong Kong, which could potentially lead to improved trading liquidity in the Units, thereby widening the investor base of Fortune REIT.

2.4.2 Enhancing Fortune REIT's Profile

Fortune REIT would be able to generate greater awareness of its business by being listed in Hong Kong, since all of its properties are located in Hong Kong. The presence of Fortune REIT on the SEHK would also enhance its profile in Hong Kong.

2.4.3 Greater Investment Choice and Flexibility

The Introduction would allow Fortune REIT to maintain its primary listing on the SGX-ST, which would enable Unitholders to have the opportunity to decide for themselves the more convenient or preferred trading venue, subject to the Unit transfer procedures as detailed in **Appendix B**. Unitholders will be able to separately manage their portfolio holdings in accordance with their investment objectives.

2.5 Financial Adviser

The Manager has appointed DBS Bank Ltd. as its financial adviser in respect of the Introduction.

3. THE PROPOSED TRUST DEED AMENDMENT

3.1 Proposed Trust Deed Amendment

The Manager is seeking Unitholders' approval to amend the Trust Deed for the purposes of allowing Fortune REIT to comply with the relevant Hong Kong regulatory requirements including the Hong Kong REIT Code, as well as the Hong Kong REIT regime in general and to provide for the dual primary listing on the SEHK.

For the avoidance of doubt, Fortune REIT shall comply with both Singapore and Hong Kong regulatory requirements insofar as they apply to Fortune REIT. Should there be any conflict or inconsistency, Fortune REIT shall comply with the stricter of the two requirements.

Some of the key salient provisions have been summarised below.

3.1.1 Amendments made to provide for the Dual Primary Listing

As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, references in the Trust Deed will need to be amended to provide for this. Such amendments include, *inter alia*:

(i) Addition of references to Hong Kong laws, rules, regulators and regulations

The existing clauses in the Trust Deed only make reference to Singapore laws, rules, regulators and regulations. As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, it is proposed that the Trust Deed be amended to include references to Hong Kong laws, rules, regulators and regulations as well.

Such references include the addition of the following terms:

- a. "Hong Kong";
- b. the "Hong Kong Listing Rules";
- c. the "SEHK";

- d. the “SFC”;
- e. the “SFO”; and
- f. the “REIT Code”.

Further, amendments are proposed to be made to the Trust Deed to reflect the qualification requirements in Hong Kong for Approved Valuers and Auditors.

(ii) Addition of new terms in relation to Hong Kong laws, rules and regulations

The existing clauses in the Trust Deed only make reference to Singapore terms in relation to Singapore laws, rules and regulations in Singapore. As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, it is proposed that the Trust Deed be amended to include references to Hong Kong terms in relation to Hong Kong laws, rules and regulations as well.

Such references include the addition of the following terms:

- a. “Approved Person”;
- b. “associate”;
- c. “associated company”;
- d. “CCASS”;
- e. “Connected Party Transaction”;
- f. “Connected Person”;
- g. “controlling entity”;
- h. “Excluded Associate”;
- i. “Participant”;
- j. “Significant Holder”; and
- k. “SFC-Authorised REIT”.

(iii) Amendments to defined terms in order to facilitate references to both Singapore and Hong Kong

The existing clauses in the Trust Deed only make reference to terms in relation to Singapore. As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, it is proposed that the Trust Deed be amended to enable both Singapore and Hong Kong terms to be defined and referred to collectively.

Such amendments relate to the following terms:

- a. “Business Day” means any day (other than a Saturday, Sunday or gazetted public holiday) on which (i) commercial banks are open for business in Singapore and the SGX-ST is open for trading, and (ii) for so long as the

Trust is a SFC-Authorised REIT, commercial banks are open for business in Hong Kong and the SEHK is open for trading;

- b. “Competent Authority” means any applicable regulatory authority in Singapore, Hong Kong or any other applicable jurisdiction which regulates or supervises the Trust or any part of its business, including, as applicable, the Authority, the SGX-ST, the SEHK or the SFC;
- c. “Offering Circular” means any offering circular (including without limitation the Prospectus) in relation to any issue of Units of the Trust required to be issued, as amended, supplemented, replaced and updated from time to time;
- d. “Rules” means any laws, rules or regulations, including the CIS Code (including the Property Funds Appendix), the Hong Kong REIT Code, the Singapore Listing Rules (where applicable), the Hong Kong Listing Rules (where applicable), the Securities and Futures Act and the SFO; and
- e. “Singapore Listed Units” means Units that are Listed on the SGX-ST.

(iv) Amendments made to ensure compliance of Fortune REIT with both Singapore and Hong Kong laws, rules, regulations, codes and guidelines

To ensure that Fortune REIT complies with both Singapore and Hong Kong laws, rules, regulations, codes and guidelines, it is proposed that certain clauses be inserted into the Trust Deed stating that Fortune REIT will at all times comply with the applicable provisions of the Hong Kong REIT Code and the Hong Kong Listing Rules in addition to the Property Funds Appendix and the Singapore Listing Rules (where applicable), as well as any regulatory conditions imposed in writing by any Competent Authority.

(v) Provision for Certificates in Hong Kong

The existing clauses in the Trust Deed only make reference to the Depository as the Unit depository for Fortune REIT and that all Units issued in Singapore will be represented by entries in the Register in the name of, and deposited with, the Depository as the registered Holder thereof. As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, it is proposed that the Trust Deed be amended to reflect that Units issued in Hong Kong will be evidenced by Certificates and such Certificates may be issued in any denomination of one or more whole Units with each bearing a serial number, shall be dated and shall specify the number of Units evidenced thereby and the name of the Holder. Each Unitholder will have the same voting rights regardless of whether his Units are listed on the SGX-ST or the SEHK.

For the avoidance of doubt, there will be no change in the way in which Fortune REIT recognises the rights and entitlements of Unitholders with Units listed on the SGX-ST. Unitholders with Units listed on the SEHK will also enjoy the same rights and entitlements.

3.1.2 Amendments made in compliance with Appendix D of the Hong Kong REIT Code and otherwise required for consistency with the Hong Kong REIT Code

Appendix D of the Hong Kong REIT Code requires for the Trust Deed to be submitted to the SFC for prior approval for the dual primary listing of Fortune REIT on the SEHK. It further states that at a minimum, the Trust Deed shall contain all of the information set out in Appendix D of the Hong Kong REIT Code. In addition, certain amendments must be made to reconcile the existing provisions of the Trust Deed with the rules in the Hong Kong REIT Code. Such amendments include, *inter alia*:

(i) Addition of clauses in relation to the Trustee

a. Setting out the obligations of the Trustee

The proposed insertion of a clause into the Trust Deed setting out the duties of the Trustee is made pursuant to paragraph 5(a) in Appendix D of the Hong Kong REIT Code which requires that a statement setting out the obligations of the Trustee as set out in Chapter 4 of the Hong Kong REIT Code must be contained in the Trust Deed.

b. Approval of the SFC of the appointment of a new trustee

The proposed amendment to the Trust Deed for consistency with paragraph 4.7 of the Hong Kong REIT Code which requires that the approval of the SFC be sought in the event that a new trustee is appointed to replace the existing trustee.

(ii) Addition of clauses in relation to the Manager

a. Setting out the obligations of the Manager

The proposed amendment to the Trust Deed pursuant to paragraph 6(a) in Appendix D of the Hong Kong REIT Code which requires that a statement to list the obligations of the Manager as set out in Chapter 5 of the Hong Kong REIT Code must be contained in the Trust Deed.

The proposed amendments to the Trust Deed do not reduce any of the existing obligations of the Manager. Their effect is to subject the Manager to additional obligations which are imposed by the Hong Kong regime.

b. Removal of the Manager

The proposed insertion of a clause into the Trust Deed for consistency with paragraph 5.14(c) of the Hong Kong REIT Code which provides for the Holder's option to remove the Manager by written request of Holders representing at least 75% in value of the Units outstanding (excluding those held or deemed to be held by the Manager, as well as by any Holders who may have an interest in retaining the Manager).

Currently, the Manager shall be subject to removal by notice in writing given by the Trustee in any of the following events:

- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Manager;
- (ii) if the Manager ceases to carry on business;
- (iii) if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by the Trust Deed;
- (iv) if the Holders or (as the case may be) the Depositors, by a resolution passed by a simple majority of Holders or (as the case may be) Depositors present and voting (with no Holders or (as the case may be) Depositors being disenfranchised) at a meeting of Holders or (as the case may be) Depositors held in accordance with the provisions contained in the Schedule to the Deed and of which not less than 21 days' notice has been given to the Manager and the Trustee shall so decide;
- (v) if for good and sufficient reason the Trustee is of the opinion, and so states in writing such reason and opinion, that a change of the Manager is desirable in the interests of the Holders PROVIDED THAT if the Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and the third of whom shall be appointed by the Chairman for the time being of the SGX-ST (failing which appointment, the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant hereto shall be binding upon the Manager, the Trustee and the Holders; and
- (vi) if the Monetary Authority of Singapore (the "MAS") directs the Trustee to remove the Manager.

The proposed insertion is as follows:

- (I) without prejudice to paragraph 3.1.2(ii)(b)(iv) above, if the Holders representing at least 75% in value of the Units outstanding (excluding those held or deemed to be held by the Manager, as well as by any Holders who may have an interest in retaining the Manager) deliver to the Trustee a written request to dismiss the Manager; and
- (II) if any Competent Authority withdraws its approval of the Manager to act as manager of the Trust.

c. Retirement option of the Manager

The proposed insertion to the Trust Deed pursuant to paragraph 6(b) in Appendix D of the Hong Kong REIT Code which requires a statement that the Manager shall retire as set out in Chapter 5 of the Hong Kong REIT Code must be contained in the Trust Deed.

Currently, the Manager shall have the power to retire in favour of a corporation approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in Clause 24.1 of the Trust Deed. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Manager to the Trustee under the Trust Deed, the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or of any Holder, former Holder, Depositor, former Depositor or other person in respect of any act or omission prior to such retirement.

The proposed insertion is as follows:

For so long as the Trust is a SFC-Authorised REIT,

- (I) the retirement of the Manager under Clause 24.2.1 of the Trust Deed will be subject to: (a) the Manager selecting a new manager duly qualified under the applicable Rules and acceptable to the Trustee and the SFC; and (b) the requirement in the REIT Code that such retirement will not adversely affect the interests of the Holders in any material respect; and
- (II) the Trustee shall inform the SFC forthwith of any proposal or decision to remove the Manager. Upon the retirement or dismissal of the Manager, the Trustee shall appoint a new manager for the Trust as soon as possible whose appointment has been subject to the prior approval of the SFC.

(iii) Specifications of:

a. Investment restrictions

The proposed addition of the definition of “REIT Code Authorised Investment” and insertion of clauses to the Trust Deed pursuant to paragraphs 7(a) and (c) in Appendix D of the Hong Kong REIT Code which require that the investment restrictions, including the minimum holding period of two years for the scheme’s real estate assets as set out in Chapter 7 of the Hong Kong REIT Code must be specified in the Trust Deed.

The definition of “**REIT Code Authorised Investment**” in the Trust Deed is as follows:

- “(i) Real Estate as permitted under the Hong Kong REIT Code;
- (ii) any improvement or extension of or addition to or reconstruction or renovation or other development of any Real Estate;

- (iii) Real Estate Related Assets (but excluding listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other property funds);
- (iv) Cash and Cash Equivalent Items;
- (v) shares in the issued share capital of, and loans to, any Special Purpose Vehicle and any goodwill and other intangible assets acquired in relation to the acquisition of Special Purpose Vehicles; and
- (vi) investments in relation to arrangements for the purposes of enhancing the return on, or reducing the risks associated with, the Authorised Investments contemplated by paragraphs (i), (ii), (iii), (iv) and (v) of this definition, or of other investments, or in respect of the Trust generally, including investments in the form of derivatives instruments for the purposes of hedging only,

in each case whether held by the Trustee directly or indirectly through a Special Purpose Vehicle or otherwise pursuant to this Deed.”

What has changed is that essentially, Fortune REIT will not be permitted to invest in government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board as well as listed or unlisted debt securities and listed shares or stock of or issued by local or foreign non-property companies or corporations. While such investments are permitted under the current Trust Deed as well as the Property Funds Appendix, such investments are not permitted under the Hong Kong REIT Code.

Further, the proposed insertion of a clause into the Trust Deed is made pursuant to the change in the scope of Authorised Investments and states how investments in the nature of derivative instruments used for hedging or efficient portfolio management purposes are to be valued.

Such derivative instruments include instances where Fortune REIT incurs borrowings based on floating rates, Fortune REIT may enter into interest rate swap arrangements so that the effective interest rate exposure of Fortune REIT is based on fixed rates, in order to manage Fortune REIT’s risks in this regard. Although Fortune REIT currently has not entered into any other derivative arrangements, Fortune REIT may enter into swap arrangements for other similar hedging purposes in the future. The interest rate swap is an example in the case of limiting the interest rate exposure of Fortune REIT.

b. The criteria for using special purpose vehicles

The proposed amendment to the Trust Deed and the insertion of a clause into the Trust Deed pursuant to paragraph 7(b) in Appendix D of the Hong Kong REIT Code which requires that the criteria for using special purpose vehicles, in particular, including the rules in relation to the requisite ownership and control of the special purpose vehicles, as set out in Chapter 7 of the Hong Kong REIT Code must be specified in the Trust Deed.

c. The limitations on borrowing

The proposed amendment to the Trust Deed pursuant to paragraph 7(d) in Appendix D of the Hong Kong REIT Code which requires that the limitations on the borrowing as reflected in paragraph 7.9 of the Hong Kong REIT Code must be specified in the Trust Deed.

Currently, under paragraph 9.2 of the Property Funds Appendix, Fortune REIT's Aggregate Leverage must not exceed 35% of its deposited property, unless a credit rating of Fortune REIT from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public, in which case the Aggregate Leverage must not exceed 60% of Fortune REIT's deposited property.

In Hong Kong, the limitation on borrowing by a REIT is 45% of the total gross asset value of the Deposited Property as set out in the Trust's latest published audited accounts immediately prior to such borrowing being effected (as adjusted by (A) the amount of any distribution proposed by the Manager in such audited accounts and any distribution declared by the Manager since the publication of such accounts; and (B) where appropriate the latest published valuation of the assets of the Trust if such valuation is published after the publication of such accounts).

d. The income distribution policy

The proposed amendment to the Trust Deed to ensure consistency with paragraph 7.12 of the Hong Kong REIT Code, which requires that the Trust distribute to Unitholders as dividends each year an amount not less than 90% of its audited annual net income after taxes must be contained in the Trust Deed.

Specifically, the insertion will provide that, in no event shall the aggregate of the Distribution Amount(s) for any Financial Year be less than the minimum amount (if any) that the Trust is required to distribute to Unitholders for that Financial Year pursuant to the applicable Rules, which will require compliance with paragraph 7.12 of the Hong Kong REIT Code.

(iv) Production of valuation report

The proposed amendment to the Trust Deed for consistency with paragraph 6.2 of the Hong Kong REIT Code which requires the valuer to produce a valuation report when real estate is acquired or sold by the Trust must be contained in the Trust Deed.

(v) Addition of disclosure obligations

a. To keep Unitholders informed of any material information in a timely and transparent manner

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 9(a) in Appendix D of the Hong Kong REIT Code which requires that a statement that the Manager shall keep Holders informed of any material information pertaining to the scheme in a timely and transparent

manner as set out in Chapter 10 of the Hong Kong REIT Code must be contained in the Trust Deed.

b. To inform Unitholders by way of announcement of material information

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 9(b) in Appendix D of the Hong Kong REIT Code which requires that a statement that the Manager shall inform its Holders by way of announcement as soon as reasonably practicable of any information concerning the scheme as reflected in paragraph 10.3 of the Hong Kong REIT Code must be contained in the Trust Deed.

c. To set out situations under which the Manager shall send circulars to Unitholders

The proposed insertion of clauses into the Trust Deed pursuant to paragraph 9(c) in Appendix D of the Hong Kong REIT Code which requires that a statement that sets out the situations under which the Manager shall send circulars to Holders as set out in Chapter 10 of the Hong Kong REIT Code must be contained in the Trust Deed.

d. To set out situations under which the Manager shall send notices to Unitholders

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 9(d) in Appendix D of the Hong Kong REIT Code which requires that a statement that sets out the situations under which the Manager shall send notices to Holders, including the Manager's requirement to inform Unitholders of the results of any Unitholders' voting at a general meeting by way of notice, as set out in Chapter 10 of the Hong Kong REIT Code must be contained in the Trust Deed.

e. To list out the procedures the Manager shall follow in issuing announcements, circulars and notices to Unitholders

The proposed insertion of clauses into the Trust Deed pursuant to paragraph 9(e) in Appendix D of the Hong Kong REIT Code which requires that a statement that lists out the procedures that the Manager shall follow in issuing announcements, circulars and notices to Holders, which *inter alia*, requires that they be submitted to the SFC for prior approval, must be contained in the Trust Deed.

(vi) Addition of procedure for issue of Units

a. To state the procedures that Fortune REIT should follow when new Units are issued

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 10(a) in Appendix D of the Hong Kong REIT Code which requires that the procedures that a scheme should follow when new units are issued as set out in Chapter 12 of the Hong Kong REIT Code must be stated in the Trust Deed.

The procedures are as follows:

- (i) Unless the Hong Kong REIT Code otherwise permits, all issues of Units by Fortune REIT shall be offered to the existing Unitholders pro rata to their existing holdings, and only to the extent that the Units offered are not taken up by such Unitholders may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings.
- (ii) If new Units are not offered to Unitholders on a pro rata basis, Unitholders' approval by way of ordinary resolution at a general meeting is required, unless the aggregate number of new Units issued under during the financial year ("FY") does not increase the total number of Units outstanding at the end of the previous FY by more than 20.0% (or such lower amount as may from time to time be specified by the SFC).
- (iii) Where Fortune REIT issues new Units on a pro rata basis, and the issue increases the market capitalization of Fortune REIT by more than 50.0%, Unitholders' approval by way of ordinary resolution at a general meeting is required. An announcement, a circular and a notice shall be issued in accordance with Chapter 10 of the Hong Kong REIT Code.
- (iv) Where a Unitholder may increase his holdings of Units by more than his pro rata entitlement upon completion of an issuance of Units, the Unitholder shall abstain from voting in relation to such Unit issuance.
- (v) Where applicable, the Manager and its connected persons shall abstain from voting in relation to any Unit issuance.
- (vi) For so long as Fortune REIT is a SFC-Authorised REIT, Units shall be issued free from any restriction on the right of transfer (except as permitted by the SFC) and shall be free from lien.

For the avoidance of doubt, Clause 5.1.4 of the Trust Deed ensures that Fortune REIT will comply with Rule 806 of the Listing Manual.

The main requirements under Rule 806 of the Listing Manual are as follows:

- (a) The Manager need not obtain the prior approval of Unitholders in a general meeting for the issue of new Units if the Unitholders had by ordinary resolution in a general meeting, given a general mandate to the Directors to issue these new Units.
- (b) A general mandate must limit the aggregate number of Units and convertible securities that may be issued. The limit must be not more than 50.0% of the total number of issued Units excluding treasury shares, of which the aggregate number of Units and convertible securities issued other than on a pro rata basis to existing Unitholders must be not more than 20.0% of the total number of issued Units excluding treasury shares.
- (c) A general mandate may remain in force until the earlier of the following:—

- (i) the conclusion of the first annual general meeting of Fortune REIT following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (ii) it is revoked or varied by ordinary resolution of the Unitholders in general meeting.

b. To state the method of determining the issue price

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 10(b) in Appendix D of the Hong Kong REIT Code which requires that the method of determining the issue price must be stated in the Trust Deed.

(vii) To state the fee payable to the Principal Valuer

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 11(d) in Appendix D of the Hong Kong REIT Code which requires that the fee payable to the Principal Valuer must be stated in the Trust Deed.

(viii) Addition of concept of Connected Party Transactions

The proposed insertion of a clause into the Trust Deed pursuant to the requirements under paragraphs 13(a) to 13(d) in Appendix D of the Hong Kong REIT Code.

a. Definition

Due to the proposed insertion of a clause into the Trust Deed as mentioned above, new definitions of “Connected Party Transactions” and “Connected Person” will be inserted into the Trust Deed accordingly.

“**Connected Person**” will be defined as:

- (i) the Manager;
- (ii) the Approved Valuer;
- (iii) the Trustee;
- (iv) a Significant Holder;
- (v) a director, senior executive or an officer of any of the entities in (i), (ii), (iii) or (iv) of this definition;
- (vi) an associate of the persons in (iv) or (v) of this definition; or
- (vii) a controlling entity, holding company, subsidiary or associated company of any of the entities in (i) to (iv) of this definition.

“**Connected Party Transactions**” will be defined as “any transaction between any Connected Person and either the Trust or any Special Purpose Vehicle (as defined in the Trust Deed).

b. Addition of “Connected Party Transactions” provision

The proposed insertion of a clause into the Trust Deed pursuant to the requirements under paragraphs 13(a) to 13(d) in Appendix D of the Hong Kong REIT Code.

In complying with the requirements under paragraphs 13(a) to 13(d) in Appendix D of the Hong Kong REIT Code, the clause will state that:

“Connected Party Transactions

For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply.

- (a) Subject to certain clauses in the Trust Deed, any Connected Party Transaction shall be carried out in accordance with the provisions of the Hong Kong REIT Code and any conditions (including any conditions of waivers and exemptions from the operation of the Code granted by the SFC from time to time) imposed by the SFC from time to time provided that no Connected Party Transaction shall be void or voidable if it is entered into in breach of such provisions.
- (b) All transactions carried out by or on behalf of the Trust by the Manager or the Trustee shall be:
 - (i) carried out at arm’s length on normal commercial terms;
 - (ii) valued, in relation to a property transaction, by an Approved Valuer;
 - (iii) consistent with the investment objective and strategy of the Trust as set out in the Trust Deed;
 - (iv) in the best interests of the Holders; and
 - (v) properly disclosed to the Holders.
- (c) Where cash forming part of the Trust’s assets is deposited with, or the Trust (or any Special Purpose Vehicle) borrows from:
 - (i) the Trustee;
 - (ii) the Manager;
 - (iii) the Approved Valuer; or
 - (iv) any Connected Person (each being licensed to accept deposits or lend money, where required, as the case may be),

interest shall be paid on the deposit or the borrowing, as the case may be, at a rate not lower in the case of deposits, and not higher in the case of borrowings, than the prevailing commercial rate for a deposit or borrowing, as the case may be, of that size and term.

- (d) As and to the extent required by the Hong Kong REIT Code or any conditions of waivers and exemptions from the operation of the Hong

Kong REIT Code granted by the SFC from time to time, the Trustee shall take actions or commence proceedings on behalf of the Trust as necessary, including action against the Manager or Connected Persons of the Manager or (upon request in writing by the Manager) action against any other person including against any Connected Persons of the Trustee in relation to any transactions or agreements entered into by the Trustee for and on behalf of the Trust with such persons; provided that the Trustee shall have discretion to refrain from taking actions or commencing proceedings after consultation with the Manager if it considers in its absolute discretion that such action is not in the best interests of the Holders.”

Please see pages A-27 to A-31 of Appendix A for a comparison of Connected Party Transactions under the Hong Kong REIT Code against Interested Person Transactions under the Listing Manual.

c. Reference to Related Party

To take into account the new definition of “Connected Person”, the definition of “Related Party” will be amended to provide that references to Related Parties of the Trustee or the Manager in the Trust Deed (other than in certain clauses) shall be deemed to include a reference to the Connected Persons.

(ix) Addition of disclosure obligations of Unitholders

a. Disclosure of interests of Holders

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 5(c) in Appendix D of the Hong Kong REIT Code which requires that a statement to empower the trustee to require Holders to disclose to it upon its request, their beneficial interests in the scheme must be contained in the Trust Deed.

b. Disclosure of interests of Significant Holders

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 5(d) in Appendix D of the Hong Kong REIT Code which requires that a statement requiring a Holder to promptly disclose to the Trustee when the Holder becomes a “significant holder” must be contained in the Trust Deed.

A “**Significant Holder**” means a Holder that holds 10% or more of the outstanding Units, for which purpose the following are deemed included as such Holder’s holdings: (i) the holdings of any associate of the Holder where the Holder is an individual; and (ii) the holdings of any director, senior executive, officer, controlling entity, holding company, subsidiary or associated company of the Holder where the Holder is an entity. For the purposes of this definition, “hold” and “holding” means any legal, beneficial or equitable interest in the Units.

The concept of a “significant holder” and that of a person who is interested in 5% or more of any class of voting shares in a listed corporation are two different concepts regulated under different applicable Hong Kong Rules. Under the Hong Kong REIT Code, a Holder that holds 10% or more of the

outstanding Units is a “Significant Holder”. Part XV of the SFO sets out the general disclosure of interests regime required of, among other persons, “substantial shareholders”. There is thus a separate disclosure obligation for a Significant Holder as a person who is interested in 5% or more of any class of voting shares in a listed corporation is under a duty under Part XV of the SFO to disclose its interests and short position in the voting shares of that listed corporation upon occurrence of certain events as prescribed under the SFO.

Please see pages A-13 to A-14 of Appendix A for further details regarding the disclosure of interests of a Significant Holder.

For the purposes of the Hong Kong REIT Code, a Significant Holder is also a “Connected Person” of Fortune REIT (see above).

(x) Termination subject to Extraordinary Resolution

The proposed amendment to the Trust Deed pursuant to Chapter 11 of the Hong Kong REIT Code read with paragraph 17(a) in Appendix D of the Hong Kong REIT Code which requires that a statement of the circumstances in which the scheme can be terminated must be contained in the Trust Deed and for consistency with Chapter 11 of the Hong Kong REIT Code.

Under the Hong Kong REIT Code, Fortune REIT may be wound up by the court, otherwise, termination of Fortune REIT shall be subject to Unitholders’ approval by special resolution at a general meeting. Where the proposal to terminate Fortune REIT is recommended by the Manager, the Manager and its connected persons shall abstain from voting if they hold interests in the Units and if their interest in terminating Fortune REIT is different from that of all other Unitholders.

For consistency with Chapter 11 of the Hong Kong REIT Code, all proposals to terminate Fortune REIT will be subject to Extraordinary Resolution, save where Fortune REIT is wound up by an order of court or terminated in the event that Fortune REIT does not have a manager for a period of more than 60 calendar days or such longer period as the Trustee considers appropriate.

(xi) Addition of Merger provisions

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 18 in Appendix D of the Hong Kong REIT Code which requires that a statement to list the procedures that are to be followed upon the merger with another scheme(s) in accordance with Chapter 11 of the Hong Kong REIT Code must be contained in the Trust Deed.

The procedures are as follows:

- (i) The merger of the Trust shall require specific prior approval by Extraordinary Resolution at a meeting of Unitholders to be convened by the Manager in accordance with the Schedule to the Trust Deed. Where the proposal to merge the Trust is recommended by the Manager, the Manager and any Related Party of the Manager shall abstain from voting if they hold interests in the Units and if their interest (at the sole determination of the Trustee) in merging the Trust is different from that of all other Holders. Where upon such merger the Trustee retires, any deed effecting the merger by which the Deposited Property and liabilities of the Trust are so merged

shall include indemnification of the Trustee to its satisfaction. The Trustee shall cease to be liable for obligations and Liabilities of the Trust subsisting at the time of merger to the extent such obligations and Liabilities are subsequently discharged from and out of the merged entity, and shall have no other liability for the consequences arising out of any merger of the Trust recommended by the Manager and approved by Extraordinary Resolution other than any liability arising from the fraud, wilful default, bad faith or negligence of the Trustee.

- (ii) Upon the Holders' approval of the merger of the Trust, (i) no further Units shall be created, issued, cancelled or sold, and (ii) no transfer of Units may be registered and no other change to the Register may be made without the sanction of the Trustee.
- (iii) Any merger pursuant to this Clause may only take effect upon the successor entity assuming responsibility for the performance and discharge of all obligations and Liabilities of the Trust subsisting at the time of merger.

(xii) Addition of clarification provisions as required under the Hong Kong REIT Code

The proposed insertion of a clause into the Trust Deed pursuant to paragraph 4(b) in Appendix D of the Hong Kong REIT Code which requires that a provision that a Holder is not liable to make any further payment after he had paid the purchase price of his units and that no further liability can be imposed on him in respect of the units which he holds must be contained in the Trust Deed.

(xiii) Amendments to the Schedule (Meeting of Holders)

The proposed amendments to the Schedule (Meeting of Holders) pursuant to paragraph 12 in Appendix D of the Hong Kong REIT Code which requires that the provisions on the manner in which meetings are conducted in accordance with rule 9.9 of the Hong Kong REIT Code, and on the circumstances under which meetings are to be held must be contained in the Trust Deed.

The Manager intends to alternate between Singapore and Hong Kong in the holding of annual general meetings. Annual or extraordinary general meetings which are held in Hong Kong will be open to Unitholders in Singapore and vice versa. The Manager will make appropriate arrangements to ensure that Unitholders in both markets can meaningfully participate in and vote at the meetings.

(xiv) Unitholders' approval requirement for changing Fortune REIT's investment policies

The amendment of the Trust Deed to require Unitholders' approval prior to changing the investment policies for the Trust is made for consistency with rule 10.7(a)(v) of the Hong Kong REIT Code.

(xv) Change in accounting principles

Appendix C of the Hong Kong REIT Code provides that financial statements of a REIT are required to conform with either: (a) accounting standards approved by the Hong Kong Institute of Certified Public Accountants and laid down in the Hong

Kong Financial Reporting Standards issued from time to time by that Institute; or (b) International Financial Reporting Standards (“IFRS”). Accordingly, clauses of the Trust Deed relating to the accounting and audits standards of Fortune REIT will be amended such that the accounting and audit standards of Fortune REIT are to be based on the IFRS, instead of being prepared or drawn up in accordance with the Trust Deed and generally accepted accounting principles in Singapore.

3.1.3 Amendments made upon the recommendation of the SFC

The SFC have specifically requested that several customary amendments be made to the Trust Deed which will bring the Trust Deed in line with other Hong Kong REIT trust deeds in general. Such amendments include:

(i) Amendments to the Trust Deed for clarification purposes

The proposed amendments to clauses in the Trust Deed so as to clarify the applicability and functionality of certain clauses.

(ii) Accruing of Distribution Entitlement

The proposed amendment to a clause in the Trust Deed such that in the event that Fortune REIT does not have sufficient cashflow to meet payments of Distribution Entitlements, such unpaid Distribution Entitlement shall be accrued and shall be paid as soon as practicable after Fortune REIT has sufficient cashflow to meet the payment obligations.

(iii) Distribution Entitlement to be reviewed by the Auditors

The proposed insertion of a clause into the Trust Deed such that the Manager shall arrange for the Auditors to review and check its calculation of the Distribution Entitlement in respect of each Distribution Period.

(iv) Amendments to clauses in relation to the Manager and the Trustee

The proposed amendments to clauses in the Trust Deed such that the Manager and Trustee will comply with stricter requirements when carrying on transactions as well as in the appointment of delegates and their supervision thereon.

(v) Further termination provision

The proposed insertion of a clause into the Trust Deed such that if for any reason, there is no manager under Fortune REIT for a period of more than 60 calendar days or such longer period as the Trustee considers appropriate, Fortune REIT may be terminated.

(vi) Additional circular requirement

The proposed insertion of clauses into the Trust Deed such that in the event of the termination or merger of Fortune REIT, a circular will have to be issued, containing the information required under the Trust Deed.

(vii) Part XV of the SFO (Duty of Disclosure)

The proposed insertion of clauses into the Trust Deed such that the provisions of Part XV of the SFO, and all relevant guidelines and interpretation notes on Part XV of the SFO issued by the SFC from time to time, which impose obligations on shareholders of a listed company to disclose certain interests in the company will have effect, mutatis mutandis, and shall be binding and on each Unitholder and all persons claiming through or under him under the Trust Deed.

(viii) Public Float requirement

The proposed insertion of a clause into the Trust Deed such that the Manager shall use best efforts to ensure that a minimum of 25% (or any other percentage as may be specified or permitted by the SFC from time to time) of the outstanding Units are held in public hands at all times.

(ix) Notice period for annual general meetings

The proposed amendment to Schedule 1 of the Trust Deed such that the notice period in respect of an annual general meeting would be at least 20 Business Days.

3.1.4 Other Amendments

(i) Insertions of new provisions into the Trust Deed and renumbering of existing clauses

New provisions are proposed to be inserted into the Trust Deed to facilitate compliance with Hong Kong regulatory requirements and the Hong Kong REIT regime and existing clauses are to be renumbered accordingly.

(ii) Non-exclusive jurisdiction of the courts of Singapore and Hong Kong

As Fortune REIT intends to be concurrently listed on the main board of the SGX-ST and the main board of the SEHK, the Trust Deed, which only makes reference to the laws of Singapore being applicable to the Trust Deed, will be amended to include the words “and Hong Kong” as well to allow a Holder the choice of enforcing his rights under either jurisdiction.

(iii) Default payment currency

The proposed amendment to a clause in the Trust Deed such that the default payment currency in Hong Kong and Singapore will be in Hong Kong dollars and Singapore dollars respectively.

(iv) Issuance of Units to the Manager

The proposed amendments to clauses in the Trust Deed such that the Manager may issue its Base Fee, Acquisition Fee and Divestment Fee in either Singapore and/or Hong Kong, and at the respective market prices.

The proposed amendments to the Trust Deed will require Unitholders' approval by way of an Extraordinary Resolution.

3.2 Rationale for the Trust Deed Amendment

In connection with the Introduction, Fortune REIT is required to amend its Trust Deed to the extent that it does not contravene the applicable laws of Singapore. The proposed amendments to the Trust Deed are made for the purpose of compliance with the relevant Hong Kong regulatory requirements as well as the Hong Kong REIT regime in general and to provide for the dual primary listing on the SEHK as mentioned above.

4. FINANCIAL EFFECTS OF THE INTRODUCTION

The Introduction will have no direct effect on the financials of Fortune REIT as Fortune REIT is seeking a dual primary listing of all its Units in issue on the SEHK by way of Introduction. Fortune REIT will not be issuing any new Units in connection with the Introduction.

The cost of the Introduction is estimated to be approximately HK\$30.0 million and will be financed from the net proceeds of Fortune REIT's recently completed rights issue in October 2009.

As additional trustee duties are to be carried out in Hong Kong upon completion of the Introduction, the Trustee's fees will be increased from 0.03% per annum of the Property Values to 0.035% per annum of the Property Values upon listing of Fortune REIT on the SEHK. This is within the permitted limit of the remuneration of the Trustee under the Trust Deed and will not require Unitholders' approval.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS¹

None of the directors of the Manager ("**Directors**") and Substantial Unitholders' interests in Fortune REIT will be affected by the Introduction.

5.1 Interests of the Directors of the Manager

The details of the unitholdings of the Directors as at 25 February 2010, the latest practicable date prior to the issue of this Circular ("**Latest Practicable Date**"), are as follows:

<u>Unitholder</u>	<u>Direct Interest</u>	<u>Deemed Interest</u>	<u>Total Interest</u>	<u>% Interest</u>
Mr Lim Hwee Chiang, John ⁽¹⁾	2,100,000	21,898,971	23,998,971	1.44
Mrs Sng Sow-Mei (alias Poon Sow Mei)	220,000	—	220,000	0.01

Note:

(1) Mr. Lim Hwee Chiang, John is deemed to be interested in 21,898,971 Units as follows:

- (i) the 9,202,971 Units held by the Manager (a wholly-owned subsidiary of ARA Asset Management Limited), by virtue of Mr. Lim's direct and indirect shareholdings of 36.7% of ARA Asset Management Limited; and
- (ii) the 12,696,000 Units held by ARA Asian Income Master Fund. ARA Strategic Capital I Pte Ltd, as the fund manager of ARA Asian Income Master Fund, is deemed to have an interest in these Units. ARA Strategic Capital I Pte Ltd is 100.0% owned by ARA Strategic Capital (Holdings) Pte Ltd which is 75.0% owned by ARA Asset Management Limited.

Mr Lim Hwee Chiang, John is the Group Chief Executive Officer and Executive Director of ARA Asset Management Limited.

¹ "**Substantial Unitholders**" refers to Unitholders with an interest or interests in Units representing not less than 5.0% of the total voting rights of all the Unitholders.

Mr Chiu Kwok Hung, Justin is the Chairman and Non-Executive Director of ARA Asset Management Limited and an Executive Director of Cheung Kong (Holdings) Limited (“**Cheung Kong**”).

Mr Ip Tak Chuen, Edmond is a Non-Executive Director of ARA Asset Management Limited, an Executive Director and Deputy Managing Director of Cheung Kong and a Director of Focus Eagle Investments Limited (“**Focus Eagle**”) (a wholly-owned subsidiary of Cheung Kong) which holds 413,074,684 Units.

Ms Yeung, Eirene is a Director, Corporate Strategy Unit and Company Secretary of Cheung Kong.

Dr Cheng Mo Chi, Moses is an Independent Non-Executive Director of ARA Asset Management Limited.

Save as disclosed above and based on information available to the Manager, none of the Directors has an interest, direct or indirect, in the Introduction or in any Units. None of the Directors are related to each other, or to the Substantial Unitholders.

5.2 Interests of Substantial Unitholders

The following table sets out the unitholdings of the Substantial Unitholders, based on the Register of Substantial Unitholders maintained by the Manager, as at the Latest Practicable Date:

Unitholder	Direct Interest	Deemed Interest	Total Interest	% Interest
Focus Eagle Investments Limited	413,074,684	—	413,074,684	24.9
Ballston Profits Limited.....	112,556,000	—	112,556,000	6.8
DBS Bank Ltd.....	97,141,000	—	97,141,000	5.8
Cheung Kong (Holdings) Limited	—	525,630,684 ⁽¹⁾	525,630,684	31.6
Schroder Investment Management Group.....	—	197,889,300 ⁽²⁾	197,889,300	11.9
Hutchison Whampoa Limited.....	—	112,556,000 ⁽³⁾	112,556,000	6.8
DBS Group Holdings Ltd.....	—	97,141,000 ⁽⁴⁾	97,141,000	5.8
Temasek Holdings (Private) Limited.....	—	97,141,000 ⁽⁵⁾	97,141,000	5.8

Notes:

- (1) Cheung Kong is deemed to be interested in 525,630,684 Units, of which: (i) 413,074,684 Units are held by Focus Eagle (a wholly-owned subsidiary of Cheung Kong); and (ii) 112,556,000 Units are held by Ballston Profits Limited (“**Ballston**”, a wholly-owned subsidiary of Hutchison Whampoa Limited (“**Hutchison**”), which in turn is 49.9% owned by Cheung Kong).
- (2) Schroder Investment Management Group is deemed to be interested in 197,889,300 Units of which: (i) 104,630,000 Units are held by Schroder Investment Management Limited; (ii) 78,312,000 Units are held by Schroder Investment Management (Singapore) Limited; and (iii) 14,947,300 Units are held by Schroder Investment Management (Hong Kong) Limited.
- (3) Hutchison is deemed to be interested in 112,556,000 Units held by its wholly-owned subsidiary, Ballston.
- (4) DBS Group Holdings Ltd is deemed to be interested in 97,141,000 Units held by its subsidiary, DBS Bank Ltd.
- (5) Temasek Holdings (Private) Limited is deemed to be interested in 97,141,000 Units which are held indirectly by DBS Group Holdings Limited. Temasek Holdings (Private) Limited holds directly and indirectly approximately 27.6% of total issued share capital of DBS Group Holdings Limited.

None of the Substantial Unitholders have any interest in the Introduction.

6. WORKING CAPITAL

The Manager is of the view that, in its reasonable opinion, after taking into consideration Fortune REIT's internal resources and its available loan facilities, the working capital available to Fortune REIT, as at the Latest Practicable Date, is sufficient for present requirements.

7. LEGAL AND ARBITRATION PROCEEDINGS

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have before the Latest Practicable Date, a material effect on the financial position or profitability of Fortune REIT.

8. MATERIAL CONTRACTS

Save as disclosed in Fortune REIT's annual reports for FY 2006, FY 2007 and FY 2008, and in the announcements made by the Manager via SGXNET from 18 March 2009 until the Latest Practicable Date, there were no contracts (not being contracts in the ordinary course of business) entered into by the Trustee or the Manager, other than contracts entered into in Fortune REIT's ordinary course of business from 18 March 2009 to the Latest Practicable Date which are material.

9. SIGNIFICANT CHANGES

Save as disclosed in this Circular, to the best of the Manager's knowledge and belief, no event has occurred from 31 December 2009, being the last day of the period covered by the FY 2009 audited consolidated financial statements, to the Latest Practicable Date, which may have a material effect on the financial position and results of Fortune REIT.

10. RECOMMENDATIONS

10.1 On the Introduction

The Directors are of the opinion that the Introduction, including all matters relating thereto, is in the best interests of Fortune REIT.

(See paragraph 2 above for details of the Introduction and the rationale for the Introduction.)

Accordingly, the Directors recommend that Unitholders vote at the EGM in favour of the resolution to approve the Introduction.

10.2 On the Proposed Trust Deed Amendment

Having regard to the rationale for the Trust Deed Amendment as set out in paragraph 3.2 above, the Directors believe that the Trust Deed Amendment would be beneficial to, and is in the interest of, Fortune REIT.

Accordingly, the Directors recommend that Unitholders vote in favour of the resolution relating to the Trust Deed Amendment.

11. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 11:00 a.m. on 26 March 2010 at Level 2, Room 208, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 or immediately after the conclusion/adjournment of the Annual General Meeting of Fortune REIT to be held at 10:00 a.m. on the same day and at the same place, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on page D-1 of this Circular.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited (“CDP”) as at 48 hours before the EGM.

Unitholders should note that the resolutions regarding the Introduction and the Trust Deed Amendment are subject to, and contingent upon, each other.

12. ACTION TO BE TAKEN BY UNITHOLDERS

You will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 not later than 11:00 a.m. on 24 March 2010, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person if he so wishes.

13. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the audited consolidated financial statements of Fortune REIT for each of FY 2007, FY 2008 and FY 2009;
- (ii) the annual reports of Fortune REIT for each of FY 2006, FY 2007 and FY 2008; and

(iii) the announcement made by Fortune REIT dated 24 February 2010 in relation to the Introduction.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Fortune REIT continues to be in existence.

Yours faithfully
ARA ASSET MANAGEMENT (FORTUNE) LIMITED
(as manager of Fortune Real Estate Investment Trust)
Company registration number: 200303151G

Lim Hwee Chiang, John
Director

IMPORTANT NOTICE

The value of Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

AC	:	Audit Committee
Aggregate Leverage	:	The total borrowings and deferred payments (which include deferred payments for assets whether to be settled in cash or in units of the property fund)
Ballston	:	Ballston Profits Limited
Board	:	The board of directors of the Manager
business 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 the SEHK (as the case may be) are open for trading
CDP	:	The Central Depository (Pte) Limited
Cheung Kong	:	Cheung Kong (Holdings) Limited
Circular	:	This circular to Unitholders dated 1 March 2010
CIS Code	:	Code on Collective Investment Schemes
COCG	:	Code of Corporate Governance 2005
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held on 26 March 2010 at Level 2, Room 208, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 at 11:00 a.m. or immediately after the conclusion/adjournment of the Annual General Meeting of Fortune REIT to be held at 10:00 a.m. on the same day and at the same place to approve the matters set out in the Notice of EGM on page D-1 of this Circular
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more 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
Focus Eagle	:	Focus Eagle Investments Limited
Fortune REIT	:	Fortune Real Estate Investment Trust
FY	:	Financial year
Hong Kong	:	The Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Listing Rules	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified for the time being

Hong Kong REIT Code	:	The Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented or otherwise modified for the time being
Hong Kong Takeovers Code	:	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified for the time being
Hutchison	:	Hutchison Whampoa Limited
IFRS	:	International Financial Reporting Standards
Introduction	:	The proposed dual primary listing of Units in issue on the SEHK by way of introduction
Latest Practicable Date	:	25 February 2010, being the latest practicable date prior to the issue of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	ARA Asset Management (Fortune) Limited, as manager of Fortune REIT
Market Acquisition	:	A Unit buy-back made on the SGX-ST or on another stock exchange on which Fortune REIT's Units are listed
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
MAS	:	Monetary Authority of Singapore
NAV	:	Net asset value
Notice of EGM	:	The notice of EGM as set out on page D-1 of this Circular
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Principal Valuer	:	An independent property valuer appointed in accordance with Chapter 6 of the Hong Kong REIT Code
Property Funds Appendix	:	The guidelines for real estate investment trusts as found in Appendix 2 of the CIS Code issued by the Monetary Authority of Singapore
REIT	:	Real estate investment trust
SEHK	:	The Stock Exchange of Hong Kong Limited
SFA	:	Securities and Futures Act, Cap 289 of Singapore
SFC	:	Securities and Futures Commission of Hong Kong
SFO	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified for the time being

SGX-ST	:	Singapore Exchange Securities Trading Limited
Singapore Take-over Code	:	The Singapore Code on Take-overs and Mergers
S-REIT	:	Singapore REIT
Substantial Unitholder	:	A Unitholder who has an interest or interests in Units representing not less than 5.0% of the total voting rights of all the Unitholders
Trust Deed	:	The trust deed dated 4 July 2003 entered into between the Trustee and the Manager constituting Fortune REIT (as amended by the Amending and Restating Deed dated 29 June 2005, a Second Supplemental Deed dated 20 April 2006, a Third Supplemental Deed dated 12 October 2009 and a Fourth Supplemental Deed dated 26 February 2010)
Trust Deed Amendment	:	The proposed amendments to the Trust Deed as described in Section 3 of the Letter to Unitholders
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT
Unit	:	A unit representing an undivided interest in Fortune REIT
Unitholders	:	Unitholders of Fortune REIT
VSA	:	Very substantial acquisition
HK\$ and HK cents	:	Hong Kong dollars and Hong Kong cents
S\$:	Singapore dollars
%	:	Per centum or percentage

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one or two decimal places as appropriate.

FURTHER INFORMATION RELATING TO THE DUAL PRIMARY LISTING

The Units are currently listed on the SGX-ST and the Manager intends to list Fortune REIT's Units on the SEHK following the Introduction. The Manager sets out below a summary of certain differences between the listing rules of the SGX-ST and the listing rules of the SEHK, certain applicable laws, rules and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Take-over Code and the Hong Kong Takeovers Code, and certain other relevant laws, rules and regulations concerning REITs with listed securities. However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Unitholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Unitholders should also note that the laws, rules and regulations applicable to Fortune REIT and Unitholders may change, whether as a result of proposed legislative or regulatory reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Unitholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the relevant Singapore and Hong Kong rules, Fortune REIT shall comply with the more restrictive or stringent law or rule.

1. CERTAIN MAJOR DIFFERENCES BETWEEN THE LISTING RULES OF THE SGX-ST AND THE SEHK AND CERTAIN APPLICABLE SINGAPORE AND HONG KONG LAWS, RULES AND REGULATIONS

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Although the Hong Kong Listing Rules do not automatically apply to REITs, except that otherwise provided in the Hong Kong REIT Code or the guidelines issued by the SFC from time to time, the SFC in general seeks to regulate REITs, to the extent appropriate and practicable, with reference to the requirements applicable to listed companies under the Hong Kong Listing Rules. Accordingly, all references in this Appendix to provisions of the Hong Kong Listing Rules should be read in this context.</p>	
Disclosure Obligations of Fortune REIT		
1.	<p>Following the Introduction, the SFC must be simultaneously informed of any information released to the SGX-ST, and Fortune REIT must ensure that such information is released to the market in Hong Kong at the same time as it is released to the Singapore market.</p> <p>Chapter 10 of the Hong Kong REIT Code (Reporting and Documentation)</p>	<p>Where the Manager makes a disclosure pursuant to Singapore laws, it will make the same disclosure in Hong Kong.</p> <p>Chapter 7 of the SGX-ST Listing Manual (Continuing Obligations)</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Paragraph 10.3, Hong Kong REIT Code</p> <p>The Manager shall inform Unitholders as soon as reasonably practicable of any information or transaction concerning Fortune REIT which:</p> <ul style="list-style-type: none"> (a) is necessary to enable Unitholders to appraise the position of Fortune REIT; (b) is necessary to avoid a false market in the Units; (c) might be reasonably expected to materially affect market activity in Fortune REIT or affect the price of the Units; or (d) requires Unitholders' approval. <p>Paragraph 10.4, Hong Kong REIT Code</p> <p>The following are examples of information that would require disclosure under paragraph 10.3 of the Hong Kong REIT Code. These examples do not constitute a complete list:</p> <ul style="list-style-type: none"> (a) a material change in Fortune REIT's financial forecast; (b) a valuation of the real estate of Fortune REIT, conducted upon request by the Trustee if the Trustee or the Manager reasonably believes that such valuation is appropriate; (c) issuance of semi-annual or annual report; (d) any connected party transactions, subject to the HK\$1.0 million threshold in paragraph 8.14 of the Hong Kong REIT Code; (e) a transaction (other than a connected party transaction) the value of which exceeds 15.0% of the gross asset value of Fortune REIT; (f) a transaction (other than a connected party transaction) for services relating to the real estate of Fortune REIT the value of which exceeds 15.0% of the aggregate value that Fortune REIT committed to spend or has spent on services relating to real estate of Fortune REIT during the 12 months preceding the relevant transaction; (g) a proposed disposal of real estate within a period of less than two years since acquisition; 	<p>Disclosure of Material Information: Rule 703, Listing Manual</p> <ul style="list-style-type: none"> (1) The Manager must announce any information known to the Manager concerning Fortune REIT or any of its subsidiaries or associated companies which:– <ul style="list-style-type: none"> (a) is necessary to avoid the establishment of a false market in the Units; or (b) would be likely to materially affect the price or value of the Units. (2) Rule 703(1) does not apply to information which it would be a breach of law to disclose. (3) Rule 703(1) does not apply to particular information while each of the following conditions applies: <ul style="list-style-type: none"> Condition 1: a reasonable person would not expect the information to be disclosed; Condition 2: the information is confidential; and Condition 3: one or more of the following applies: <ul style="list-style-type: none"> (i) the information concerns an incomplete proposal or negotiation; (ii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; (iii) the information is generated for the internal management purposes of the entity; (iv) the information is a trade secret. (4) In complying with the SGX-ST's disclosure requirements, the Manager must: <ul style="list-style-type: none"> (a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the SGX-ST Listing Manual, and (b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy. (5) The SGX-ST will not waive any requirements under this Rule 703.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(h) a proposed change in the Manager;</p> <p>(i) a proposed change in the general character or nature of Fortune REIT, such as the investment objective and/or policy of Fortune REIT;</p> <p>(j) a recommendation or declaration or cancellation of a dividend or distribution;</p> <p>(k) issuance of new Units (other than units issued pursuant to a dividend reinvestment plan);</p> <p>(l) a copy of a document containing market sensitive information or any financial documents that Fortune REIT lodges with an overseas stock exchange (where applicable) or other regulator which is available to the public;</p> <p>(m) giving or receiving a notice of intention to undertake a merger or takeover;</p> <p>(n) a merger or acquisition;</p> <p>(o) a breach of the borrowing limit;</p> <p>(p) material litigation;</p> <p>(q) significant dispute(s) with contractors or with any parties;</p> <p>(r) a valuation of Fortune REIT's real estate that has a material impact on Fortune REIT's financial position or performance;</p> <p>(s) a major change in accounting policy adopted by Fortune REIT;</p> <p>(t) a proposal to change Fortune REIT's auditor;</p> <p>(u) a proposal to change the Trustee;</p> <p>(v) a proposal to alter the level or structure of fees and charges only if such alteration requires Unitholders' approval;</p> <p>(w) a decision or recommendation to request de-authorisation or delisting of Fortune REIT;</p> <p>(x) a proposal to terminate Fortune REIT; or</p> <p>(y) a proposal to vary the intention stated in the offering document regarding acquisition of properties within the first 12 months of listing.</p>	<p>Announcement of Specific Information: Rule 704, SGX Listing Manual</p> <p>In addition to Rule 703, the Manager must immediately announce the following:–</p> <p>General</p> <p>(1) Any change of address of the registered office of the Manager or of any office at which the Register of Members or any other register of Units is kept.</p> <p>(2) Any proposed alteration to the Trust Deed.</p> <p>(3) Any notice of Substantial Unitholders' and Directors' interests in the Units or changes thereof received by the Manager.</p> <p>(4) Any call to be made on partly paid Units or of any of Fortune REIT's principal subsidiaries.</p> <p>(5) Any qualification or emphasis of a matter by the auditors on the financial statements of:–</p> <p>(a) Fortune REIT; or</p> <p>(b) any of Fortune REIT's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on Fortune REIT's consolidated accounts or the group's financial position.</p> <p>(6) Any material adjustments to Fortune REIT's preliminary full-year results by auditors after the Manager's announcement of Fortune REIT's preliminary full-year results.</p> <p>Appointment or cessation of service</p> <p>(7) Any appointment or cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent rank, company secretary, registrar or auditors of the Manager.</p> <p>(8) Any appointment or reappointment of a director to the audit committee.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Paragraphs 10.6 and 10.7, Hong Kong REIT Code</p> <p>A circular shall be issued in respect of:</p> <p>(a) transactions that require, or in the reasonable opinion of the Trustee or the Manager require, Unitholders' approval; and</p> <p>(b) material information in relation to Fortune REIT.</p> <p>The following are examples of circumstances in or in relation to which a circular shall be issued. These examples do not constitute a complete list:</p> <p>(a) transactions that require, or that in the reasonable opinion of the Trustee or the Manager require, Unitholders' approval at a general meeting, including a proposal to:</p> <p>(i) issue new Units (other than Units issued pursuant to a dividend reinvestment plan) that requires holders' approval under Chapter 12 of the Hong Kong REIT Code;</p> <p>(ii) enter into a merger or acquisition;</p> <p>(iii) enter into a disposal of real estate within a period of less than two years since acquisition;</p> <p>(iv) change the Manager;</p> <p>(v) change the general character or nature of Fortune REIT, such as the investment objective and/or policy of Fortune REIT;</p> <p>(vi) alter the level or structure of fees and charges only if such alteration requires Unitholders' approval;</p> <p>(vii) enter into a connected party transaction which requires Unitholders' approval under Chapter 8 of the Hong Kong REIT Code; and</p> <p>(viii) request de-authorisation or delisting of Fortune REIT; and</p>	<p>(9) Any appointment of a person who is a relative of a director or chief executive officer of the Manager or Substantial Unitholder to a managerial position in the Manager or any of its principal subsidiaries.</p> <p>(10) Any promotion of an appointee referred to in Rule 704(9).</p> <p>(11) Within two months after each financial year, the Manager must make an announcement in the format in Appendix 7.4 of the Listing Manual of each person occupying a managerial position in the Manager or any of its principal subsidiaries who is a relative of a director or chief executive officer or Substantial Unitholder. If there are no such persons, the Manager must make an appropriate negative statement. The SGX-ST may require the Manager to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.</p> <p>Appointment of Special Auditors</p> <p>(12) Any appointment of a special auditor to review or investigate the Manager's affairs and report its findings to the SGX-ST or the Manager's Audit Committee or such other party as the SGX-ST may direct.</p> <p>General Meetings</p> <p>(13) The date, time and place of any general meeting.</p> <p>(14) All resolutions put to a general meeting of Fortune REIT, and immediately after such meeting, whether or not the resolutions were passed.</p> <p>Acquisitions and Realisations</p> <p>(15) Any acquisition of:–</p> <p>(a) Shares resulting in Fortune REIT holding 10% or more of the total number of issued shares excluding treasury shares of a quoted company;</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(b) material information in relation to Fortune REIT includes, but is not limited to, the circumstances set out in paragraphs 10.4(a), (b), (e), (f) and (k) of the Hong Kong REIT Code and as referred to above.</p> <p>Listing Agreement applicable to SFC-authorized REITs set out in Appendix 7G to the Hong Kong Listing Rules</p> <p>Paragraph 4, Listing Agreement</p> <p>Fortune REIT shall inform the SEHK immediately of:</p> <p>(a) any notice of the SFC to withdraw authorisation of Fortune REIT;</p> <p>(b) any intention to vary or terminate Fortune REIT; and</p> <p>(c) any other information necessary to enable the Unitholders to appraise the position of Fortune REIT and to avoid the establishment of a false market in the interests of Fortune REIT.</p> <p>Paragraphs 4A and 4B, Listing Agreement</p> <p>When there is a change in the issued Unit capital as a result of or in connection with any of the following events (“Category A Events”):</p> <p>(a) placing;</p> <p>(b) consideration issue;</p> <p>(c) open offer;</p> <p>(d) rights issue;</p> <p>(e) bonus issue;</p> <p>(f) scrip dividend;</p> <p>(g) repurchase of Units;</p> <p>(h) exercise of an option under a Unit option scheme by the Manager or any Director;</p> <p>(i) exercise of an option other than under a Unit option scheme by the Manager or any Director; or</p> <p>(j) change in the number of Units not falling within any of the Category A Events or Category B Events (as defined below),</p>	<p>(b) Quoted securities resulting in the Fortune REIT’s aggregate cost of investment exceeding each multiple of 5% of Fortune REIT’s latest audited consolidated net tangible assets;</p> <p>(c) Shares resulting in a company becoming a subsidiary or an associated company of Fortune REIT; and</p> <p>(d) Shares resulting in Fortune REIT increasing its shareholding in a subsidiary or an associated company.</p> <p>(16) Any sale of:–</p> <p>(a) Shares resulting in Fortune REIT holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company;</p> <p>(b) Quoted securities resulting in Fortune REIT’s aggregate cost of investment in quoted securities falling below each multiple of 5% of Fortune REIT’s latest audited consolidated net tangible assets;</p> <p>(c) Shares resulting in a company ceasing to be a subsidiary or an associated company of Fortune REIT; and</p> <p>(d) Shares resulting in Fortune REIT reducing its shareholding in a subsidiary or an associated company.</p> <p>(17) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Listing Manual.</p> <p>Winding Up, Judicial Management, etc</p> <p>(18) Any application filed with a court to terminate Fortune REIT or to wind up the Manager or any of its subsidiaries, or to place the Manager or any of its subsidiaries under judicial management.</p> <p>(19) The appointment of a receiver, judicial manager or liquidator of Fortune REIT or the Manager or any of its subsidiaries.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Fortune REIT shall submit, through SEHK's electronic publication system for publication on SEHK's website, a return ("Next Day Return") by not later than 30 minutes before the pre-opening session on the business day following the relevant event.</p> <p>When there is a change in the issued Unit capital as a result of or in connection with any of the following events ("Category B Events"):</p> <ul style="list-style-type: none"> (a) exercise of an option under a Unit option scheme other than by the Manager or any Director; (b) exercise of an option other than under a Unit option scheme not by the Manager or any Director; (c) exercise of a warrant; (d) conversion of convertible securities; or (e) redemption of Units, <p>subject to the following disclosure obligations, Fortune REIT shall also timely submit a Next Day Return. The disclosure obligation of a Category B Event only arises where:</p> <ul style="list-style-type: none"> (i) the occurrence of any Category B Event which results in a change of 5.0% or more of the issued Unit capital; (ii) the occurrence of more than one Category B Events since the publication of the last Next Day Return or the last Monthly Return (as defined below), which in aggregate results in a change of 5.0% or more of the issued Unit capital; or (iii) the occurrence of any Category B Event that has not yet been disclosed in a Next Day Return or a Monthly Return (as defined below) and the occurrence of any Category A Event (in which case both the Category A Event and the Category B Event have to be disclosed). 	<ul style="list-style-type: none"> (20) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to Fortune REIT or the Manager or any of its subsidiaries which, in the opinion of the Manager's directors, would result in the Manager or Fortune REIT facing a cash flow problem. (21) Where Rule 704(18), (19) or (20) applies, a monthly update must be announced regarding Fortune REIT's, or as the case may be, the Manager's financial situation. If any material development occurs between the monthly updates, it must be announced immediately. <p>Announcement of Results, Dividends, etc</p> <ul style="list-style-type: none"> (22) Any recommendation or declaration of a dividend, the rate and amount per Unit and date of payment. (23) After the end of each of the first three quarters of Fortune REIT's financial year, half year or financial year, as the case may be, the Manager must not announce any:– <ul style="list-style-type: none"> (a) dividend; (b) capitalisation or rights issue; (c) closing of the books; (d) capital return; (e) passing of a dividend; or (f) sales or turnover, unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Further, Fortune REIT shall, by no later than 9:00 a.m. of the fifth business day next following the end of each calendar month, submit, through SEHK’s electronic publication system for publication on SEHK’s website, a monthly return (“Monthly Return”) in relation to movements in the interests in the Units, debt securities and any other securitised instruments, as applicable, of Fortune REIT, during the period to which the Monthly Return relates.</p> <p>Chapter 14 of the Hong Kong Listing Rules (Notifiable Transactions)</p> <p>Chapter 14 of the Hong Kong Listing Rules primarily deals with the classification of transactions (principally acquisitions and disposals) and the disclosure, shareholders’ approval and/or regulatory approval requirements arising therefrom.</p> <p>Classification of notifiable transactions of an issuer listed on the SEHK is determined by the following “size tests”:</p> <ul style="list-style-type: none"> (i) total assets test; (ii) profits test; (iii) revenue test; (iv) consideration test; and (v) equity capital test. <p>Notifiable transactions are classified into:</p> <ul style="list-style-type: none"> (a) share transaction, i.e., an acquisition where consideration includes the listed issuer’s listed securities, with all percentage ratios resulting from any of the “size tests” being less than 5.0%; (b) discloseable transaction, i.e., a transaction with any percentage ratio resulting from any of the “size tests” being 5.0% or more, but less than 25.0%; (c) major transaction, i.e., a transaction with any percentage ratio resulting from any of the “size tests” being 25.0% or more, but less than 100.0% (for acquisition) or 75.0% (for disposal); 	<p>Books Closure</p> <p>(24) Any intention to fix a books closure date, stating the date, reason and address of the unit registry at which the relevant documents will be accepted for registration.</p> <p>At least 10 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Subject to the provisions of the Companies Act, Chapter 50 of Singapore the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, the Manager must ensure that the last day of trading on a cum basis falls at least 1 day after the general meeting, if a general meeting is required to be held.</p> <p>(25) The Manager must not close its books for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.</p> <p>Chapter 10 of the SGX Listing Manual (Acquisitions and Realisations)</p> <p>Under Chapter 10, transactions¹ are classified as:</p> <ul style="list-style-type: none"> (a) Non-Discloseable Transactions; (b) Discloseable Transactions; (c) Major Transactions; and (d) Very Substantial Acquisitions or Reverse Takeovers. <p>Rule 1006, Listing Manual</p> <p>The relevant category that a transaction falls under depends on the size of the relative figures computed on the following bases:–</p> <ul style="list-style-type: none"> (a) The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.

¹ “transactions” refers to the acquisition or disposal of assets by Fortune REIT or a subsidiary that is not listed on the Exchange or an approved Exchange, including an option to acquire or dispose of assets. It excludes acquisition or disposal which is in, or in connection with, the ordinary course of business or of a revenue nature.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(d) very substantial disposal, i.e., a disposal with any percentage ratio resulting from any of the “size tests” being 75.0% or more;</p> <p>(e) very substantial acquisition (“VSA”), i.e., an acquisition with any percentage ratio resulting from any of the “size tests” being 100.0% or more; and</p> <p>(f) reverse takeover, i.e., an acquisition constituting an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new listing applicant. It normally refers to: (i) VSA and change in control (as defined in the Hong Kong Takeovers Code) of the listed issuer; or (ii) VSA from person(s) (or associates) pursuant to an agreement or understanding dated within 24 months of such person(s) gaining control of the listed issuer, which gain of control was not previously regarded as a “reverse takeover”.</p> <p>Rule 14.33 of the Hong Kong Listing Rules summarises the notification, publication and shareholders’ approval requirements of each category of notifiable transaction.</p> <p>If a notifiable transaction is also a connected party transaction, Fortune REIT will also have to comply with the relevant requirements under the Hong Kong REIT Code for connected party transactions.</p>	<p>(b) The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.</p> <p>(c) The aggregate value of the consideration given or received, compared with Fortune REIT’s market capitalisation based on the total number of issued Units excluding treasury Units.</p> <p>(d) The number of equity securities issued by the Manager as consideration for an acquisition, compared with the number of equity securities previously in issue.</p> <p>Transactions are categorised as follows:–</p> <p>(1) Non-Discloseable Transaction: Where any of the relative figures in Rule 1006 is 5.0% or less (Rule 1008(1))</p> <p>(2) Discloseable Transaction: Where any of the relative figures in Rule 1006 exceeds 5.0% but does not exceed 20.0% (Rule 1010)</p> <p>(3) Major Transaction: Where any of the relative figures in Rule 1006 exceeds 20.0% (Rule 1014)</p> <p>(4) Very Substantial Acquisition or Reverse Takeover: Where any of the relative figures in Rule 1006 is 100.0% or more, or where there is a change in control of Fortune REIT (Rule 1015)</p> <p>Where a transaction is classified as a Discloseable Transaction, Major Transaction or Very Substantial Acquisition/Reverse Takeover, the Manager must make an immediate announcement, which includes the details prescribed in Rule 1010 (as set out below):–</p> <p>(i) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;</p> <p>(ii) A description of the trade carried on, if any;</p> <p>(iii) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<ul style="list-style-type: none"> <li data-bbox="890 232 1394 353">(iv) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof; <li data-bbox="890 376 1394 629">(v) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation; <li data-bbox="890 651 1394 801">(vi) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition; <li data-bbox="890 824 1394 945">(vii) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal; <li data-bbox="890 967 1394 1122">(viii) The effect of the transaction on the net tangible assets per Unit for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year; <li data-bbox="890 1144 1394 1294">(ix) The effect of the transaction on the earnings per Unit for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year; <li data-bbox="890 1317 1394 1438">(x) The rationale for the transaction including the benefits which are expected to accrue to Fortune REIT as a result of the transaction; <li data-bbox="890 1460 1394 1581">(xi) Whether any director or controlling Unitholder has any interest, direct or indirect, in the transaction and the nature of such interests; <li data-bbox="890 1603 1394 1724">(xii) Details of any service contracts of the directors proposed to be appointed to the Manager in connection with the transaction; and <li data-bbox="890 1747 1394 1803">(xiii) The relative figures that were computed on the bases set out in Rule 1006.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Further, transactions that are Major Transactions are conditional upon the prior approval of Unitholders. Very Substantial Acquisitions/Reverse Takeovers transactions are conditional upon the approval of Unitholders and the approval of the SGX-ST (Rule 1014(2)).</p> <p>For Very Substantial Acquisitions/Reverse Takeovers, the Manager must also immediately announce the latest three years of proforma financial information of the assets to be acquired (Rule 1015(1)(b)).</p> <p>A circular to Unitholders will need to be distributed to seek Unitholders' approval.</p> <p>The disclosures required to be made in such circulars for these types of transactions are prescribed in the Listing Manual.</p>
2.	<p>Chapter 10 of the Hong Kong REIT Code (Reporting and Documentation)</p> <p>Paragraph 10.12, Hong Kong REIT Code</p> <p><i>Reporting requirements</i></p> <p>At least two reports shall be published in respect of each FY. Annual reports and accounts shall be published and distributed to Unitholders within four months of the end of Fortune REIT's FY and semi-annual reports shall be published and distributed to Unitholders within two months of the end of the period they cover. (See also "SFC's Circular to Management Companies of SFC-authorized REITs dated 16 March 2009" below.)</p> <p><i>Report content requirements</i></p> <p>The contents of the annual reports and semi-annual reports shall comply with the requirements set out in Appendix C to the Hong Kong REIT Code. Fortune REIT should also ensure that its reports and results announcements comply with the relevant content requirements set out in Appendix 16 to the Hong Kong Listing Rules as if those requirements were applicable to REITs.</p>	<p>Announcement of financial results and annual reports</p> <p>Financial Statements: Rule 705 read with Rule 748, Listing Manual, and Paragraph 7.1.1 of the CIS Code</p> <p>(a) The Manager must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period (Rule 705(1)).</p> <p>(b) The Manager must announce the financial statements for each of the first three quarters of Fortune REIT's financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end.</p> <p>The financial statements must:</p> <p>(1) give a breakdown of the income received between dividends and interest, and any other income (Rule 748(2)); and</p> <p>(2) be prepared in accordance with the Recommended Accounting Practice 7: Reporting Framework for Unit Trusts (Paragraph 7.1.1 of the CIS Code).</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>These requirements are the minimum content requirements. The Manager should also incorporate into the reports and results announcements such other information it consider necessary for Unitholders to appraise the matters relating to Fortune REIT. Further, there should not be any material discrepancy between the information contained in the results announcements and that in the audited results, and the Manager should inform the SFC at the same time it notifies the SEHK of the event.</p> <p>Declarations of distribution</p> <p>The Manager should notify Unitholders about declarations of distribution through the annual/ semi-annual reports and results announcements of Fortune REIT for the relevant periods.</p> <p>In order to enhance transparency and investors' understanding of the composition of distributions declared, Fortune REIT must also disclose clearly: (i) the extent to which the distribution declared or made by it is composed of, and the types of, income and capital; and (ii) any amounts deducted (such as taxes in respect of distributions paid/ payable to Unitholders) pursuant to the Trust Deed, in all of their results announcements, semi-annual and annual reports. For example, any adjustment made to the distribution amount as a result of the adding back of the amortisation charge of the upfront swap payment to distributable income will normally be regarded as an effective return of capital for this purpose, and the SFC would require disclosure of such amount on a per Unit basis as a minimum.</p> <p>SFC's Circular to Management Companies of SFC-authorized REITs dated 16 March 2009</p> <p>In February 2009, the SEHK announced various amendments to the Hong Kong Listing Rules. Pursuant to the SFC's circular dated 16 March 2009, the Manager is expected to comply with the enhanced corporate governance practices and disclosure requirements under the amended Hong Kong Listing Rules, with necessary changes, as if they were applicable to REITs. These requirements include the accelerated three-month reporting deadline for annual results announcements covering FYs ending on or after 31 December 2010.</p>	<p>(c) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), the Directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, Directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by two Directors on behalf of the Board.</p> <p>Annual Report: Rule 707 read with Rule 709, Listing Manual and Paragraph 11.2 of the Property Funds Appendix</p> <p>(a) The time between the end of Fortune REIT's financial year and the date of its annual general meeting must not exceed four months (Rule 707(1)).</p> <p>(b) The Manager must issue Fortune REIT's annual report to Unitholders and the SGX-ST at least 14 days before the date of its annual general meeting (Rule 707(2)).</p> <p>The annual report must contain the information required in Part III of Chapter 12 of the Listing Manual, Rule 709 as well as Paragraph 11.2 of the Property Funds Appendix.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
3.	<p>Chapter 5 of the Hong Kong REIT Code (Management Company, Auditor, Listing Agent and Financial Adviser) Paragraphs 5.18, 5.19 and 5.20, Hong Kong REIT Code</p> <p>The Manager shall, at the outset and upon any vacancy, appoint an auditor for Fortune REIT and any special purpose vehicles acquired or to be acquired by Fortune REIT.</p> <p>The auditor shall normally have an international name and reputation, and shall be qualified under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) for appointment as an auditor of a company and independent of the Manager, the Trustee and any other party concerned.</p> <p>The Manager shall cause Fortune REIT's financial statements to be audited by the auditor.</p>	<p>Rule 712 and 713, Listing Manual read with Paragraph 4 of the Property Funds Appendix:</p> <p>Rule 712: Appointment of Auditors</p> <p>(1) The Manager must appoint a suitable accounting firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the accounting firm and the persons assigned to the audit, the firm's audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Such auditor shall be appointed at Fortune REIT's annual general meeting.</p> <p>(2) A change in auditors must be specifically approved by Unitholders in a general meeting.</p> <p>Rule 713: Appointment of Auditors</p> <p>(1) The Manager must disclose in Fortune REIT's annual report the date of appointment and the name of the audit partner in charge of auditing Fortune REIT and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two years.</p>
Unit Dispersion/Public Float Requirement		
4.	<p>Chapter 8 of the Hong Kong Listing Rules (Qualifications for Listing) Rule 8.08, Hong Kong Listing Rules</p> <p>There must be an open market in the relevant securities. This will normally mean that:</p> <p>(a) at least 25.0% of the listed issuer's total issued capital must at all times be held by the public. This minimum prescribed percentage of the securities must remain in public hands at all times. If the percentage falls below the minimum, trading may be suspended until appropriate steps have been taken to restore the minimum percentage of the securities in public hands. In this connection, suspension of trading in the securities will normally be required if the percentage of the public float falls below 15.0%;</p>	<p>Under Rule 724 of the Listing Manual, if the percentage of Units in public hands falls below 10.0%, the Manager must make an announcement and the SGX-ST may suspend trading of the Units.</p> <p>Under Rule 725 of the Listing Manual, the SGX-ST may allow the Manager a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Units in public hands to at least 10.0%, failing which Fortune REIT may be delisted.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(b) at the time of listing there must be an adequate spread of holders of the securities to be listed, and in all cases, there must be a minimum of 300 holders; and</p> <p>(c) not more than 50.0% of the securities in public hands at the time of listing can be beneficially owned by the three largest public holders.</p> <p>Rule 8.24, Hong Kong Listing Rules</p> <p>Any connected person of the listed issuer will not be regarded as a member of “the public”, and securities held by such a connected person will not be regarded as being “in public hands”. In addition, (i) any person whose acquisition of the securities has been financed directly or indirectly by a connected person; or (ii) any person who is accustomed to take instructions from a connected person in relation to the acquisition, disposal, voting or other disposition of the securities registered in his name or otherwise held by him, will not be recognised as a member of “the public” either.</p>	
Reporting/Disclosure Obligations of Unitholders		
5.	<p>Part XV of the SFO (Disclosure of Interests)</p> <p>Part XV of the SFO relates to disclosure of interests. It refers to shares and debentures of a listed corporation and therefore technically does not apply to REITs which are constituted in the form of trusts. Currently, the SFC requires that provisions substantially equivalent to those in Part XV of the SFO be adopted in trust deeds of REITs. In January 2010, the SFC issued a consultation paper, seeking to, among other things, extend the disclosure of interests provisions in Part XV of the SFO to cover REITs in order to codify the existing practice.</p> <p>The disclosure regime under Part XV of the SFO is very complex. No attempt is made to discuss the regime in this Circular, and only a brief introduction in respect of the disclosure obligations of “substantial shareholders” is set out below.</p>	<p>Obligation to notify Trustee and the SGX-ST of Substantial Unitholding and change in Substantial Unitholding</p> <p>Section 2(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)</p> <p>“Substantial Unitholder”, in relation to a collective investment scheme (in this case Fortune REIT), means a participant who has an interest or interests in Units in the scheme representing not less than 5.0% of the total voting rights of all the participants of the scheme.</p> <p>Section 82 of the Companies Act, Chapter 50 of Singapore read with Section 137B of the SFA</p> <p>A Substantial Unitholder is required to notify the Trustee of his “interests” in the voting Units in Fortune REIT within two business days after becoming a Substantial Unitholder.</p> <p>Sections 83 and 84 of the Companies Act, Chapter 50 of Singapore read with Section 137B of the SFA</p> <p>A Substantial Unitholder is required to notify the Trustee of changes in the percentage level of his Unitholding or his ceasing to be a Substantial Unitholder within two business days after he is aware of such changes.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>In broad terms, under Part XV of the SFO, a person who is interested in 5% or more of any class of voting shares in a listed corporation is under a duty to disclose its interests and short position in the voting shares of the listed corporation upon the occurrence of the relevant events as prescribed under the SFO.</p> <p>For relevant events falling under the category of “initial notification” as provided for under section 2.7 of the “Outline of Part XV of the SFO — Disclosure of Interests” issued by the SFC (i.e., where the duty of disclosure arises under Section 310(2) or (3) of the SFO), the time allowed for filing a notice is 10 business days after the day on which the relevant event occurs. As for the other relevant events, the time allowed for filing a notice is three business days after the day on which the relevant event occurs.</p>	<p>The reference to changes in “percentage level” means any changes in a Substantial Unitholder’s interest in Fortune REIT which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold. For example, an increase in interests in Fortune REIT from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.</p> <p>Section 137A, SFA</p> <p>A Substantial Unitholder is also required under section 137A(1) of the SFA to give the above notifications to the SGX-ST at the same time.</p>
Unit Buy-back		
6.	<p>SFC’s Circular to Management Companies of SFC-authorized REITs dated 31 January 2008</p> <p>The SFC in general seeks to regulate on-market unit repurchases by REITs with reference to requirements applicable to listed companies as set out in Rule 10.06 of the Hong Kong Listing Rules, except otherwise provided in the Hong Kong REIT Code or the guidelines issued by the SFC from time to time.</p> <p>General requirements</p> <p>Unless approved by the SFC, the Manager must not repurchase or redeem any Units otherwise than any on-market repurchase effected in accordance with the following requirements.</p> <p>Fortune REIT may purchase its own Units on the SEHK provided that:</p> <p>(a) the Manager has previously sent to Unitholders an explanatory statement as referred to below;</p> <p>(b) the Unitholders have given a specific approval or a general mandate to the Manager to make such purchase(s), by way of an ordinary resolution; and</p>	<p>Unit Buy-back</p> <p>(a) Unitholder Approval: Rule 881, Listing Manual</p> <p>Fortune REIT may purchase its Units if it has obtained the prior specific approval of Unitholders in general meeting.</p> <p>Rule 882, Listing Manual:</p> <p>A Unit buy-back may only be made on the SGX-ST or on another stock exchange on which Fortune REIT’s Units are listed (“Market Acquisition”) or by way of an offmarket acquisition in accordance with an equal access scheme as defined in section 76C of the Companies Act, Chapter 50 of Singapore.</p> <p>Rule 883, Listing Manual</p> <p>For the purpose of obtaining Unitholder approval, the Manager must provide at least the following information to Unitholders:–</p> <p>(1) The information required under the Companies Act, Chapter 50 of Singapore, if applicable;</p> <p>(2) The reasons for the proposed Unit buy-back;</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(c) such purchase is carried out in accordance with the provisions of the Trust Deed and other constitutive documents of Fortune REIT, the relevant Singapore laws (being the laws of the jurisdiction in which Fortune REIT is established), the Hong Kong REIT Code and the guidelines issued by the SFC from time to time.</p> <p>Explanatory statement</p> <p>The Manager must send to the Unitholders an explanatory statement (at the same time as the notice of the relevant Unitholders' meeting) containing all the information reasonably necessary to enable the Unitholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by Fortune REIT of Units.</p> <p>Specific approval or general mandate by way of ordinary resolution</p> <p>The ordinary resolution proposed to Unitholders to give the Manager a specific approval or general mandate to purchase Units must include:</p> <p>(a) the total number and description of the Units which Fortune REIT is authorised to purchase, provided that the number of Units which Fortune REIT is authorised to purchase on the SEHK may not exceed 10.0% of the total number of issued Units as at the date of the resolution granting the general mandate; and</p> <p>(b) the dates on which the authority conferred by the resolution will commence and determine. Such authority may only continue in force until:</p> <p>(i) the conclusion of the first annual general meeting of the Unitholders following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or (ii) revoked or varied by ordinary resolution of the Unitholders in general meeting, whichever occurs first.</p>	<p>(3) The consequences, if any, of Unit purchases by Fortune REIT that will arise under the Singapore Take-over Code or other applicable takeover rules;</p> <p>(4) Whether the Unit buy-back, if made, could affect the listing of Fortune REIT's equity securities on the SGX-ST;</p> <p>(5) Details of any Unit buy-back made by Fortune REIT in the previous 12 months, giving the total number of Units purchased, the purchase price per Unit or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and</p> <p>(6) Whether the Units purchased by Fortune REIT will be cancelled or kept as treasury Units.</p> <p>(b) Unitholding Spread Requirements: Rule 723, Listing Manual</p> <p>The Manager must ensure that at least 10.0% of the total number of issued Units excluding treasury Units (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.</p> <p>(c) Dealing Restrictions: Rule 884, Listing Manual</p> <p>In the case of a Market Acquisition, the purchase price must not exceed 105.0% of the Average Closing Price.</p> <p>"Average Closing Price" means the average of the closing market prices of the Units over the last 5 market days preceding the day of the Market Acquisition on which transactions in the Units were recorded and is deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p><i>Hong Kong Listing Rule 10.06 requirements</i></p> <p>When Fortune REIT proposes to repurchase its Units, it shall also comply with the other restrictions and notification requirements applicable to listed companies purchasing their own shares on a stock exchange under Rule 10.06 of the Hong Kong Listing Rules, with necessary changes being made, as if the provisions therein were applicable to REITs. These include, but not limited to, the dealing restrictions, the restrictions on subsequent issues, the reporting requirements and status of purchased shares.</p> <p><i>Reporting requirements</i></p> <p>The Manager shall submit to the SFC a copy of the report on the repurchase(s) made required to be filed with the SEHK at the same time as the report is submitted to the SEHK.</p>	<p>(d) Reporting Requirements: Rule 886(1), Listing Manual</p> <p>Where Fortune REIT purchases its Units by way of a Market Acquisition, the Manager shall report all purchases or acquisitions of the Units to the SGX-ST not later than 9 a.m. on the market day following the day of purchase of any of the Units.</p> <p>Rule 886(2), Listing Manual</p> <p>Notification of a purchase by Fortune REIT of its Units must be in the form of Appendix 8.3.2 of the Listing Manual.</p>
Appointment of proxy by a Unitholder		
7.	<p>Chapter 9 of the Hong Kong REIT Code (Operational Requirements)</p> <p>Paragraph 9.9(a), Hong Kong REIT Code</p> <p>Fortune REIT shall arrange to conduct general meetings of Unitholders such that the Unitholders shall be able to appoint proxies.</p>	<p>Depositors who wish to attend and vote at the EGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the EGM supplied by CDP to Fortune REIT, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any proxy form.</p>
Issuance of New Units, Convertible Bonds or Bonds with Warrants		
8.	<p>Chapter 12 of the Hong Kong REIT Code (Issue of New Units)</p> <p>Paragraphs 12.1 to 12.5, Hong Kong REIT Code</p> <p>Fortune REIT shall be so structured as to enable a Unitholder to protect his proportion of the total Units held by having the opportunity to subscribe for any new issue of Units.</p> <p>Accordingly, unless the Hong Kong REIT Code otherwise permits, all issues of Units by Fortune REIT shall be offered to the existing Unitholders pro rata to their existing holdings, and only to the extent that the Units offered are not taken up by such Unitholders may they be allotted or issued to other persons or otherwise than pro rata to their existing holdings.</p>	<p>Pricing formulae prescribed under the Listing Manual for various issues of additional securities</p> <p>Issue of Shares, Warrants and Convertible Securities For Cash (Other than Rights Issues)</p> <p>Rule 811, Listing Manual</p> <p>(1) An issue of Units must not be priced at more than 10.0% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the Units is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>If new Units are not offered to Unitholders on a pro rata basis, Unitholders' approval by way of ordinary resolution at a general meeting is required, unless the aggregate number of new Units issued under during the FY does not increase the total number of Units outstanding at the end of the previous FY by more than 20.0% (or such lower amount as may from time to time be specified by the SFC).</p> <p>Where Fortune REIT issues new Units on a pro rata basis, and the issue increases the market capitalization of Fortune REIT by more than 50.0%, Unitholders' approval by way of ordinary resolution at a general meeting is required. An announcement, a circular and a notice shall be issued in accordance with Chapter 10 of the Hong Kong REIT Code.</p> <p>Where a Unitholder may increase his holdings of Units by more than his pro rata entitlement upon completion of an issuance of Units, the Unitholder shall abstain from voting in relation to such Unit issuance.</p> <p>Where applicable, the Manager and its connected persons shall abstain from voting in relation to any Unit issuance.</p> <p>Frequently Asked Questions relating to REITs prepared by the SFC (Investment Products Department)</p> <p><i>Secondary offering</i></p> <p>In addition to the above, the following are a few other major regulatory requirements that the Manager should note in relation to fund-raising by way of a secondary offering:</p> <p>(a) Any secondary offering must be conducted in accordance with the Trust Deed and other constitutive documents of Fortune REIT and in compliance with all applicable laws and regulations (including the Hong Kong REIT Code).</p>	<p>(2) An issue of company warrants or other convertible securities is subject to the following requirements:-</p> <p>(a) if the conversion price is fixed, the price must not be more than 10.0% discount to the prevailing market price of the underlying Units prior to the signing of the placement or subscription agreement.</p> <p>(b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10.0% of the prevailing market price of the underlying Units before conversion.</p> <p>(3) Rule 811(1) and (2) is not applicable if specific Unitholder approval is obtained for the issue of Units, warrants or other convertible securities.</p> <p>(4) In the case of REITs and business trusts, for the purpose of Rule 811, the discount or premium of the issue price may be computed with reference to the weighted average price excluding declared distributions for trades done on the underlying units on the SGX-ST for the full market day on which the placement or subscription agreement is signed, provided that the placees are not entitled to the declared distributions.</p> <p>Issue of Warrants or other Convertible Securities, by way of a Rights Issue or Bought Deal</p> <p>The number of new Units arising from the exercise/conversion of outstanding warrants or other convertible securities must in aggregate not exceed 50% of the total number of issued Units excluding treasury Units.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(b) Under section 103 of the SFO, an advertisement, invitation or document which, among other things, contains an invitation to the public to acquire an interest in Fortune REIT, being a collective investment scheme, has to be authorised by the SFC, unless it falls within an exemption in the SFO. One exemption often being relied upon is where the interests in Fortune REIT are or are intended to be disposed of only to professional investors as defined under the SFO. The Manager should consider, and seek legal advice where appropriate, as to whether the offering circular in respect of the secondary offering has to be submitted to the SFC for authorisation under the SFO.</p> <p>(c) The Manager should note the general disclosure obligation under Rule 10.3 of the Hong Kong REIT Code. For instance, even where the offering circular in respect of the secondary offering is not required to be authorised by the SFC pursuant to section 103 of the SFO, the Manager must ensure any price-sensitive information disclosed in such circular is simultaneously released to the market by way of an announcement. The Manager should also note the requirement to issue an announcement where there is an issuance of new Units under Rule 10.4 of the Hong Kong REIT Code.</p> <p>(d) Under the trust deeds of all SFC-authorized REITs, an issue of new units at an issue price that is at a discount of more than 20.0% to the market price will generally require specific prior approval of unitholders by way of ordinary resolution at a general meeting.</p> <p>Convertible instruments</p> <p>The SFC has also provided guidance in relation to the circumstances in which convertible instruments (such as securities convertible or exchangeable into Units or any options or warrants or similar rights for the subscription or issue of Units) can be issued by Fortune REIT pursuant to the 20.0% general mandate permitted under Chapter 12 of the Hong Kong REIT Code.</p>	<p>Rule 833, Listing Manual</p> <p>The following additional requirements apply to an offer of warrants or other convertible securities by way of a rights issue or bought deal:–</p> <p>(1) The Manager’s announcement of the rights issue or bought deal must include either:–</p> <p>(a) the exercise or conversion price of the warrants or other convertible securities, or</p> <p>(b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying Unit price) must be specified.</p> <p>(2) Where a price-fixing formula is adopted:–</p> <p>(a) if the issue is not underwritten, the Manager must fix and announce the exercise or conversion price before the close of the offer; or</p> <p>(b) if the issue is underwritten, the Manager must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading.</p> <p>(3) An offer of warrants or convertible securities by way of a bought deal must comply with Part V of Chapter 9 of the Listing Manual.</p> <p>Rights Issues: Rules 814 to 823, Listing Manual read with SGX News Release dated 12 January 2009, the SGX News Release dated 19 February 2009 and the SGX News Release dated 3 March 2009</p> <p>In relation to a rights issue, the Manager must announce the issue promptly, stating:</p> <p>(i) the price, terms and purpose of the issue including the amount of proceeds proposed to be raised from the issue and the intended use of such proceeds on a percentage allocation basis (which could be expressed as a range if the exact allocation has not been determined);</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>The relevant time for calculating whether the general mandate is exceeded should generally be at the time when Fortune REIT enters into a binding agreement or commitment (conditional or otherwise) relating to the proposed issue of Units. For future calculations of the general mandate, no account may be taken of any Units which are or may be issued pursuant to such convertible instruments again to the extent that such Units have already been taken into account in the initial or subsequent calculations.</p> <p>In determining whether Fortune REIT may issue (whether directly or pursuant to convertible instruments or otherwise) Units other than on a pro rata basis to existing Unitholders without the approval of Unitholders, the SFC has provided guidance by setting out a formula to apply in determining whether the number of Units that were outstanding at the end of the previous FY (or that as at the date of commencement of listing, where the convertible instruments are issued or the agreement is entered into in the first FY) is increased by more than 20.0%. This however represents general guidance only, and the SFC will consider each issuance on a case-by-case basis.</p> <p><i>Waivers from prior Unitholders' approval requirements</i></p> <p>Further, the SFC has outlined the following examples where it is prepared to grant a waiver from strict compliance with the requirement to obtain Unitholders' approval for the issue of new Units.</p> <p>(a) issuances of Units in respect of "top-up placings", i.e., the placing of existing Units and subscription for the same number of new Units by a Fortune REIT's connected person;</p> <p>(b) issuances of Units to connected persons where:</p> <p>(i) the connected person receives a pro rata entitlement to Units in its capacity as a Unitholder;</p> <p>(ii) Units are issued under an approved unit option scheme; or</p> <p>(iii) the connected person is acting as underwriter or sub-underwriter of an issue of the Units.</p>	<p>(ii) whether the issue will be underwritten;</p> <p>(iii) the financial circumstances which call for the issue; and</p> <p>(iv) whether it has obtained or will be seeking the approval of the SGX-ST for the listing and quotation of the new Units arising from the rights issue.</p> <p>The Manager must observe the disclosure requirements in Appendix 8.2 of the Listing Manual which sets out the disclosure requirements for rights issues or bought deals.</p> <p>The Manager must also announce any significant disbursement of the proceeds raised from the rights issue.</p> <p>The Manager must issue the following to entitled Unitholders within three market days, or such longer period as the SGX-ST may approve, after a books closure date:</p> <p>(i) the Letter of Entitlement, if any;</p> <p>(ii) Application Forms for rights Units and excess rights Units. In the case of a rights issue of warrants, warrants and excess warrants application form;</p> <p>(iii) the Provisional Allotment Letters for Unitholders whose names appear on the Register of Holders, incorporating the item described in the preceding paragraph as well as:</p> <p>(a) the Form of Acceptance;</p> <p>(b) the Request for Splits;</p> <p>(c) the Form of Renunciation;</p> <p>(d) the Form of Nomination; and</p> <p>(e) the Excess Units Application Form; and</p> <p>(iv) such other documents as the SGX-ST may require.</p> <p>The Manager must observe any timetable published by the SGX-ST.</p> <p>If the rights issue is underwritten, any <i>force majeure</i> clause in the underwriting agreement cannot be invoked after the commencement of ex-rights trading. If Fortune REIT intends to make a rights issue without underwriting, the Manager should consult the SGX-ST as early as possible.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(c) issuances of Units to connected persons pursuant to an employee incentive plan, subject to certain conditions.</p>	<p>Prior approval from the SGX-ST must also be sought if the Manager decides to proceed with a rights issue without underwriting because the <i>force majeure</i> clause in the underwriting agreement was invoked before commencement of ex-rights trading. Upon receipt of the SGX-ST's approval, the Manager must announce immediately that the rights issue will proceed without underwriting.</p> <p>The SGX-ST allows sub-underwriting arrangements with any Unitholder and in such circumstances, such Unitholder is allowed to receive sub-underwriting fees to take up their rights entitlement and/or sub-underwrite a portion of the excess rights Units subject to the following general conditions:</p> <ul style="list-style-type: none"> (i) the Board of the Manager provides assurance that the terms of the sub-underwriting arrangement are fair, and not prejudicial to Fortune REIT and to other Unitholders. The Board must provide the basis for their opinion; (ii) the Board of the Manager confirms that the terms agreed between the Manager and the underwriter (including the commission payable to the underwriter and the sub-underwriting Unitholder) are on arms' length and normal commercial terms; and (iii) the underwriter must be a financial institution licensed by the Authority to conduct underwriting activities. <p>To enhance transparency and accountability in a sub-underwriting arrangement with Unitholders, the SGX-ST requires the Manager and underwriters to meet the following additional conditions:</p> <ul style="list-style-type: none"> (i) the Board's opinion (including the basis thereof) and the confirmation referred to in the preceding paragraphs (i) and (ii), together with a statement whether there are any dissenting views of the Board members (and, if so, details of the dissenting views), must be announced on SGXNET; (ii) the underwriters are required to confirm to the Board that: <ul style="list-style-type: none"> (a) the discussion on the sub-underwriting arrangement with the sub-underwriters was initiated by the underwriters and not by the sub-underwriters; and

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>(b) the underwriters will not underwrite the rights issue unless the sub-underwriters enter into the sub-underwriting arrangement;</p> <p>(iii) the commission that the sub-underwriters earn shall not be higher than, and must be part of, the commission paid to the underwriter; and</p> <p>(iv) the fee earned by the underwriters and the sub-underwriters must be announced on the SGXNET.</p> <p>The above arrangements for sub underwriting with any Unitholder will be in effect until 31 December 2010. The effectiveness of the measure will be reviewed at the end of the period.</p> <p>A non-renounceable rights issue may be undertaken with Unitholder approval, via a specific mandate at a general meeting. The mandate should set out the maximum discount at which the non-renounceable rights issue can be undertaken. Unitholders can vote against such a mandate if they are concerned with the potential dilutive effect, should they not wish to take up their rights entitlement.</p> <p>In the event the Manager has not obtained a specific mandate from the Unitholders for the issuance of non-renounceable rights units, the Manager may undertake a non-renounceable rights issue only if the rights units are priced at not more than 10.0% discount to the prevailing market price.</p> <p>Offering of Securities in Singapore</p> <p>No person shall make an offer of securities in Singapore unless that offer is accompanied by a prospectus or falls within any of the exemptions provided under the SFA.</p> <p>With the introduction of mandated annual general meetings for REITs, the reason for the carve-out for REITs under Rule 887 from compliance with Rule 806 will no longer be present. Therefore, with effect from the date of Fortune REIT's first mandated annual general meeting, the Rule 887(1)(a) carve-out will no longer be available and Fortune REIT must comply fully with Rule 806.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Rule 804, Listing Manual</p> <p>Except in the case of an issue made on a pro rata basis to Unitholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of the Manager, or associate of the director, may participate directly or indirectly in an issue of Units or convertibles securities unless Unitholders in general meeting have approved the specific allotment. Such Directors and associates must abstain from exercising any voting rights on the matter. The notice of meeting must state:–</p> <ul style="list-style-type: none"> (a) the number of Units or convertible securities allotted to each Director and associate; (b) the precise terms of the issue; and (c) that such Directors and associates will abstain from exercising any voting rights on the resolution. <p>Rule 812(1), Listing Manual</p> <p>An issue must not be placed to the following persons:–</p> <ul style="list-style-type: none"> (a) the Directors and substantial shareholders of the Manager and the Substantial Unitholders; (b) immediate family members of the Directors and substantial shareholders of the Manager and the Substantial Unitholders; (c) Substantial Unitholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the Substantial Unitholders and (ii) substantial shareholders of the Manager, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the substantial shareholders of the Manager; (d) Corporations in whose shares the Directors and substantial shareholders of the Manager and the Substantial Unitholders have an aggregate interest of at least 10.0%; or (e) Any person, who in the opinion of the SGX-ST, falls within category (a) to (d) above.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Rule 812(2), Listing Manual</p> <p>Rule 812(1) will not apply if specific Unitholder approval for such a placement has been obtained. The person, and its associates, must abstain from voting on the resolution approving the placement.</p> <p>Rule 812(3), Listing Manual</p> <p>Rule 812(1)(a) will not apply provided that:–</p> <p>(a) the Substantial Unitholder:–</p> <ul style="list-style-type: none"> (i) does not have representation (whether directly or indirectly through a nominee) on the board of the Manager; (ii) does not have control or influence over the Manager in connection with the day-to-day affairs of the Manager and the terms of the placement; <p>(b) the placement is effected through an independent process such as book-building;</p> <p>(c) the placement is made to more than one placee; and</p> <p>(d) the proportion of Units held by the Substantial Unitholder immediately after the placement is not more than the proportion of the issued Units held by it immediately before such a placement.</p> <p>The Manager should consult and clarify with the SGX-ST in the event of any uncertainty.</p> <p>(e) The SGX-ST may agree to a placement to a person in Rule 812(1)(b), (c) or (d) if it is satisfied that the person is independent and is not under the control or influence of any of the Manager’s Directors or any of the Substantial Unitholders.</p> <p>Rule 806(1), Listing Manual</p> <p>The Manager need not obtain the prior approval of Unitholders in a general meeting for the issue of new Units if the Unitholders had by ordinary resolution in a general meeting, given a general mandate to the Directors to issue these new Units.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Rule 806(2), Listing Manual</p> <p>A general mandate must limit the aggregate number of Units and convertible securities that may be issued. The limit must be not more than 50.0% of the total number of issued Units excluding treasury Units, of which the aggregate number of Units and convertible securities issued other than on a pro rata basis to existing Unitholders must be not more than 20.0% of the total number of issued Units excluding treasury Units.</p> <p>Rule 806(6), Listing Manual</p> <p>A general mandate may remain in force until the earlier of the following:–</p> <ul style="list-style-type: none"> (a) the conclusion of the first annual general meeting of Fortune REIT following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or (b) it is revoked or varied by ordinary resolution of the Unitholders in general meeting. <p>Specific Mandate: Rule 824, Listing Manual</p> <p>Every issue of warrants or other convertible securities not covered under a general mandate must be specifically approved by Unitholders in general meeting.</p> <p>Rule 864, Listing Manual</p> <p>The following are some of the factors the SGX-ST will take into account in considering an application for listing of additional equity securities:</p> <ul style="list-style-type: none"> (1) Rationale for the issue; (2) Whether the Manager has been in compliance with the listing rules; and (3) Whether the Manager has made full disclosure of the material facts relating to the issue necessary for the SGX-ST to decide on the application.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
Prohibition of Unfair Trading Activities		
9.	<p>Parts XIII and XIV of the SFO (Market Misconduct)</p> <p>Parts XIII and XIV of the SFO relate to market misconduct. In January 2010, the SFC issued a consultation paper, proposing to, among other things, amend Parts XIII and XIV of the SFO to make it explicit that they are applicable to all collective investment schemes in whatever form they take, including REITs.</p> <p>Market misconduct</p> <p>Under the SFO, “market misconduct” includes:</p> <ul style="list-style-type: none"> (a) insider dealing; (b) false trading; (c) price rigging; (d) stock market manipulation; (e) disclosure of false or misleading information inducing transactions; and (f) disclosure of information about prohibited transactions. <p>Any person having engaged in market misconduct may be subject to civil or criminal liabilities, and may also be liable to pay compensation to those who have suffered pecuniary loss as a result of the market misconduct.</p> <p>Insider dealing</p> <p>No attempt is made to detail these various categories of “market misconduct” in this Circular, except to highlight certain salient features of insider dealing as follows:</p> <ul style="list-style-type: none"> (a) In essence, insider dealing typically includes dealing (or counseling or procuring another person to deal) in the listed securities (or derivatives) of Fortune REIT or in the listed securities (or derivatives) of a related company, by any of the following persons who has information which he knows is relevant information: <ul style="list-style-type: none"> (i) a person who is connected with Fortune REIT (including, in particular, a Director or employee); (ii) a person who received the relevant information from a person who is connected with Fortune REIT; 	<p>Sections 218 and 219, SFA</p> <p>Sections 218 and 219 of the SFA prohibit persons from dealing in Units if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, which is expected to have a material effect on the price or value of the Units.</p> <p>Such persons include:</p> <ul style="list-style-type: none"> (1) The Manager; (2) Officers of the Manager or a related corporation; (3) Substantial shareholders of the Manager or a related corporation; and (4) Person who occupy positions reasonably expected to give him access to inside information by virtue of: <ul style="list-style-type: none"> (a) any professional or business relationship existing between himself and the Manager or a related corporation; (b) being an officer of a substantial shareholder of the Manager or a related corporation; (5) Any other person in possession of inside information.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(iii) a person who is contemplating (or has contemplated) making a take-over offer for Fortune REIT;</p> <p>(iv) a person who received the relevant information from a person who is contemplating (or has contemplated) making a take-over offer for Fortune REIT.</p> <p>(b) Insider dealing also includes the disclosure of relevant information, by a connected person or a person who is contemplating (or has contemplated) making a take-over offer for Fortune REIT, to another person knowing (or having reasonable cause to believe) that the other person will make use of the relevant information for the purpose of dealing (or counseling or procuring another person to deal) in the listed securities (or derivatives) of Fortune REIT (or of a related company).</p> <p>(c) “Listed securities” means:</p> <p>(i) securities which, at the time of any insider dealing, have been issued and are listed; or</p> <p>(ii) securities which, at the time of any insider dealing, have been issued (or, have not been issued) and are not listed, but which, at that time, it is reasonably foreseeable will be and which, in fact, are subsequently (issued, if applicable, and) listed.</p> <p>(d) “Relevant information” means specific information about Fortune REIT, its Unitholders or officers, or its listed securities (or their derivatives), which is not generally known to persons who deal in the listed securities, but which would if generally known to them, be likely to materially affect the price of the listed securities.</p>	
10.	<p>Chapter 3 of the Hong Kong Listing Rules (General)</p> <p>Under the Hong Kong Listing Rules, the board of directors of an issuer listed on the SEHK must include at least three independent non-executive directors, at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise.</p>	<p>Board composition: Rule 720 (read with Rule 221) Listing Manual</p> <p>Foreign issuers are required to have at least two independent directors who are Singapore residents on the Board on a continuing basis, and not just on listing.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>The Code on Corporate Governance Practices (Appendix 14 to the Hong Kong Listing Rules) also provides, as a recommended best practice, that the board should appoint independent non-executive directors representing at least one-third of the board.</p> <p>In practice, the SFC may, on a case-by-case basis, impose as a condition to the authorisation of an SFC-authorised REIT, a requirement that the independent non-executive directors of the manager of the REIT represent at least one-third of the board.</p>	<p>Board composition and balance Rule 2 of the Code of Corporate Governance 2005 (“COCG”)</p> <p>There should be a strong and independent element on the Board, with independent directors making up at least one-third of the Board.</p>
11.	<p>Chapter 3 of the Hong Kong Listing Rules (General)</p> <p>Under the Hong Kong Listing Rules, any issuer listed on the SEHK must establish an audit committee comprising non-executive directors only, the majority of the members of which must be independent non-executive directors. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, and it must be chaired by an independent non-executive director.</p>	<p>Audit Committee: Rule 11 of the COCG</p> <p>The Board should establish an Audit Committee (“AC”) with written terms of reference which clearly set out its authority and duties.</p> <p>Rule 11.1, COCG</p> <p>The AC should comprise at least three directors, all non-executive, the majority of whom, including the chairman, should be independent.</p> <p>Rule 11.2, COCG</p> <p>The Board should ensure that at least 2 members of the AC should have accounting or related financial management expertise or experience.</p>
Interested Person Transactions or Connected Transactions		
12.	<p>Chapter 8 of the Hong Kong REIT Code (Transactions with Connected Persons) Paragraphs 8.1 to 8.4, Hong Kong REIT Code: Connected Persons</p> <p>Connected persons to Fortune REIT include:</p> <ul style="list-style-type: none"> (a) the Manager; (b) the property valuer appointed by Fortune REIT; (c) the Trustee; (d) a significant Unitholder; <p>(A Unitholder is a significant Unitholder if it holds 10.0% or more of the outstanding Units; and the following holdings will be deemed holdings of a Unitholder: (i) holdings of the associate of the holder who is an individual; or (ii) holdings of the director, senior executive, officer, controlling entity, holding company, subsidiary or associated company of the holder if it is an entity.)</p>	<p>Chapter 9, Listing Manual</p> <p>Chapter 9 of the Listing Manual prescribes situations in which transactions between entities at risk (as defined in the Listing Manual) and interested persons (as defined in the Listing Manual) are required to be disclosed or are subject to the prior approval of Unitholders.</p> <p>Rule 904, Listing Manual</p> <p>For the purposes of Chapter 9, the following definitions apply:–</p> <ul style="list-style-type: none"> (1) “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(e) a director, senior executive or an officer of any of the entities in (a), (b), (c) or (d) above;</p> <p>(f) an associate of the persons in (d) or (e); and</p> <p>(g) a controlling entity, holding company, subsidiary or associated company of any of the entities in (a) to (d) above, and</p> <p>“associate” bears the meaning as defined in the SFO for “associate” of a person.</p> <p>Fortune REIT shall disclose the following information in its offering document, semi-annual/annual reports and circulars in relation to connected party transactions: (i) beneficial interests, and any changes thereof, of the connected persons in Fortune REIT; and (ii) any potential conflicts of interests involving the connected persons and the measures implemented to address such conflicts.</p> <p>Additional disclosure requirements are imposed under paragraphs 8.3 and 8.4 of the Hong Kong REIT Code where any connected person: (i) has an interest in a business which competes or is likely to compete with Fortune REIT’s activities; or (ii) has for the purpose of the establishment of Fortune REIT agreed to sell real estate to Fortune REIT.</p> <p>Paragraphs 8.5 to 8.16, Hong Kong REIT Code: Connected Party Transactions</p> <p><i>Connected party transactions</i></p> <p>A connected party transaction is any transaction between Fortune REIT and any of its connected persons. If the Manager manages more than one scheme and a transaction involves two or more of the schemes managed by the Manager, transactions between these schemes shall also be deemed connected party transactions for each of the schemes involved in the transactions.</p> <p><i>General principles</i></p> <p>All transactions carried out by or on behalf of Fortune REIT shall be:</p> <p>(a) carried out at arm’s length. The Manager shall ensure that all transactions are carried out in an open and transparent manner. Where circumstances permit, transactions shall be carried out by way of open tender or competitive bidding by auction;</p>	<p>(2) “entity at risk” means:</p> <p>(a) Fortune REIT;</p> <p>(b) a subsidiary of Fortune REIT that is not listed on the SGX-ST or an approved exchange; or</p> <p>(c) an associated company of Fortune REIT that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.</p> <p>(3) “financial assistance” includes:</p> <p>(a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and</p> <p>(b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.</p> <p>(4) “interested person” means:</p> <p>(a) a director, chief executive officer, or controlling shareholder of the Manager; or</p> <p>(b) an associate of any such director, chief executive officer, or controlling Unitholder.</p> <p>(5) “interested person transaction” means a transaction between an entity at risk and an interested person.</p> <p>(6) “transaction” includes:–</p> <p>(a) the provision or receipt of financial assistance;</p> <p>(b) the acquisition, disposal or leasing of assets;</p> <p>(c) the provision or receipt of services;</p> <p>(d) the issuance or subscription of securities;</p> <p>(e) the granting of or being granted options; and</p> <p>(f) the establishment of joint ventures or joint investments;</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(b) valued, in relation to a property transaction, by an independent valuer that meets the requirements of Chapter 6 of the Hong Kong REIT Code;</p> <p>(c) consistent with the investment objectives and strategy of Fortune REIT;</p> <p>(d) in the best interests of the Unitholders; and</p> <p>(e) properly disclosed to the Unitholders.</p> <p>Cash transactions</p> <p>If cash forming part of Fortune REIT's assets is deposited with the Trustee, the Manager, the property valuer appointed by Fortune REIT or with any other connected persons (being an institution licensed to accept deposits), interest shall be paid on the deposit at a rate not lower than the prevailing commercial rate for a deposit of that size and term. The same principle applies to Fortune REIT's borrowings from the Trustee, the Manager, the property valuer or any other connected persons (being an institution licensed to lend money).</p> <p>Where prior Unitholders' approval not required</p> <p>Unitholders' prior approval is not required for connected party transactions where:</p> <p>(a) the total consideration or value of the transaction is less than 5.0% of the latest net asset value of Fortune REIT, as disclosed in its latest published audited accounts, and adjusted for any subsequent transactions since the publication of such accounts; and</p> <p>(b) Fortune REIT has not entered into any other transactions with the same connected person (including its associate, controlling entity, holding company, subsidiary or associated company) during the 12 months preceding the current transaction.</p> <p>Provision of services relating to Fortune REIT's real estate</p> <p>Connected party transactions in the nature of services provided relating to the real estate of Fortune REIT in the ordinary and usual course of estate management, such as renovation and maintenance work, shall be contracted on normal commercial terms and subject to the prior approval of the Trustee.</p>	<p>whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).</p> <p>When Announcement Required</p> <p>Rule 905, Listing Manual</p> <p>(1) The Manager must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3.0% of the group's latest audited net tangible assets.</p> <p>(2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited net tangible assets, the Manager must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.</p> <p>(3) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.</p> <p>When Unitholder Approval Required</p> <p>Rule 906, Listing Manual</p> <p>(1) The Manager must obtain Unitholder approval for any interested person transaction of a value equal to, or more than:–</p> <p>(a) 5.0% of the group's latest audited net tangible assets; or</p> <p>(b) 5.0% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.</p> <p>(2) Rule 906(1) does not apply to any transaction below S\$100,000.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Where the service to be contracted with the connected party is of a stand alone or one-off nature, and the contracted value exceeds 15.0% of the aggregate value that Fortune REIT committed to spend or has spent on services relating to its real estate during the preceding 12 months, prior approval by Unitholders by way of an ordinary resolution passed in a general meeting is required, unless the service to be contracted is procured under a transparent bidding process.</p> <p>Services provided to Fortune REIT by the Manager, the Trustee and its property valuer as contemplated under the Trust Deed shall not be deemed connected party transactions, but particulars of such services (except where any services transaction has a value of not more than HK\$1.0 million), such as terms and remuneration, shall be disclosed in the next published semi-annual report or annual report.</p> <p>Where prior Unitholders' approval required</p> <p>Unitholders' prior approval is required for connected party transactions that do not fall within any of the categories of transactions as set out in the "Where prior Unitholders' approval not required" or the "Provision of services relating to Fortune REIT's real estate" sections above ("Exempt Transactions"). Such approval shall be by way of an ordinary resolution passed in a general meeting. An announcement shall be made and a circular and notice shall be issued to the Unitholders.</p> <p>Property agents-related matters</p> <p>Neither the Manager, its delegates, the property valuer of Fortune REIT nor any other connected persons to Fortune REIT may retain cash or other rebates from a property agent in consideration of referring transactions in scheme property to the property agent. All such amounts received shall be paid to the Trustee for the benefit of Fortune REIT.</p> <p>Except for the Manager in discharging their functions, Fortune REIT shall not engage connected persons as property agents for rendering services to Fortune REIT, including advisory or agency services in property transactions.</p>	<p>Rule 907, Listing Manual</p> <p>The Manager must disclose the aggregate value of interested person transactions entered into during the financial year under review in Fortune REIT's annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format.</p> <p>Rule 908, Listing Manual</p> <p>In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906, the following applies:–</p> <p>Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.</p> <p>If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.</p> <p>Rule 918, Listing Manual</p> <p>If a transaction requires Unitholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p> <p>Exceptions: Rule 915, Listing Manual</p> <p>The following transactions are not required to comply with Rules 905, 906 and 907:–</p> <p>(1) A payment of dividends, a subdivision of Units, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the Units, made to all Unitholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p><i>Disclosure and reporting requirements</i></p> <p>Announcements shall be made for all connected party transactions. Following the announcements of these connected party transactions, details of the transactions shall be disclosed by way of a circular where a vote by Unitholders is required, and a notice shall be issued to Unitholders providing details of the result of the Unitholders' voting at the general meeting. Subsequently a brief summary of the transactions shall be included in Fortune REIT's next published semi-annual or annual report.</p> <p>Note however that no announcement shall be required for any Exempt Transaction if the value of such transaction does not exceed HK\$1.0 million.</p> <p>Where Exempt Transactions are carried out by Fortune REIT, a summary disclosure of the total value of such transactions, their nature and the identities of the connected parties shall be made in the annual report of Fortune REIT. Where there is no such transaction conducted during the FY covered by the annual report, an appropriate negative statement to that effect shall be included.</p> <p>For connected party transactions that do not require Unitholders' approval but are considered by the Manager to be material, Unitholders shall be initially informed by way of announcement of the brief details of the transactions, and subsequently through disclosure of the particulars of the transactions in Fortune REIT's next published semi-annual or annual report.</p>	<p>(2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGXST.</p> <p>(3) A transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through Fortune REIT, is less than 5.0%.</p> <p>(4) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Manager at the time of the transaction.</p> <p>(5) A transaction between an entity at risk and an interested person for the provision of goods or services if:-</p> <p>(a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and</p> <p>(b) the sale prices are applied consistently to all customers or class of customers.</p> <p>Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.</p> <p>(6) The provision of financial assistance or services by a financial institution that is licensed or approved by the MAS, on normal commercial terms and in the ordinary course of business.</p> <p>(7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the MAS, on normal commercial terms and in the ordinary course of business.</p> <p>(8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).</p> <p>Interested Party Transactions under Paragraph 5 of the Property Funds Appendix</p> <p>Subject to the fulfilment of certain requirements and the making of adequate disclosures, a property fund may acquire assets from or sell assets to interested parties or invest in securities of or issued by interested parties.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Paragraph 1 of the Property Funds Appendix</p> <p>For the purposes of Paragraph 5 of the Property Funds Appendix, an interested party means:</p> <ul style="list-style-type: none"> (i) a Director, CEO or controlling shareholder of the Manager, or the Manager, the Trustee or controlling Unitholder of Fortune REIT; or (ii) an associate of any Director, CEO or controlling shareholder of the Manager, or an associate of the Manager, the Trustee or any controlling Unitholder of Fortune REIT, <p>and for the purposes of Paragraph 5.3 of the Property Funds Appendix, transactions between Fortune REIT and interested parties who are members of the same group are deemed to be transactions with the same interested party.</p> <p>An associate:</p> <ul style="list-style-type: none"> (i) in relation to any Director, CEO, or controlling shareholder of the Manager, or Controlling Unitholder of Fortune REIT (being an individual), means: <ul style="list-style-type: none"> (a) his immediate family (<i>i.e.</i> his spouse, child, adopted child, stepchild, sibling and parent); (b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (c) any company in which he and his family together (directly or indirectly) have an interest of 30.0% or more; or (ii) in relation to the controlling shareholder of the Manager, or the Manager, the Trustee or controlling Unitholder of Fortune REIT (being a company) means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>A controlling Unitholder (for the purposes of the Property Funds Appendix) means a person who:</p> <ul style="list-style-type: none"> (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in Fortune REIT (although the MAS may determine that such a person is not a controlling Unitholder); or (ii) in fact exercises control over Fortune REIT. <p>When Announcement and Unitholder Approval Required</p> <p>Paragraph 5.2 and 5.3 of the Property Funds Appendix</p> <p>If Fortune REIT acquires assets from or sells assets to interested parties:</p> <ul style="list-style-type: none"> (i) where the value of the transaction with the interested party is equal to or greater than 3.0% of Fortune REIT's NAV, the Manager must announce the transaction immediately; (ii) if the aggregate value of all transactions with the same interested party during the current financial year is equal to or greater than 3.0% of Fortune REIT's NAV, the Manager must immediately announce the latest transaction and all future transactions entered into with the same interested party during the same financial year; (iii) where the value of the transaction with the interested party is equal to or greater than 5.0% of Fortune REIT's NAV, the Manager must obtain approval for the transaction by a majority vote at a Unitholders' meeting and announce the transaction immediately; or (iv) if the aggregate value of all transactions with the same interested party during the current financial year is equal to or greater than 5.0% of Fortune REIT's NAV, the Manager must obtain Unitholders' approval for the latest transaction as well as announce the transaction immediately and all future transactions entered into with that interested party during the same financial year.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>The value of all transactions with the same interested party during the current financial year should be aggregated. However, a transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.</p> <p>A person who has an interest, whether commercial, financial or personal, in the outcome of an interested party transaction, other than in his capacity as a Unitholder, will not be allowed to vote on the resolution approving such transaction.</p> <p>Independent Valuation</p> <p>Paragraph 5.1(c) of the Property Funds Appendix</p> <p>There must be two independent valuations of each real estate asset which is the subject matter of an interested party transaction, with one of the valuers commissioned independently by the Trustee. Such valuations must be conducted in accordance with the requirements in Paragraph 8 of the Property Funds Appendix.</p> <p>Consideration</p> <p>Paragraph 5.1(d) of the Property Funds Appendix</p> <p>Where an interested party transaction involves an acquisition or sale of assets, each of those assets is to be acquired from the interested party at a price not more than the higher of the two assessed values of the assets, or to be sold to Interested Parties at a price is not less than the lower of the two assessed values of the assets.</p> <p>The Trustee must also provide written confirmation that it is of the view that the interested party transaction is on normal commercial terms and not prejudicial to the interests of Unitholders where Unitholders' approval for the interested party transaction is not required and:</p> <ul style="list-style-type: none"> (i) in the case of an acquisition, the transaction price is more than the average of the two valuations; or (ii) in the case of a disposal, the transaction price is less than the average of the two valuations.

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
		<p>Timing for Completion</p> <p>Paragraph 5.4 of the Property Funds Appendix</p> <p>Where an agreement to buy or sell assets (being an Interested Party Transaction) is entered into:</p> <ul style="list-style-type: none"> (i) if the value of the transaction is less than 5.0% of Fortune REIT's NAV, the transaction should be completed within six months of the date of the agreement; or (ii) if the value of the transaction is equal to or greater than 5.0% of Fortune REIT's NAV, the transaction should be completed within six months of the date of the Unitholders' approval referred to in Paragraph 5.2(b). (iii) Where there is more than one interested party transaction entered into during the current financial year and the latest transaction results in the 5.0% threshold referred to in Paragraph 5.2(b) being exceeded, the transaction should be completed within six months of the date of the Unitholders' approval in respect of that latest transaction. <p>Engagement of Property Management Agent or Marketing Agent</p> <p>Paragraph 5.5 of the Property Funds Appendix</p> <p>An interested party may be engaged as the property management agent or the marketing agent for Fortune REIT's properties provided that any fees or commissions paid to the interested party are at not more than market rates.</p> <p>Acquisition Fee and Divestment Fee</p> <p>Paragraph 5.6 of the Property Funds Appendix</p> <p>When Fortune REIT acquires or disposes of real estate assets from or to interested parties, the acquisition fee or the divestment fee (as the case may be) shall be in the form of Units issued by Fortune REIT at the prevailing market price(s). The Units should not be sold within one year from their date of issuance.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
Certain other relevant regulatory requirements in relation to REITs		
13.	<p>Chapter 7 of the Hong Kong REIT Code (Investment Limitations and Dividend Policy)</p> <p>Paragraph 7.1, Hong Kong REIT Code</p> <p>Fortune REIT shall only invest in real estate. Note that:</p> <p>(a) Such real estate shall generally be income-generating.</p> <p>(b) Fortune REIT may acquire uncompleted units in a building which is unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment, but the aggregate contract value of such real estate shall not exceed 10.0% of the total net asset value of Fortune REIT at the time of acquisition.</p> <p>(c) The offering document shall clearly disclose if Fortune REIT intends to acquire further properties during the first 12 months from listing.</p> <p>(d) Fortune REIT is permitted to invest in overseas properties subject to compliance with the Practice Note on Overseas Investments by SFC-authorized REITs issued by the SFC.</p> <p>Paragraphs 7.2 to 7.4 and 7.8, Hong Kong REIT Code</p> <p>Fortune REIT is prohibited from investing in vacant land or engaging or participating in property development activities. For this purpose, property development activities do not include refurbishment, retrofitting and renovations.</p> <p>Fortune REIT shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person nor shall it use any of its assets to secure the indebtedness of any person nor shall it use any assets to secure any obligations, liabilities or indebtedness without the prior written consent of the Trustee.</p> <p>Fortune REIT shall not acquire any asset which involves the assumption of any liability that is unlimited.</p>	<p>Permissible Investments under Paragraph 6.1 and 6.2 of the Property Funds Appendix</p> <p>Subject to the Trust Deed as well as the investment restrictions identified below, Fortune REIT may invest in:</p> <p>(i) real estate (whether directly or through a SPV);</p> <p>(ii) real estate-related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;</p> <p>(iii) listed or unlisted debt securities and listed shares of or issued by local or foreign non-property corporations;</p> <p>(iv) government securities (issued on behalf of the Singapore Government or governments of any other countries) and securities issued by a supra-national agency or a Singapore statutory board; and</p> <p>(v) cash and cash equivalent items.</p> <p>Fortune REIT may invest in local or foreign assets, subject to the terms of the Trust Deed.</p> <p>Investment Restrictions under Paragraph 7.1 and 7.2 of the Property Funds Appendix</p> <p>Fortune REIT is subject to the following investment restrictions under the Property Funds Appendix:</p> <p>(i) at least 75% of the Fortune REIT's deposited property should be invested in income-producing real estate;</p> <p>(ii) Fortune REIT should not undertake property development activities unless Fortune REIT intends to hold the developed property upon completion;</p> <p>(iii) Fortune REIT should not invest in vacant land (save for real estate to be built on vacant land which has been approved for development) and mortgages (except for mortgage-backed securities);</p> <p>(iv) the total value of property development activities should not exceed 10% of Fortune REIT's deposited property;</p> <p>(v) for Permissible Investments set out in the previous row of this table, not more than 5.0% of the Fortune REIT's deposited property can be invested in any one issuer's securities or any one manager's funds.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Fortune REIT shall hold each property within Fortune REIT for a period of at least two years, unless Fortune REIT has clearly communicated to the Unitholders the rationale for disposal prior to this minimum holding period and the Unitholders have given their consent to such sale by way of a special resolution at a general meeting.</p> <p>Paragraphs 7.5 to 7.7A, Hong Kong REIT Code</p> <p>Frequently Asked Questions relating to REITs prepared by the SFC (Investment Products Department)</p> <p><i>Use of special purpose vehicles</i></p> <p>Fortune REIT may hold real estate through special purpose vehicles only if, among other requirements:</p> <ul style="list-style-type: none"> (a) the special purpose vehicles are legally and beneficially owned by Fortune REIT; (b) Fortune REIT has majority ownership and control of the special purpose vehicles. Generally, the SFC expects the special purpose vehicles to be wholly owned by Fortune REIT, except in special and limited circumstances, such as the need to comply with regulatory requirements in an overseas jurisdiction where such requirements are relevant to Fortune REIT and/or its portfolio; and (c) Fortune REIT has no more than two layers of special purpose vehicles. Additional layer(s) of special purpose vehicles may be allowed by the SFC under limited circumstances, such as where the Manager could demonstrate to the SFC's satisfaction that the arrangement is necessary for the purpose of meeting the legal or regulatory requirements of an overseas jurisdiction or in special situations with valid justifications. <p>Note that where Fortune REIT invests in hotels, recreation parks or serviced apartments, such investments shall be held by special purpose vehicles.</p> <p>If Fortune REIT acquires real estate through the acquisition of a special purpose vehicle, it shall comply with the accountants' report and valuation report requirements under paragraph 7.6 of the Hong Kong REIT Code.</p>	<p>Fortune REIT should not derive more than 10.0% of its revenue from sources other than rental payments or interest, dividends, and other similar payments from SPVs and other permissible investments of Fortune REIT.</p> <p>Valuations under Paragraph 8 of the Property Funds Appendix</p> <p>Frequency of Valuations</p> <p>A full valuation of each of Fortune REIT's real estate assets must be conducted by a valuer at least once a year, in accordance with the Property Funds Appendix and any applicable code of practice for such valuations.</p> <p>Additionally, where the Manager proposes to issue new Units for subscription or to redeem existing Units, it should exercise discretion in deciding whether to conduct a desktop valuation, especially when market conditions indicate that real estate values have changed materially, unless the assets have been valued not more than six months previously (based on the date of the valuation report).</p> <p>A valuation of Fortune REIT's real estate may also be conducted at any other time if the Trustee or the Manager is of the opinion that it is in the best interest of Unitholders to do so.</p> <p>Qualifications of Valuer</p> <p>A valuer should:</p> <ul style="list-style-type: none"> (i) not be a related corporation of or have a relationship with the Manager, adviser or other party/parties whom Fortune REIT is contracting with which, in the opinion of the Trustee, would interfere with the valuer's ability to give an independent and professional valuation of the property; (ii) disclose to the Trustee any pending business transactions, contracts under negotiation, other arrangements with the Manager, adviser or other party/parties whom Fortune REIT is contracting with and other factors that would interfere with the valuer's ability to give an independent and professional valuation of the property. The Trustee should then take such disclosure into account when deciding whether the person concerned is sufficiently independent to act as the valuer for Fortune REIT;

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Further, Fortune REIT shall hold good marketable legal and beneficial title in all its real estate, whether directly or via special purpose vehicles controlled by Fortune REIT. However, Fortune REIT may hold such title whether as joint tenants or tenants-in-common with one or more third parties provided that Fortune REIT shall hold majority interest and control and it has freedom to dispose of its interest (subject to complying with applicable requirement of the Hong Kong REIT Code).</p> <p>Joint ownership arrangement</p> <p>The Manager shall ensure that Fortune REIT has majority (more than 50.0%) ownership and control in each property at all times. As clarified by the SFC, the “majority ownership and control” requirement applies irrespective of the manner in which the properties are held.</p> <p>Fortune REIT will generally be considered to satisfy the “majority ownership and control” criteria if it has over 50.0% interest in the building/complex. Depending on the specific circumstances, the majority (over 50.0%) rule may be applied with reference to floor area, undivided shares or other relevant factors as appropriate.</p> <p>In the case where the building/complex is of composite use (for instance, apportioned into retail portion, office portion and carparks), if Fortune REIT owns over 50.0% of the relevant portion of the building/complex and the Manager has either acquired majority control over the estate management issues of the relevant portion through means such as sub-deed of mutual covenant or separate owners’ committees for that relevant portion of the property (in the case of Hong Kong properties), or it can demonstrate the establishment of proper safeguards or measures to increase its autonomy and influence over matters relating to the property management of the relevant portion to the extent allowed under the applicable mainland laws or regulations (in the case of mainland properties), then Fortune REIT will also be considered to have “majority ownership and control” in the property.</p>	<p>(iii) be authorised under any law of the state or country where the valuation takes place to practice as a valuer;</p> <p>(iv) have the necessary expertise and experience in valuing properties of the type in question and in the relevant area; and</p> <p>(v) not value the same property for more than two consecutive years.</p> <p>In addition, the Manager should not appoint the adviser of Fortune REIT to value the properties that it recommends to be bought or sold by Fortune REIT but such adviser may be appointed to value the property after it has been acquired by Fortune REIT.</p> <p>Reasonable Price</p> <p>Except for acquisitions or disposals of real estate assets which constitute Interested Party Transactions, Fortune REIT should purchase or sell real estate assets at a reasonable price. A “reasonable price” means:</p> <p>(i) in the case of acquisitions, a price not more than 110.0% of the value assessed in a valuation report (with the valuer to be commissioned by Fortune REIT) which is not more than six months old; or</p> <p>(ii) in the case of disposals, a price not less than 90.0% of the value assessed in a valuation report (with the valuer to be commissioned by Fortune REIT) which is not more than six months old.</p> <p>For the purposes of the foregoing, the date of acquisition or disposal means the date of the sale and purchase agreement. Where there is more than one valuation conducted by more than one valuer for the same real estate asset, the Manager should use the average of the assessed values.</p> <p>Gearing Limits under Paragraph 9.2 of the Property Funds Appendix</p> <p>Fortune REIT’s “Aggregate Leverage” must not exceed 35.0% of its deposited property, unless a credit rating of Fortune REIT from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public, in which case the Aggregate Leverage must not exceed 60.0% of Fortune REIT’s deposited property.</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>In order to provide a certain degree of flexibility to cater for practical situations, Fortune REIT may own less than a “majority ownership and control” in a property. However, investments in such properties should in aggregate not exceed 10.0% of the net asset value of Fortune REIT. Further, the Manager must demonstrate to the satisfaction of the SFC that investment in such properties is in line with Fortune REIT’s investment strategy and objectives and in the best interest of the Unitholders.</p> <p>Paragraph 7.9, Hong Kong REIT Code</p> <p><i>Limitations on borrowing</i></p> <p>Fortune REIT may borrow for financing investment or operating purposes, but the aggregate borrowings shall not at any time exceed 45.0% of its total gross asset value. Fortune REIT may pledge its assets to secure such borrowings. It shall disclose in its offering document its borrowing policy, including its maximum borrowing limit, and the basis for calculating such limit.</p> <p>Paragraph 7.12, Hong Kong REIT Code</p> <p><i>Dividend policy</i></p> <p>Fortune REIT shall distribute to its Unitholders as dividends each year an amount not less than 90.0% of its audited annual net income after tax.</p> <p>For this purpose, the Trustee shall determine if: (i) any revaluation surplus credited to income; or (ii) any gains on disposal of real estate, shall form part of net income for distribution to holders.</p> <p>Where Fortune REIT holds real estate via special purpose vehicles, each special purpose vehicle shall distribute to Fortune REIT all of its income as permitted by the laws and regulations of the relevant jurisdictions.</p> <p>Chapter 6 of the Hong Kong REIT Code (Property Valuer)</p> <p><i>Appointment and general obligations of a principal valuer</i></p> <p>Fortune REIT shall appoint an independent property valuer (the “Principal Valuer”).</p>	<p>The Property Funds Appendix uses the concept of Aggregate Leverage instead of gearing and “Aggregate Leverage” is defined to mean total borrowings and deferred payments (which include deferred payments for assets whether to be settled in cash or in units of the property fund).</p>

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>The Principal Valuer shall value all the real estate held under Fortune REIT, on the basis of a full valuation with physical inspection in respect of the site of the real estate and an inspection of the building(s) and facilities erected thereon once a year, and in any event for the purposes of issuance of new units. The Principal Valuer shall also produce a valuation report on real estate to be acquired or sold by Fortune REIT or where new Units are offered by Fortune REIT or in any other circumstances prescribed by the Hong Kong REIT Code. The contents of the valuation report shall comply with paragraph 6.8 of the Hong Kong REIT Code.</p> <p>The valuation methodology shall follow the “Valuation Standards on Properties” published from time to time by the Hong Kong Institute of Surveyors or the International Valuation Standards issued from time to time by the International Valuation Standards Committee. Once adopted, the same valuation standards shall be applied consistently to all valuations of properties of Fortune REIT.</p> <p><i>Criteria for acceptability of the Principal Valuer</i></p> <p>The Principal Valuer shall be a company that:</p> <ul style="list-style-type: none"> (a) provides property valuation services on a regular basis; (b) carries on the business of valuing real estate in Hong Kong; (c) has key personnel who are fellow or associate members of the Hong Kong Institute of Surveyors and who are qualified to perform property valuations; (d) has sufficient financial resources at its disposal to enable it to conduct its business effectively and meet its liabilities; in particular, it shall have a minimum issued and paid-up capital and capital reserves of HK\$1 million or its equivalent in foreign currency, and its assets shall exceed its liabilities by HK\$1 million or more as shown in the company’s last audited balance sheet; (e) has robust internal controls and checks and balances to ensure the integrity of valuation reports and that these reports are properly and professionally prepared in accordance with international best practice; and (f) has adequate professional insurance to cover its usual risks. 	

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>The Principal Valuer shall be independent of Fortune REIT, the Trustee, the Manager and each of the significant Unitholders. The Principal Valuer is not considered independent if:</p> <ul style="list-style-type: none"> (a) it is the subsidiary or holding company of: <ul style="list-style-type: none"> (i) the Manager; (ii) the Trustee; (iii) any of the significant Unitholders; or (iv) the holding company, subsidiary or associated company of the Manager, the Trustee, or any of the significant Unitholders, (collectively, the “Related Persons”); or (b) any of its partners, directors or officers is an officer, servant, director or an associate of any of the Related Persons; or (c) any of its directors or officers holds or controls 10.0% or more of the beneficial interest in, or the right to vote in the governing bodies of, any of the Related Persons; (d) in the case where Fortune REIT intends to acquire or dispose of a property (the “subject property”), the valuer or its associate: <ul style="list-style-type: none"> (i) is engaged whether as principal or agent by Fortune REIT’s counterparty that intends or has agreed to sell to or purchase from Fortune REIT the subject property, in relation to the introduction or referral of Fortune REIT to the subject property or vice versa; (ii) is engaged whether as principal or agent by Fortune REIT in relation to the acquisition of the subject property; (iii) acts as a broker for the property transaction for a fee; or (iv) had, at any time during the one year immediately before the date of the agreement for such intended purchase or disposal, been retained to provide valuation of the subject property to Fortune REIT’s counterparty (or its associated companies). 	

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>The Principal Valuer shall ensure that its opinion and valuation is independent of and unaffected by its business or commercial relationship with other persons.</p> <p>Further, the directors of the Principal Valuer shall be persons of good repute who possess the necessary experience for the performance of their duties.</p> <p>Valuation report</p> <p>Whenever a valuation report is prepared for Fortune REIT, the date of the valuation report shall be:</p> <ul style="list-style-type: none"> (a) the date Fortune REIT is valued, if such report is prepared for the purpose of calculating the net asset value of Fortune REIT; or (b) a date which is not more than three months before the date on which: <ul style="list-style-type: none"> (i) an offering document is issued; (ii) a circular is issued, if the circular relates to a transaction that requires Unitholders' approval; or (iii) a sale and purchase agreement (or other agreement to transfer legal title) is signed, if the transaction does not require Unitholders' approval. <p>Other valuation-related matters</p> <p>The Hong Kong REIT Code does not require a valuation report on the existing portfolio of Fortune REIT to be produced each time Fortune REIT is to acquire a new property. The Hong Kong REIT Code only requires the Principal Valuer to produce a valuation on real estate to be acquired or sold by Fortune REIT.</p> <p>SFC recognises that certain issuances of new Units will be effected at a price calculated in accordance with a defined calculation mechanism, and accordingly, will achieve the aim of fair pricing and transparency required by good corporate governance. Certain issuances of new Units are therefore exempted from the requirement of the Principal Valuer to value all the real estate under Fortune REIT.</p>	

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Further, the SFC has clarified that it is prepared to grant a waiver from strict compliance with the valuation requirements on the existing portfolio of the REIT where new units are issued in connection with acquisitions on a case-by-case basis depending on its own merits. In considering whether a waiver will be granted, the SFC will consider, among other things, whether there is fairness in pricing and transparency in the valuation of units being issued and whether unitholders'/investors' interests will be prejudiced if such valuation report is not produced.</p> <p>Chapter 9 of the Hong Kong REIT Code (Operational Requirements)</p> <p>Paragraph 9.9, Hong Kong REIT Code</p> <p><i>Meetings</i></p> <p>Fortune REIT shall arrange to conduct general meetings of holders as follows:</p> <ul style="list-style-type: none"> (a) Unitholders shall be able to appoint proxies; (b) votes shall be proportionate to the number of Units held or to the value of Units held where there are accumulation Units; (c) the quorum for meetings at which a special resolution is to be considered shall be the holders of 25.0% of the Units in issue and 10.0% if only an ordinary resolution is to be considered; (d) if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned for not less than 15 days. The quorum at an adjourned meeting will be the number of those holders present at the adjourned meeting in person or by proxy; (e) if the possibility exists of a conflict of interest between different classes of holders there shall be provision for class meetings; (f) holders shall be prohibited from voting their own Units at, or counted in the quorum for, a meeting at which they have a material interest in the business to be contracted and that interest is different from the interests of all other holders; 	

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>(g) an ordinary resolution may be passed by a simple majority of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting;</p> <p>(h) a special resolution may only be passed by 75.0% or more of the votes of those present and entitled to vote in person or by proxy at a duly convened meeting and the votes shall be taken by way of poll. A special resolution shall be required in the event of circumstances specified in the Hong Kong REIT Code, or in such other cases as provided for in the Trust Deed;</p> <p>(i) two or more holders holding not less than 10.0% of the outstanding Units shall have the right to requisition a general meeting of Fortune REIT subject to satisfying any quorum requirement laid down by the Trust Deed.</p> <p>Chapter 11 of the Hong Kong REIT Code (Termination or Merger of a REIT)</p> <p>Fortune REIT may be wound up by the court, otherwise, termination of Fortune REIT shall be subject to Unitholders' approval by special resolution at a general meeting. Where the proposal to terminate Fortune REIT is recommended by the Manager, the Manager and its connected persons shall abstain from voting if they hold interests in the Units and if their interest in terminating Fortune REIT is different from that of all other Unitholders.</p> <p>Fortune REIT may be merged with another scheme(s) authorised by the SFC under the Hong Kong REIT Code. Such merger shall follow any procedures set out in the constitutive documents or governing law of both schemes, and shall be subject to Unitholders' approval by special resolution at a general meeting. Where the proposal to merge the schemes is recommended by the Manager, the Manager and their connected persons shall abstain from voting if they hold interests in the units of the scheme(s) and if their interest in merging the schemes is different from that of all other holders.</p>	

No.	Hong Kong Listing Rules and Hong Kong Laws, Rules and Regulations	SGX-ST Listing Rules and Singapore Laws, Rules and Regulations
	<p>Frequently Asked Questions relating to REITs prepared by the SFC (Investment Products Department)</p> <p>Applicants for authorisation as collective investment schemes under the SFO are expected to fully comply with the requirements set out in the REIT Code. These requirements should be construed in light of the General Principles of the REIT Code, which are designed to provide fairness to all parties concerned with an emphasis on safeguarding the interests of investors.</p> <p>The SFC will only grant waivers in exceptional circumstances specific to a REIT, bearing in mind that the SFC will not consider waiver applications that compromise any of the General Principles. Each application for waiver will be considered on its own merits and an applicant should provide the SFC with clear and cogent reasons in support of the application for waiver, and demonstrate to the SFC that there are sufficient mechanisms in place to ensure that investors' interests will not be compromised. The SFC has the sole discretion to grant or refuse any waivers requested and may require, depending on the circumstances, that any approved waivers be disclosed in the scheme's prospectus.</p>	

2. TAKEOVER OBLIGATIONS

2.1 The Singapore Take-over Code

Applicability of the Singapore Take-over Code to Singapore REITs ("S-REITs")

The recent amendments to the SFA, which came into operation on 29 July 2009, gave effect to the extension of the Singapore Take-over Code to S-REITs¹. Parties engaged in take-over or merger transactions involving S-REITs (i.e. Fortune REIT) are to comply with the Singapore Take-over Code with the provisions of the Singapore Take-over Code to be construed accordingly.

Obligations under the Singapore Take-over Code

Under the Singapore Take-over Code, any person acquiring an interest, either individually or with parties acting in concert, in 30.0% or more of the Units may be required to extend a take-over offer for the remaining Units in accordance with the Singapore Take-over Code. A take-over offer is also

¹ See section 2(r) of the Securities and Futures (Amendment) Act 2009 which amends the definition of "take-over offers" in section 2(1) of the SFA which came into operation on 29 July 2009. The definition of "take-over offers" has been amended to include in the case of a collective investment scheme constituted as a unit trust and authorised under section 286, that invests primarily in real estate and real estate-related assets specified by the MAS in the CIS Code, and all or any of the units in which are listed for quotation on a securities exchange: (A) some or all of the units, or some or all of the units of a particular class, in the scheme made to all unitholders of the scheme, or where the person already holds units in the scheme, made to all other unitholders of the scheme; or (B) all of the remaining units in the scheme made to all other unitholders of the scheme as a result of the person acquiring or consolidating effective control of that scheme within the meaning of the Singapore Take-over Code.

required to be made, except with the consent of the Securities Industry Council, if a person holding between 30.0% and 50.0% inclusive of the Units, either individually or in concert, acquires an additional 1.0% of the Units in any six-month period under the Singapore Take-over Code. The Manager is required to make an announcement to Unitholders upon receipt of notice of the mandatory take-over offer from the offeror.

“Parties acting in concert” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of Units, to obtain or consolidate effective control of Fortune REIT. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other under the Singapore Take-over Code. They are as follows:

- (a) a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company and its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;
- (e) a financial or other professional adviser and its clients in respect of Units held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the Unitholdings of the adviser and any of those funds in the client total 10.0% or more of the client’s equity share capital;
- (f) directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- (g) partners; and
- (h) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

The Offer

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert with it for voting rights of the offeree company during the offer period and within six months prior to its commencement. Under General Principle 3 of the Singapore Take-over Code, an offeror must treat all Unitholders equally. A fundamental requirement is that Unitholders subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

2.2 The Hong Kong Takeovers Code

The Hong Kong Takeovers Code currently applies to takeovers and mergers affecting public companies in Hong Kong and companies with a primary listing of their equity securities in Hong Kong. The Hong Kong Takeovers Code is concerned with offers for, and takeovers and mergers of, all relevant companies, however effected. It does not apply to offers for non-voting, non-equity capital unless otherwise required by the relevant rules of the code. Currently, the Hong Kong Takeovers Code technically does not apply to REITs, which are legally constituted in the form of trusts.

Paragraph 11.12 of the REIT Code provides that where a REIT undertakes any form of merger, takeover, amalgamation and restructuring, the REIT's trustee and/or management company shall as soon as practicable consult with the SFC on the manner in which such activities could be carried out so that it is fair and reasonable to all unitholders. The REIT Code does not otherwise contain any detailed regulatory framework for conducting such activities. In January 2010, the SFC issued a consultation paper, proposing to, among other things, extend the application of the Hong Kong Takeovers Code to SFC-authorized REITs.

The purpose of applying the regime under the Hong Kong Takeovers Code to takeovers and mergers of REITs is to provide minority unitholders better protection in the event of such activities happening. If the Hong Kong Takeovers Code becomes applicable to REITs, the protection and safeguards under the code and the market standards and practices that have built up around the code, such as transparency and sufficiency in information furnished, prompt and full disclosure of information to market and obligations imposed on the offeree's management not to take "frustrating action" during an offer period, will be available to ensure that minority unitholders would be treated even-handedly in a takeover situation.

It should however be noted that the proposal of the SFC to extend the application of the Hong Kong Takeovers Code to SFC-authorized REITs is currently at the consultation stage. There can be no assurance that any change in the application of the Hong Kong Takeovers Code may result from such consultation, and if so, how such change may eventually be proposed or implemented, or how it may or may not affect REITs at all. Accordingly, all references to the Hong Kong Takeovers Code in this Circular should be read in this context.

Certain salient features of the Hong Kong Takeovers Code regime are set out below.

Purpose

The primary purpose of the Hong Kong Takeovers Code is to afford fair treatment for shareholders who are affected by takeovers and mergers. It also provides an orderly framework within which takeovers and mergers are to be conducted.

The Hong Kong Takeovers Code requires the equality of treatment of shareholders, mandate the timely and adequate disclosure of information to enable shareholders to make an informed decision as to the merits of an offer and ensure the existence of a fair and informed market in the shares of companies affected by takeovers and mergers.

Key concepts

- (a) Each director of an offeror and of the offeree company has a responsibility to ensure, so far as he is reasonably able, that the Hong Kong Takeovers Code is complied with in the conduct of the relevant transactions.

- (b) A director should only consider the interests of the shareholders as a whole when they are giving advice to shareholders and must not have regard to his own interests or those derived from personal or family relationships.
- (c) A director should understand the key concept of fair treatment enshrined in the Hong Kong Takeovers Code (i.e., all shareholders are to be treated even-handedly and all shareholders of the same class are to be treated similarly).
- (d) Rights of control should be exercised in good faith and the oppression of minority or non-controlling shareholders is always unacceptable.
- (e) Shareholders should be given sufficient information, advice and time to reach an informed decision on an offer. No relevant information should be withheld.
- (f) Every precaution must be taken to avoid the creation or continuance of a false market.
- (g) Before announcing an offer or making an acquisition which may lead to an obligation to make a general offer, the offeror must ensure that it will be able to implement the offer in full.
- (h) No frustrating action may be taken by the board of the offeree company after it has received a bona fide offer or after it has reason to believe a bona fide offer might be imminent, without shareholders' approval.
- (i) Documents issued or statements made in connection with an offer or a possible offer or during an offer period must satisfy the highest standards of accuracy (as in the case of a prospectus).

Mandatory offer

A mandatory offer is required when:

- (a) any person acquires (or persons acting in concert acquire) 30.0% or more of the voting rights of a company; or
- (b) any person holds (or persons acting in concert hold) between 30.0% and 50.0% (inclusive) of the voting rights of a company and that person (or any member of the concert group) acquires additional voting rights which increase that person's holding (or the concert group's collective holding) of voting rights by more than 2.0% from his/its lowest percentage (or collective percentage) holding in the 12-month period before the acquisition.

When directors (and their close relatives, related trusts and companies controlled by them, their close relatives or related trusts) sell shares to a purchaser which may result in a mandatory offer under Rule 26 of the Hong Kong Takeovers Code, the director must ensure that, as a condition of the sale, the purchaser undertakes to fulfil his obligations under Rule 26.

The company's acceptance of a takeover offer

If a board of directors receives an offer or is approached with a view to an offer, the board must establish an independent board committee to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting. As soon as reasonably practicable, the board must retain a competent independent financial adviser to advise the independent board committee on the offer and in particular on the points mentioned in (i) and (ii).

The independent board committee must approve the appointment of the independent financial adviser before the appointment is made.

Such advice, including reasons, must be obtained in writing and such written advice must be made known to shareholders by including it in the offeree board circular along with the recommendations of the independent board committee regarding the offer.

The board of the offeree company must monitor the situation and make an announcement, as and when required under the Takeovers Code.

The company making a takeover offer

If a mandatory offer is triggered because a company has acquired shares in a listed company, the company must make an announcement immediately.

An announcement may also be required by the potential offeror before such acquisition in certain circumstances before an approach has been made to the offeree company or during the negotiations stage.

If the offeror is a public company in Hong Kong and: (i) the offer being made is a reverse takeover; (ii) the directors of the offeror are faced with a conflict of interest; or (iii) the offeree company (and persons acting in concert with it) controls the offeror, the board of the offeror must obtain competent independent advice as to whether the making of the offer is in the interests of the offeror's shareholders. The board of the offeror may seek oral advice prior to the announcement of the offer, with the full advice to be obtained as soon as possible thereafter. The offer announcement must contain a summary of the salient points of the advice. The full advice must be in writing and sent to the shareholders of the offeror as soon as practicable, and if there is a general meeting convened to approve the offer, then at least 14 days in advance.

This page has been intentionally left blank.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

LISTINGS

Fortune REIT currently has a primary listing of Units on the SGX-ST, which it intends to maintain alongside its proposed dual primary listing of Units on the SEHK.

REGISTRATION

The principal register of Unitholders (the “**Singapore Unit Register**”) is maintained in Singapore by Boardroom Corporate & Advisory Services Pte. Ltd., the Singapore Unit Registrar, whose address is 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623. The Units traded on the SGX-ST will be registered in the name of CDP or its nominee and will be held by CDP for and on behalf of Unitholders who maintain, either directly or through depository agents, securities accounts with CDP (each Unitholder, a “**Depositor**”). Fortune REIT will establish a Hong Kong register of Unitholders (“**Hong Kong Unit Register**”) in Hong Kong which is to be maintained by Computershare Hong Kong Investor Services Limited, the proposed Hong Kong Unit registrar of Fortune REIT (the “**Hong Kong Unit Registrar**”), whose address is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Certificates in respect of the Units registered on the Hong Kong Unit Register will be issued by the Hong Kong Unit Registrar. The Singapore Unit Registrar will keep in Singapore duplicates of the Hong Kong registers, which will be updated from time to time.

Certificates

Only Unit certificates issued by the Hong Kong Unit Registrar will be valid for delivery in respect of dealings effected on the SEHK.

No certificate shall be issued for the Units listed on the SGX-ST to Unitholders. Instead, for so long as the Units are listed on the SGX-ST and the Units are registered in the name of CDP or its nominee, CDP shall issue statements to each Depositor in accordance with the terms and conditions for operation of securities account.

DEALINGS

Dealings in Units listed on both the SEHK and the SGX-ST will be conducted in Hong Kong dollars. The Units are traded on the SGX-ST and will be traded on the SEHK in board lots of 1,000 Units.

Currently, the transaction costs of dealings in the Units listed on the SEHK will include a SEHK trading fee of 0.005%, an SFC transaction levy of 0.004%, a transfer deed stamp duty of HK\$5.00 on the seller per transfer deed and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the price of the Units being transferred. The brokerage commission in respect of trades of Units on the SEHK is freely negotiable.

The clearing fee in Singapore is payable at the rate of 0.04% of the transaction value, subject to a maximum of S\$600 per transaction. Such clearing fee is subject to goods and services tax in Singapore (currently at 7.0%). The brokerage commission in respect of trades of Units on the SGX-ST is freely negotiable.

SETTLEMENT

Settlement of dealings in Singapore

Units listed on the SGX-ST are cleared and settled under the book-entry settlement system of CDP. All dealings in and transactions of Units through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP. Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP.

Persons holding Units in a securities account with CDP may withdraw the number of Units they own from the book-entry settlement system. A withdrawal fee of S\$10.00 for each withdrawal of 1,000 Units or less and a withdrawal fee of S\$25.00 for each withdrawal of more than 1,000 Units is payable to CDP upon submission of request to withdraw Units. Persons who wish to trade on the SGX-ST must deposit the Units into CDP. Investors should ensure that their Units are credited into their respective securities accounts with CDP before they begin to trade the Units on the SGX-ST as a buy-in may be instituted against the investors if they are unable to deliver the Units for settlement pursuant to trades done on the SGX-ST. A deposit fee of S\$10.00 is payable upon submission of request to deposit Units. The withdrawal and deposit fees are subject to Singapore goods and services tax (currently at 7.0%). Transactions in Units under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Units sold and the buyer's securities account being credited with the number of Units acquired. No transfer stamp duty is currently payable for the transfer of the Units that are settled on a book-entry basis.

A Singapore clearing fee for trades in Units on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S\$600.00 per transaction. The clearing fee is subject to Singapore goods and services tax (currently at 7.0%). Dealings in the Units will be carried out in Hong Kong Dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Settlement of dealings in Hong Kong

If the SEHK grants the listing of, and permission to deal in, the Units on the SEHK and Fortune REIT complies with the stock admission requirements of Hong Kong Securities Clearing Company Limited ("**HKSCC**"), the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System established and operated by HKSCC ("**CCASS**") with effect from the date of commencement of dealings in the Units on the SEHK or any other date that HKSCC chooses. Settlement of transactions between participants of the HKSE is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time ("**CCASS Rules**"). All necessary arrangements will have to be made for the Units to be admitted into CCASS.

Investors in Hong Kong must settle their trades executed on the SEHK through their brokers directly or through custodians. For an investor in Hong Kong who will have deposited his Units in his designated CCASS participant's stock account to be maintained with CCASS, settlement will be effected by

CCASS in accordance with the CCASS Rules. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his broker or custodian before the settlement date.

DISTRIBUTIONS

Distributions will be declared in Hong Kong dollars.

TRANSFER OF UNITS

All duties, fees and expenses specified herein are subject to changes from time to time.

Removal of Units

Currently, Units traded on the SGX-ST are registered in the name of CDP or its nominee. For the purpose of trading on the SEHK following the Introduction, the Units must be registered on the Hong Kong Unit Register. Units may be transferred between CDP and the Hong Kong Unit Register. An investor who wishes to trade on the SGX-ST must have a direct securities account with CDP or a securities sub-account with a depository agent, and an investor who wishes to trade on the SEHK following the Introduction must have his Units registered on the Hong Kong Unit Register by removing them from CDP to the Hong Kong Unit Register. A resolution has been passed by the Directors authorising the removal of Units between CDP and the Hong Kong Unit Register as may from time to time be requested by the Unitholders of Fortune REIT.

From CDP to the Hong Kong Unit Register

If an investor whose Units are traded on the SGX-ST wishes to trade his Units on the SEHK following the Introduction, he must effect a removal of Units from CDP to the Hong Kong Unit Register.

A removal of the Units from CDP to the Hong Kong Unit Register involves the following procedures:

- (1) As the investor's Units have been deposited with CDP, the investor must first withdraw his Units from CDP by completing a Request for Withdrawal of Securities form available from CDP and submitting the same to CDP together with the transfer deed (if required), the certificate of stamp duty (if required) and the withdrawal fee as prescribed by CDP from time to time.
- (2) The investor shall also complete a Removal Request form obtained from the Singapore Unit Registrar and submit the Removal Request form to the Singapore Unit Registrar.
- (3) CDP will then withdraw the specified number of Units from the investor's securities account with CDP and liaise with the Singapore Unit Registrar on re-registration. The Singapore Unit Registrar shall then register the specified number of Units in the name of the investor on the Singapore Unit Register.
- (4) Upon notification from CDP and the receipt of the Removal Request form together with bank drafts for the amount as prescribed by the Singapore Unit Registrar and the Hong Kong Unit Registrar from time to time from the investor, the Singapore Unit Registrar shall take all actions necessary to effect the transfer and removal of Units from the Singapore Unit Register.
- (5) On completion, the Singapore Unit Registrar shall then notify the Hong Kong Unit Registrar of the removal whereupon the Hong Kong Unit Registrar shall update the Hong Kong Unit Register and issue Unit certificate(s) in the name of the investor and send such Unit certificate(s) to the address specified by the investor. Despatch of Unit certificate(s) will be made at the risk and expense of the investor as specified in the Removal Request form.

- (6) If the investor's Units upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit the Units into CCASS for credit to his CCASS investor participant stock account or his designated CCASS participant's stock account. For depositing of Units into CCASS or to effect sale of Units in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from the offices of the Hong Kong Unit Registrar and deliver it together with his Unit certificate(s) to be issued by the Hong Kong Unit Registrar to HKSCC directly if he intends to deposit the Units into CCASS for credit to his CCASS investor participant stock account or via a CCASS participant if he wants the Units to be credited to his designated CCASS participant's stock account.

Note: Under normal circumstances, steps (1) to (5) generally require up to 13 business days to complete. Generally, expedited unit transfer services at a turnaround time of up to 9 business days are available at Unitholders' request but will be subject to the discretion of the Hong Kong Unit Registrar and will not be available during peak operation seasons of the Hong Kong Unit Registrar.

From Hong Kong Unit Register to CDP

Following the Introduction, if an investor whose Units will be traded on the SEHK wishes to trade his Units on the SGX-ST, he must effect a removal of the Units from the Hong Kong Unit Register to CDP. Such removal and deposit of the Units would involve the following procedures:

- (1) If the investor's Units will have been registered in the investor's own name, the investor shall complete the Unit Removal Form (the "**Removal Request Form**") to be available from the Hong Kong Unit Registrar or the Singapore Unit Registrar and submit the same together with the Unit certificate(s) in his name and bank draft for the amount as prescribed by the Singapore Unit Registrar and the Hong Kong Unit Registrar from time to time to the Hong Kong Unit Registrar. If the investor's Units will have been deposited with CCASS, the investor must first withdraw such Units from his CCASS investor participant stock account with CCASS or from the stock account of his designated CCASS participant and submit the relevant Unit transfer form(s) executed by HKSCC Nominees Limited, the relevant Unit certificate(s) and a duly completed Removal Request Form to the Hong Kong Unit Registrar.
- (2) Upon receipt of the Removal Request Form, the relevant Unit certificate(s) and where appropriate, the completed Unit transfer form(s) executed by HKSCC Nominees Limited, the Hong Kong Unit Registrar shall take all actions necessary to effect the transfer and the removal of the Units from the Hong Kong Unit Register to the Singapore Unit Register.
- (3) The Hong Kong Unit Registrar shall notify the Singapore Unit Registrar of the removal from the Hong Kong Unit Register. The Singapore Unit Registrar shall then register the specified number of Units in the investor's name on the Singapore Unit Register. Following which, the Singapore Unit Registrar shall liaise with CDP on the deposit of Units into CDP and re-register the specified number of Units in CDP's or its nominee's name on the Singapore Unit Register. Upon receipt of the relevant documents and payment of deposit fee from the Singapore Unit Registrar in good order, CDP shall credit the specified number of Units into the investor's securities account with CDP.
- (4) The investor must ensure that he will have a securities account in his own name or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the Removal Request Form.

Note: For Units which will have been deposited with CCASS and under normal circumstances, for steps (1) to (3), Unitholders will generally need to allow up to 14 business days to remove their Units to CDP. Generally, expedited unit transfer services at a turnaround time of up to 7 business days will be available at Unitholders' request but will be subject to the discretion of the Hong Kong Unit Registrar and will not be available during peak operation seasons of the Hong Kong Unit Registrar.

For Units which will have been registered in their own name and under normal circumstances, for steps (1) to (3), Unitholders will generally need to allow up to 10 business days to remove their Units to CDP. Generally, expedited unit transfer services (without the need for re-registration in this case) at a turnaround time of up to 6 business days will be available at Unitholders' request but will be subject to the discretion of the Hong Kong Unit Registrar and will not be available during peak operation seasons of the Hong Kong Unit Registrar.

Stamp Duty

For those Units which will be registered on the Hong Kong Unit Register, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Units which are deposited with CDP, no transfer stamp duty is currently payable for the transfer of the Units that are settled on a book-entry basis.

Costs

All costs attributable to the removal of Units from the Hong Kong Unit Register to CDP and any removal from CDP to the Hong Kong Unit Register shall be borne by the Unitholder requesting the removal. In particular, Unitholders should note that the Hong Kong Unit Registrar will charge a re-registration and removal handling fee according to the turnaround time requested by Unitholders. CCASS charges a withdrawal fee of HK\$3.50 per board lot (subject to a minimum of HK\$20.00) for withdrawal from the CCASS system. The Singapore Unit Registrar will charge S\$10.00 for each removal of Units, as stated in the Removal Request Forms used in Hong Kong or Singapore. The fees charged by the Singapore Unit Registrar are subject to Singapore goods and services tax (currently at 7.0%).

This page has been intentionally left blank.

THE PROPOSED TRUST DEED AMENDMENT

The proposed form of the amendments to the Trust Deed upon Unitholders' approval of Resolution 2 (the Trust Deed Amendment) in accordance with the following deletions indicated by the deleted text and additions indicated by the underlined text below is as follows:

"This Deed is made on 4 July 2003 **between:**

- (1) **ARA ASSET MANAGEMENT (FORTUNE) LIMITED** (in its capacity as manager of Fortune Real Estate Investment Trust, the "**Manager**"), whose registered office is situated at 9 Temasek Boulevard, #09-01 Suntec Tower 2, Singapore 038989; and
- (2) **HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED** (in its capacity as trustee of Fortune Real Estate Investment Trust, the "**Trustee**"), whose registered office is situated at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320.

Whereby it is agreed and declared as follows:

1. Interpretation

1.1 Definitions

Unless the context otherwise requires, the following words or expressions shall have the meanings respectively assigned to them, namely:

"Accounts" in respect of each Financial Year, means the accounts of the Trust for that period, as referred to in Clause 21;

"Acquisition Cost" in relation to an Investment, means the total cost of that Investment to the Trust including the purchase price, stamp duties, valuation fees, legal costs and other disbursements and expenses incurred by the Trust in connection with the acquisition of that Investment by the Trust;

"Acquisition Date" means:

- (i) (in the case of Investments of the kind referred to in paragraphs (i) to (iii) of the definition of "**Authorised Investments**" other than an Investment which is a Special Purpose Vehicle) the date upon which the particular right or interest is first held by the Trustee (in its capacity as Trustee of the Trust);
- (ii) in the case of Investments which are Real Estate Related Assets in the form of Special Purpose Vehicles, the date of completion of purchase by the Trustee of such Special Purpose Vehicles or the date a Special Purpose Vehicle completes its acquisition of a Real Estate, as the case may be; and
- (iii) (in the case of all other Investments) the date upon which the Investment in question is acquired by or on behalf of the Trust;

"Acquisition Fee" means the acquisition fee not exceeding 1.0 per cent. of the acquisition price of any Real Estate in the form of land acquired directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust's interest in the Real Estate acquired) payable to the Manager pursuant to Clause 15.2.1;

“Adjusted Gross Revenue” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means its Gross Revenue including Rental Top Up Amounts;

“Adjusted Property Operating Expenses” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means the Property Operating Expenses minus the Performance Fee;

“Administration Fund” shall have the meaning ascribed to it in Clause 4.3;

“Annual General Meeting” has the meaning ascribed to it in ~~the Schedule to the Deed~~1;

“Approved Person” means a person approved by the SFC pursuant to Sections 104(3) and/or 105(3) of the SFO for the purpose of being served by the SFC with notices or decisions for the Trust and/or for the issue of any advertisement, invitation or document referred to in Section 105 of the SFO (as the case may be);

“Approved Valuer” means a natural person, company or firm appointed in writing by and instructed by the Trustee to provide a valuation of any Authorised Investment. The Manager may make recommendations to the Trustee of persons to be appointed as Approved Valuers and when making such recommendation shall have regard to the particular type or types of Authorised Investments the subject of such valuation, recommendation or report or to the nature of the security held or to be held by the Trustee, PROVIDED THAT in relation to an Investment which is a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, (a) the person so recommended shall be an appraiser licensed under the Appraisers and House Agents Act, Chapter 16 of Singapore and who is a member of the Singapore Institute of Surveyors & Valuers or any other recognised body of valuers in Singapore, or (if such land, or any interest, option or other right therein or thereon, is situated outside Singapore) a person authorised under any law of the state or country where the valuation takes place to practice as a valuer, and (b) for so long as the Trust is a SFC-Authorised REIT, the person so recommended shall be a property valuer that carries on the business of valuing real estate in Hong Kong, shall meet the criteria of independence as set out in the REIT Code, and have key personnel who are fellow or associate members of the Hong Kong Institute of Surveyors and who are qualified to perform property valuations in accordance with the REIT Code;

“associate” shall have the meaning given to it in Schedule 1 to the SFO, save that, for the purpose of interpretation of this Deed, a Special Purpose Vehicle shall not be an associate of the Trustee, in its capacity as the trustee of the Trust only;

“associated company” a company shall be deemed to be an associated company of another company if one of them owns or controls 20% or more of the voting rights of the other or if both are associated companies of another company;

“Auditors” means an accounting firm or corporation as described in the Accountants Act, Chapter 2 of Singapore and for the time being appointed as Auditor or Auditors of the Trust pursuant to Clause 22 of this Deed;

“Authorised Investments” means:

- (i) Real Estate, whether freehold, leasehold and/or held as joint owner, and whether in or outside Singapore. In respect of investments in Singapore, the Trust must comply with the provisions of the Residential Property Act;

- (ii) any improvement or extension of or addition to or reconstruction or renovation or other development of any Real Estate or any building thereon;
- (iii) Real Estate Related Assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;
- (iv) listed or unlisted debt securities and listed shares or stock of or issued by local or foreign non-property companies or corporations;
- (v) Government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;
- (vi) Cash and Cash Equivalent Items;
- (vii) financial derivatives only for the purposes of (a) hedging existing positions in the Trust's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of the Trust or intended to be borrowings of the Trust; and
- (viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by the Trust and approved by the Trustee in writing,

it being understood that (a) the above definitions of "**Authorised Investments**" shall override and prevail over the definition of "**permissible investments**" under the Property Funds Appendix, and (b) for the avoidance of doubt, references in this Deed to the term "**Authorised Investments**" shall be deemed to include a reference to "**REIT Code Authorised Investments**";

"**Authority**" means the Monetary Authority of Singapore;

"**Bank**" means a bank or other financial institution recognised or licensed as such by banking authorities in any relevant jurisdiction, and any reference to "**Banker**" shall be construed accordingly;

"**Base Fee**" in relation to the Manager, means a periodic charge not exceeding 0.3 per cent. per annum of the Property Values at the relevant time or such other periodic charge as may from time to time be fixed or otherwise determined pursuant to Clause 15.1.1;

"**Business Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which (i) commercial banks are open for business in Singapore and the SGX-ST is open for trading; and (ii) for so long as the Trust is a SFC-Authorised REIT, commercial banks are open for business in Hong Kong and the SEHK is open for trading;

"**Business Hours**" means 9.00 a.m. to 5.00 p.m. (Singapore time) on a Business Day;

"**Capital Account**" means the bank account into which is paid all capital gains realised on the sale of Authorised Investments;

"**Cash**" means any amount standing to the credit of any bank account of the Trust but does not include amounts represented by money market instruments;

"**Cash Equivalent Items**" includes without limitation, deposits, short term investment accounts and money market instruments and instruments and other investments of such high liquidity and safety that they are as good as cash;

“**CCASS**” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited or any successor system operated by Hong Kong Securities Clearing Company Limited or any successor thereto;

“**Certificate**” means a certificate issued or to be issued in accordance with Clause 2.1 and Schedule 2;

“**Charge-Out Collections**” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means all items of air-conditioning charges, management fees, promotional charges, government rates, government rents, utility charges, and cleaning and other charges payable by the tenants and licensees to the Trustee or the relevant Special Purpose Vehicle (as the case may be);

“**CIS Code**” means the Code on Collective Investment Schemes issued by the Authority, as the same may be modified, amended, supplemented, revised or replaced from time to time;

“**Class**” means any class of Units which may be designated as a class distinct from another class of Units;

~~“**Code**” means the Code on Collective Investment Schemes issued by the Authority, as the same may be modified, amended, supplemented, revised or replaced from time to time;~~

“**Companies Act**” means the Companies Act, Chapter 50 of Singapore;

“**Competent Authority**” means any applicable regulatory authority in Singapore, Hong Kong or any other applicable jurisdiction which regulates or supervises the Trust or any part of its business, including, as applicable, the Authority, the SGX-ST, the SEHK or the SFC;

“**Connected Party Transaction**” means any transaction between any Connected Person and either the Trust or any Special Purpose Vehicle;

“**Connected Person**” means:

- (i) the Manager;
- (ii) the Approved Valuer;
- (iii) the Trustee;
- (iv) a Significant Holder;
- (v) a director, senior executive or an officer of any of the entities in (i), (ii), (iii) or (iv) of this definition;
- (vi) an associate of the persons in (iv) or (v) of this definition; or
- (vii) a controlling entity, holding company, subsidiary or associated company of any of the entities in (i) to (iv) of this definition.

“**controlling entity**” has the same meaning as defined in Schedule 1 to the SFO other than (a)(ii) of its definition therein;

“**CPF**” shall have the meaning ascribed to it in Clause 4.3.31;

“Current Unit Value” means at any time the Net Asset Value of the Deposited Property at that time divided by the number of Units in issue and deemed to be in issue at that time;

“Deal” in relation to the Deposited Property or any part thereof includes convey, transfer, dispose, encumber and lease, and any reference to **“Dealings”** shall be construed accordingly;

“Dealing Day” in connection with the issuance and repurchase of Units while the Trust is Unlisted, means every Business Day or such Business Day or Business Days at such intervals as the Manager may from time to time determine PROVIDED THAT reasonable notice of any such determination shall be given by the Manager to all Holders at such time and in such manner as the Trustee may approve;

“this Deed” means this Deed as from time to time altered, modified or added to in accordance with the provisions herein contained and shall include any deed supplemental hereto executed in accordance with the provisions herein contained;

“Deposited Property” means all the assets of the Trust, including all its Authorised Investments for the time being held or deemed to be held upon the trusts of this Deed;

“Depositor” means:

- (i) a direct account holder with the Depository; or
- (ii) a Depository Agent, but, for the avoidance of doubt, does not include a Sub-Account Holder,

whose name is entered in the Depository Register in respect of Units held by him;

“Depository” means The Central Depository (Pte) Limited or any successor thereof established by the SGX-ST as a depository company which operates a central depository system for the holding and transfer of book-entry securities;

“Depository Agent” means a member company of the SGX-ST, a trust company (registered under the Trust Companies Act, Chapter 336 of Singapore), a banking corporation or merchant bank (approved by the Authority under the Monetary Authority of Singapore Act, Chapter 186 of Singapore) or any other person or body approved by the Depository who or which:

- (i) performs services as a depository agent for holders of accounts maintained by a depository agent in accordance with the terms of a depository agent agreement entered into between the Depository and the depository agent;
- (ii) deposits book-entry securities with the Depository on behalf of Sub-Account Holders; and
- (iii) establishes an account in its name with the Depository;

“Depository Agreement” means the Depository Agreement to be entered into between the Depository, the Manager and the Trustee containing their agreement on the arrangements relating to the Units being deposited with the Depository pursuant to the listing of the Trust on the SGX-ST, as the same may be amended from time to time;

“Depository Register” means the electronic register of Units deposited with the Depository maintained by the Depository;

“Depository Requirements” means the requirements imposed by the Depository in relation to the trading of unit trusts on the SGX-ST applicable to the Trust;

“Distribution Amount” means the amount determined in accordance with Clause 11.5.1;

“Distribution Calculation Date” means 30 June and 31 December in each year occurring after 1 July 2003 or such other date or dates as the Manager may determine;

“Distribution Date” means a Business Day which is no later than 60 days after the Distribution Calculation Date for the relevant Distribution Period;

“Distribution Entitlement” means the entitlement to the Distribution Amount determined in accordance with Clause 11.5.2;

“Distribution Period” means:

- (i) for the first Distribution Period, the period from and including the date of establishment of the Trust to and including 31 December 2003;
- (ii) for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of termination of the Trust; and
- (iii) in all other circumstances, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date;

“Divestment Fee” means the divestment fee not exceeding 0.5 per cent. of the sale price of any Real Estate in the form of land sold or divested directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust’s interest in the Real Estate sold) payable to the Manager pursuant to Clause 15.2.2;

“Excluded Associate” means any person or entity who/which is an associate of the relevant Connected Person solely by virtue of the operation of paragraphs (b), (c), and/or (k) (other than a related corporation covered under paragraph (a) of the definition of “related corporation” in Schedule 1 of the SFO) of the definition of “associate” in Schedule 1 of the SFO;

“Extraordinary Resolution” shall have the meaning ascribed to it in paragraph 22 of ~~the~~ Schedule 1;

“Financial Year” means:

- (i) for the first Financial Year, the period from and including the date of establishment of the Trust to 31 December 2003;
- (ii) for the last Financial Year, the period from and including the most recent 1 January before the date the Trust terminates to and including the date the Trust terminates; and
- (iii) in all other circumstances, the 12-month period ending on 31 December in each year;

“Fiscal and sale charges” or **“Fiscal and purchase charges”** means all stamp and other duties, taxes (including GST), governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase of the Deposited Property or the creation, issue, sale or repurchase of Units or the sale or purchase of Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units;

“GST” means any goods and services tax, value added tax or other similar tax, whether imposed in Singapore or elsewhere;

“Gross Revenue” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means all income accruing or resulting from the operation of such Real Estate for that Financial Year or part thereof, including but not limited to its base rental income, turnover rent, licence fees, Charge-Out Collections and other sums (after deduction for all rebates, refunds, credits or discounts and rebates for rent free periods) due from tenants, licensees and concessionaires, business interruption insurance payments, car park income, atrium income, interest income, advertising and other income attributable to the operation of such Real Estate, but shall exclude the following:

- (i) proceeds derived or arising from the sale and/or disposal of the Real Estate and/or the Operating Equipment, or any part thereof;
- (ii) all proceeds from insurances taken out (but excluding business interruption insurance payments which shall form part of Gross Revenue);
- (iii) all rental and other refundable security deposits; and
- (iv) all goods and services or value added taxes (whether in force at present or in the future), charged to tenants, licensees and users of the Real Estate for the sale or supply of services or goods, which taxes are accountable by the Trustee or the relevant Special Purpose Vehicle (as the case may be) to the tax authorities;

“Holder” in relation to Listed Units (other than Singapore Listed Units) or Unlisted Units, means the registered holder for the time being of Units including persons so registered as Joint Holders, and in relation to Singapore Listed Units, means the Depository, and the term **“Holder”** shall, in relation to Units which are Listed on the SGX-ST and registered in the name of the Depository, mean, where the context requires, a Depositor PROVIDED THAT for the purposes of meetings of Holders set out in the Schedule, such Holder shall mean a Depositor as shown in the records of the Depository as at a time not later than 48 hours prior to the time of a meeting of Holders, supplied by the Depository to the Manager;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Hong Kong Listing Rules” means the listing rules for the time being applicable to the listing of the Trust as a collective investment scheme on the SEHK as the same may be modified, amended, supplemented, revised or replaced from time to time;

“IFRS” means the International Financial Reporting Standards promulgated from time to time by the International Accounting Standards Board;

“Income” means all rents, interest, dividends, distributions, licence fees, service charges, turnover rentals and other receipts (including taxation repayments and Gross Revenue) considered by the Manager after consulting the Auditors to be in the nature of income in accordance with ~~generally accepted accounting practices in Singapore;~~ the IFRS;

“Income Account” means the bank account into which all Income is paid;

“Investment” means any one of the assets forming for the time being a part of the Deposited Property or, where appropriate, being considered for acquisition to form part of the Deposited Property;

“IRAS” means the Inland Revenue Authority of Singapore;

“Issue Price” shall have the meanings ascribed to it in Clause 5.2;

“Joint Depositors” means such persons for the time being entered in the Depository Register as joint depositors in respect of a Unit either as Joint-All Depositors or Joint-Alternate Depositors;

“Joint-All Depositors” means Joint Depositors whose mandate the Manager, the Trustee and the Depository shall act upon only if given by all such Joint Depositors or where any Joint-All Depositor is a Minor, where the mandate is given by the adult Joint-All Depositor(s);

“Joint-Alternate Depositors” means Joint Depositors whose mandate the Manager, the Trustee and the Depository shall act upon if given by any of such Joint Depositors (other than a Minor);

“Joint Holders” means such persons for the time being entered in the Register as joint holders in respect of a Unit either as Joint-All Holders or Joint-Alternate Holders and where the context requires, the term **“Joint Holders”** shall mean Joint Depositors;

“Joint-All Holders” means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by all such Joint Holders or where any Joint-All Holder is a Minor, where the mandate is given by the adult Joint-All Holder(s);

“Joint-Alternate Holders” means Joint Holders whose mandate the Manager and the Trustee shall act upon if given by any of such Joint Holders (other than a Minor);

“Liabilities” means all the liabilities of the Trust (including liabilities accrued but not yet paid) and any provision which the Manager decides in consultation with the Auditors should be taken into account in determining the liabilities of the Trust;

“Listed” in relation to the Units or the Trust, means being listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange(s) and the Units having not been suspended from such listing, quotation or trading for more than 60 consecutive calendar days or having not been de-listed permanently;

“Listing Date” means the date on which Units are first listed on the SGX-ST;

~~**“Listing Rules”** means the listing rules for the time being applicable to the listing of the Trust as an investment fund on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;~~

“Management Fee” means the management fee payable to the Manager comprising the Base Fee and the Performance Fee;

“Manager” means ARA Asset Management (~~Singapore~~Fortune) Limited and its successors as Manager of the Trust;

“Market Price” in relation to a Unit shall have the meanings ascribed to it in Clause 5.2;

“Minimum Holding” means 1,000 Units or such other number of Units as the Manager with prior notification to the Trustee may from time to time determine, either generally or in any particular case or cases;

“Minor” means any individual under the age of 18 years;

“Net Asset Value of the Deposited Property” means at any time the Value of the Deposited Property, less the Liabilities;

“Net Property Income” in relation to a Real Property Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means its Gross Revenue less Property Operating Expenses for such Real Estate for that Financial Year or part thereof;

“Net Tax-Exempt Income” shall have the meaning ascribed to it in Clause 11.1;

“Offering Circular” means any offering circular (including without limitation the Prospectus) in relation to any issue of Units of the Trust required to be issued, as amended, supplemented, replaced and updated from time to time;

“Operating Equipment” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, means the equipment, items or things used in the operation of such Real Estate, pursuant to the approved annual business plan and budget for such Real Estate;

“Ordinary Resolution” shall have the meaning ascribed to it in paragraph 22 of the Schedule 1;

“Participant” means a person that is a participant in CCASS and to whose account any Units are for the time being credited by Hong Kong Securities Clearing Company Limited;

“Performance Fee” in relation to the Manager, means the performance fee payable to the Manager, determined pursuant to Clause 15.1.2;

“Preliminary Charge” means a charge upon the issue or sale of a Unit of such amount as shall from time to time be fixed by the Manager generally or in relation to any specific or class of transaction PROVIDED THAT it shall not exceed 5 per cent. of the Issue Price (excluding the Preliminary Charge) at the time of issue of the Unit; such expression in the context of a given date shall refer to the charge or charges fixed by the Manager pursuant to this Deed and applicable on that date, PROVIDED FURTHER THAT this charge shall not apply while the Units are Listed;

“Property Funds Appendix” means the investment guidelines regulating collective investment schemes that invest or propose to invest in real estate and real estate-related assets (**“property funds”**) in Appendix 2 of the CIS Code as the same may be modified, amended, supplemented, revised or replaced from time to time;

“Property Operating Expenses” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, and in relation to any Financial Year or part thereof, means all costs and expenses incurred by the Trust or the relevant Special Purpose Vehicle in the operation, maintenance, management and marketing of such Real Estate, including but not limited to the following:

- (i) the fees payable to the property manager in relation to such Real Estate;
- (ii) the Performance Fee payable to the Manager in relation to such Real Estate;
- (iii) government rents and rates;
- (iv) utility charges for heating, air-conditioning, electricity, gas, water, telephone and any other utilities;

- (v) costs of services including contract cleaning fees, contract security fees, repair and maintenance expenses;
- (vi) advertising, promotion and public relations expenses;
- (vii) commissions and expenses to the property manager and other leasing agents for the lease or licence of units in the Real Estate;
- (viii) maintenance and other contributions required under the relevant deed of mutual covenants to be paid in respect of the Real Estate;
- (ix) insurance premiums for insurances taken out for or in relation to the Real Estate;
- (x) audit and valuation fees;
- (xi) expenses for purchase and replacement of Operating Equipment;
- (xii) allowance for doubtful accounts or bad debts, as the Trustee, on the recommendation of the Manager, shall determine in accordance with ~~generally accepted accounting principles in Hong Kong~~ the IFRS,

but, shall not include the following:

- (a) expenditure on alterations, additions or improvements in or to such Real Estate, expenditures of a capital nature which are not regarded as operating costs and expenses in accordance with ~~generally accepted accounting principles in Hong Kong~~ the IFRS;
- (b) all depreciation or amortisation costs of the Real Estate; and
- (c) interest on loans taken up by the Trustee or the relevant Special Purpose Vehicle;

“Property Values” means the Value of all Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle;

“Prospectus” means the prospectus, supplemental prospectus, replacement prospectus or profile statement in relation to any issue of Units of the Trust required to be issued pursuant to Division 2 of Part XIII of the Securities and Futures Act;

“Real Estate” means any land, and any interest, option or other right in or over any land. For the purposes of this definition, **“land”** includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein, and **“Real Estate”** includes shares in an unlisted company whose sole purpose is to hold/own such real estate, such as a Special Purpose Vehicle;

“Real Estate Related Assets” means listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other property funds and assets incidental to the ownership of Real Estate, including, without limitation, furniture, carpets, furnishings, machinery and plant and equipment installed or used or to be installed or used in or in association with any Real Estate or any building thereon;

“Recognised Stock Exchange” means any stock exchange of repute in any country in any part of the world, including without limitation, the SEHK;

“Record Date” means the date or dates in each Distribution Period determined by the Manager for the purpose of determining the Distribution Entitlement to the Distribution Amount of the Holders, or, as the case may be, Depositors, of record entitled to receive any Distribution Entitlement;

“Register” means the Register of Holders referred to in Clause 3.1;

“Registrar” means such person as may from time to time be appointed by the Trustee to, *inter alia*, keep and maintain the Register;

“REIT Code” means the Code on Real Estate Investment Trusts issued by the SFC, as the same may from time to time be modified, amended, revised or replaced, or supplemented either by published guidelines, policies, practice statements or other guidance issued by the SFC or, in any particular case, by specific written guidance issued by the SFC in response to a specific request by the Manager and the Trustee;

“REIT Code Authorised Investments” means:

- (i) Real Estate as permitted under the REIT Code;
- (ii) any improvement or extension of or addition to or reconstruction or renovation or other development of any Real Estate;
- (iii) Real Estate Related Assets (but excluding listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other property funds);
- (iv) Cash and Cash Equivalent Items;
- (v) shares in the issued share capital of, and loans to, any Special Purpose Vehicle and any goodwill and other intangible assets acquired in relation to the acquisition of Special Purpose Vehicles; and
- (vi) investments in relation to arrangements for the purposes of enhancing the return on, or reducing the risks associated with, the Authorised Investments contemplated by paragraphs (i), (ii), (iii), (iv) and (v) of this definition, or of other Investments, or in respect of the Trust generally, including investments in the form of derivatives instruments for the purposes of hedging only,

in each case whether held by the Trustee directly or indirectly through a Special Purpose Vehicle or otherwise pursuant to this Deed;

“Related Party” refers to an “interested person” as defined in the Singapore Listing Rules and/or, as the case may be, an “interested party” as defined in the Property Funds Appendix and, if and for so long as the Trust is a SFC-Authorised REIT, references in this Deed (other than in Clauses 16 and 17.4) to Related Parties of the Trustee or the Manager shall be deemed to include a reference to the Connected Persons;

“Rental Top Up Amounts” in relation to a Real Estate in the form of land, whether directly held by the Trustee or indirectly held by the Trustee through a Special Purpose Vehicle, means the top up amounts relating to property income, licence fees income, parking space income and any other relevant income payable by relevant parties to the Trust (or if relevant, a Special Purpose Vehicle), pursuant to any written agreements entered into with third parties which will make such top up amounts in favour of the Trust or such Special Purpose Vehicle (as the case may be);

“Repurchase Charge” means a charge upon the repurchase or redemption of a Unit of such amount as may from time to time be fixed by the Manager generally or in relation to any specific or class of transaction PROVIDED THAT it shall not exceed 2 per cent. (or such other percentage as the Manager and the Trustee may agree) of the Repurchase Price at the time the request for repurchase or redemption of the Unit is accepted by the Manager; such expressions in the context of a given date shall refer to the charge or charges fixed by the Manager pursuant to this Deed and applicable on that date, PROVIDED FURTHER THAT this charge shall not apply while the Units are Listed;

“Repurchase Price” means the repurchase price referred to in Clause 7.5;

“Residential Property Act” means the Residential Property Act, Chapter 274 of Singapore;

“Rules” means any laws, rules or regulations, including the CIS Code (including the Property Funds Appendix), the REIT Code, the Singapore Listing Rules (where applicable), the Hong Kong Listing Rules (where applicable), the Securities and Futures Act and the SFO;

“Securities” means any share, stock, bond, debenture, warrant, transferable subscription right, option, loan convertible into equity securities, units in unit trusts or any other interests in mutual funds or any other security;

“Securities Account” means a securities account maintained by a Depositor with the Depository;

“Securities and Futures Act” means the Securities and Futures Act, Chapter 289 of Singapore;

“SEHK” means The Stock Exchange of Hong Kong Limited and its successors;

“SFC” means the Securities and Futures Commission referred to in Section 3 of the SFO;

“SFC-Authorised REIT” means a collective investment scheme in the nature of a real estate investment trust authorised by the SFC under Section 104 of the SFO;

“SFO” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“SGX-ST” means Singapore Exchange Securities Trading Limited and its successors;

“Significant Holder” means a Holder that holds 10 per cent. or more of the outstanding Units, for which purpose the following are deemed included as such Holder’s holdings: (i) the holdings of any associate of the Holder where the Holder is an individual; and (ii) the holdings of any director, senior executive, officer, controlling entity, holding company, subsidiary or associated company of the Holder where the Holder is an entity. For the purposes of this definition, “hold” and “holding “ means any legal, beneficial or equitable interest in the Units;

“Singapore Listed Units” means Units that are Listed on the SGX-ST;

“Singapore Listing Rules” means the listing rules for the time being applicable to the listing of the Trust as an investment fund on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time;

“Special Purpose Vehicle” means an unlisted entity (whether incorporated or otherwise constituted, in the Hong Kong Special Administrative Region of the People’s Republic of China or elsewhere) whose primary purpose is to hold or own Real Estate or to hold or own shares, units or interests (as the case may be) in such other unlisted entity (whether incorporated or otherwise constituted in the Hong Kong Special Administrative Region of the People’s Republic of China or elsewhere) whose primary purpose is to hold or own, whether directly or indirectly, Real Estate;

“Statement of Holdings” means the Statement of Holdings referred to in Clause 2-22.2.2;

“Stockbroker” means a member of the SGX-ST or any other Recognised Stock Exchange;

“Sub-Account Holder” means a holder of an account maintained with a Depository Agent;

“Tax” means any income tax, duty and any other taxes, duties, levies, imposts, deductions and charges and any interest, penalties or fines imposed in connection with any of them;

“Tax Act” means the Income Tax Act, Chapter 134 of Singapore;

“Tax-Exempt Income” in relation to any Distribution Period, means the dividends received by the Trust from the Special Purpose Vehicles that are distributed out of income (including interest income and gains from the sale of Real Estate) which are subject to tax in the jurisdictions where the Special Purpose Vehicles are incorporated or registered which have a headline tax rate of not less than 15%, and that are exempt from Singapore income tax by virtue of the **“Tax Exemption on Foreign Dividends”** incentive or the provisions of Section 13(8) of the Tax Act;

“Tax Ruling” means the tax ruling dated 10 June 2003 issued by the Singapore Ministry of Finance on the taxation of the Trust and the Holders, as the same may be modified, amended, supplemented, revised or replaced from time to time;

“Trust” means the unit trust scheme constituted by this Deed and known as the **“Fortune Real Estate Investment Trust”** (or its short form **“FORTUNE REIT”**) or by such other name as the Manager (with the approval of the Trustee) may from time to time determine;

“Trustee” means HSBC Institutional Trust Services (Singapore) Limited and its successors as Trustee;

“Trustees Act” means the Trustees Act, Chapter 337 of Singapore;

“Unclaimed Moneys Account” means the Unclaimed Moneys Account referred to in Clause 12.4;

“Unit” means one undivided share in the Trust. Where the context so requires, the definition includes a Unit of a Class of Units;

“Unlisted” in relation to the Units or the Trust, means not being included on the Official List of the SGX-ST or any other Recognised Stock Exchange, or the Units having been suspended for more than 60 consecutive calendar days from being listed, quoted or traded on the SGX-ST or, as the case may be, any other Recognised Stock Exchange or having been de-listed permanently;

“Value”, except where otherwise expressly stated, means with reference to any Authorised Investment or the Deposited Property, its value for the time being as determined pursuant to Clause 6; and

“Year” means calendar year.

1.2 Holding Company

The expressions **“holding company”** and **“subsidiary”** bear the meanings ascribed thereto respectively in Section 5 of the Companies Act.

1.3 Currencies

Unless expressly provided to the contrary, references herein to “**Hong Kong Dollar**” or “**HK\$**” are to the lawful currency of Hong Kong, and references herein to “**Singapore Dollar**” or “**S\$**” are to the lawful currency of Singapore.

1.4 Sale and Purchase

References herein to the sale or purchase of Authorised Investments include any acquisition, disposal, subscription or discounting of, dealing in, or entering into, writing of or fulfilment of obligations under, any contract relating to Authorised Investments for the account of the Trust.

1.5 Statutes

Any reference herein to any enactment shall be deemed also to refer to any statutory modification, codification or re-enactment thereof.

1.6 Application of Provisions

Unless otherwise expressly provided in this Deed, the provisions of this Deed apply to the Trust, whether it is Listed or Unlisted.

1.7 Miscellaneous Construction

Words importing the singular number only shall include the plural and **vice versa**; words importing the masculine gender only shall include the feminine and neuter genders and **vice versa**; words importing persons include corporations; the words “**written**” or “**in writing**” include printing, engraving, lithography, or other means of visible reproduction or partly one and partly the other. References to “**Clauses**” and the “**Schedule**”**Schedules**” are to be construed as references to the ~~Clauses~~ of, and the ~~Schedule~~Schedules to, this Deed.

1.8 Headings

The headings in this Deed are for convenience only and shall not affect the construction hereof.

1.9 Regulatory Conditions

All the provisions of this Deed are subject to any conditions imposed in writing by any Competent Authority from time to time, including in respect of any waiver or modification from strict compliance with any applicable Rules, and any condition of authorisation of the Trust, provided always that any further duties of the Trustee or the Manager in relation to the Trust imposed in consequence of such condition or conditions shall take effect only upon the receipt of such condition or conditions by the Trustee or the Manager (as the case may be). Where a Competent Authority issues any such condition to the Manager from time to time, the Manager shall promptly notify the Trustee and provide a copy of such condition to the Trustee.

For the avoidance of doubt, the Trust shall comply with all applicable Rules, including both Singapore and Hong Kong regulatory requirements insofar as they apply to the Trust. Should there be any conflict or inconsistency, the Trust shall comply with the stricter of the two sets of requirements.

2. Provisions as to Units, Holders and Statements of Holdings

2.1 Certificates

Subject as provided in Clause 2.2 and Schedule 2, Units shall be evidenced by Certificates in such form as may from time to time be agreed between the Manager and the Trustee. Certificates may be issued in any denomination of one or more whole Units. Each Certificate shall bear a serial number, shall be dated and shall specify the number of Units evidenced thereby and the name of the Holder.

2.2 Unlisted Units and Singapore Listed Units

2.2.12.1 No Certificates

No certificate shall be issued to Holders by either the Manager or the Trustee in respect of any Unlisted Units (whether or Singapore Listed or Unlisted) Units issued to Holders. For so long as the Trust is Listed on the SGX-ST, the Manager shall pursuant to the Depository Agreement appoint the Depository as the Unit depository for the Trust, and all Singapore Listed Units issued will be represented by entries in the Register in the name of, and deposited with, the Depository as the registered Holder thereof. The Manager or the agent appointed by the Manager shall issue to the Depository not more than 10 Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued and if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of this Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

2.2.22.2 Form of Statements Statement of Holdings

- (i) ~~2.2.1~~ In the event the Trust is or becomes Unlisted, the Manager or the agent appointed by the Manager shall issue to each Holder of Unlisted Units not more than one month after the allotment of Units to such Holder a confirmation note confirming such allotment. The Manager or its agent shall for so long as the Trust is Unlisted issue to each Holder of Units on a calendar quarterly basis (or such other period as may be agreed between the Manager and the Trustee) a statement of holdings (the “**Statement of Holdings**”). A Statement of Holdings shall be dated and shall specify the number of Units held by each Holder in respect of the preceding quarter (or such other relevant period) and the transactions in respect of such Units and shall be in such form as may from time to time be agreed between the Manager and the Trustee.
- (ii) ~~2.2.2~~ For so long as the Trust is Listed on the SGX-ST and Units are registered in the name of the Depository, the Depository shall within the relevant periods issue to each Depositor the relevant confirmation notes, monthly statements and statement of account on account of transactions in Units completed in respect of such Depositor’s Securities Account.

2.3 Sub-division and Consolidation of Units

The Manager may at any time with the approval of the Trustee and on prior written notice as may be approved by the Trustee given by the Manager or the Trustee to each Holder (or (as the case may be) to each Depositor by the Manager or the Trustee delivering such notice in writing to the Depository for onward delivery to the Depositors), determine that each Unit shall be sub-divided into two or more Units or consolidated with one or more other Units and the Holders or (as the case may be) the Depositors shall be bound accordingly. The Register shall be altered

accordingly to reflect the new number of Units held by each Holder as a result of such sub-division or consolidation and, in relation to Singapore Listed Units, the Trustee shall cause the Depository to alter the Depository Register accordingly in each relevant Depositor's Securities Account, the new number of Units held by such Depositor as a result of such sub-division or consolidation.

2.4 Terms and Conditions of Trust Deed and Supplemental Deeds to Bind Holders

The terms and conditions of this Deed shall be binding on each Holder or (as the case may be) each Depositor and all persons claiming through him as if he had been party thereto and as if this Deed contained covenants on the part of each Holder or (as the case may be) each Depositor to observe and be bound by all the provisions hereof and an authorisation by each Holder or (as the case may be) each Depositor to do all such acts and things as this Deed may require the Trustee or the Manager (as the case may be) to do. A copy of this Deed and of any supplemental deed for the time being in force shall be made available for inspection at the respective registered offices of the Trustee and of the Manager at all times during usual Business Hours and shall be supplied by the Manager to any person on application at a charge not exceeding S\$10 per copy document.

2.5 Units to be Held Free from Equities

A Holder entered in the Register as the registered holder of Units or (as the case may be) a Depositor whose name is entered in the Depository Register in respect of Units registered to him, shall be the only person to be recognised by the Trustee or by the Manager as having any right, title or interest in or to the Units registered in his name and the Trustee and the Manager may recognise such Holder or Depositor as absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, express, implied or constructive, save as herein expressly provided or save as required by some court of competent jurisdiction to recognise any trust or equity or other interest affecting the title to any Units. Save as provided in this Deed, no notice of any trust, express, implied or constructive, shall be entered on the Register or the Depository Register.

2.6 Rights of Manager in Respect of Units not Registered

For so long as the Trust is Unlisted, the Manager shall be treated for all the purposes of this Deed as the Holder of each Unit during such times as there shall be no other person registered or entitled to be registered as the Holder and any such Unit shall be deemed to be in issue, but so that nothing herein contained shall prevent the Manager from becoming registered as the Holder of Units.

2.7 Restrictions

The Holders shall not give any directions to the Manager or the Trustee (whether at a meeting of Holders convened pursuant to Clause 30 or otherwise) if it would require the Trustee or Manager to do or omit doing anything which may result in:

2.7.1 the Trust ceasing to comply with the Listing applicable Rules or the Property Funds Appendix; or

2.7.2 the exercise of any discretion expressly conferred on the Trustee or the Manager by this Deed or the determination of any matter which under this Deed requires the agreement of either or both of the Trustee and the Manager; provided that nothing in this Clause 2.7.2 shall limit the right of a Holder or (as the case may be) a Depositor to require the due administration of the Trust in accordance with this Deed.

3. Registration of Holders

3.1 Register of Holders

An up-to-date Register shall be kept in Singapore (and, for so long as the Trust is a SFC-Authorised REIT, in Hong Kong) by the Trustee in such manner as may be required by applicable law and regulation. The Register shall be maintained at all times whether the Trust is Listed or Unlisted.

The Trustee shall record each Holder as the registered Holder of Listed Units (other than Singapore Listed Units) or Unlisted Units held by such Holder. For so long as the Trust is Listed on the SGX-ST, the Trustee shall record the Depository as the registered Holder of all Singapore Listed Units in issue. ~~In the event the Trust is Unlisted, the Trustee shall record each Holder as the registered Holder of Units held by such Holder.~~

The Trustee shall be entitled to appoint such person or persons as its agent to keep and maintain the Register.

There shall be entered in the Register the following information as soon as practicable after any of the relevant events:

- 3.1.1** the names and addresses of the Holders (and in the case where the registered Holder is the Depository, the name and address of the Depository);
- 3.1.2** the number of Units held by each Holder, and the distinctive numbers of the Certificate or Certificates issued in respect thereof;
- 3.1.3** the date on which every such person entered in respect of the Units standing in his name became a Holder and where he became a Holder by virtue of an instrument of transfer a sufficient reference to enable the name and address of the transferor to be identified;
- 3.1.4** the date on which any transfer is registered and the name and address of the transferee; and
- 3.1.5** the date on which any Units have been repurchased or redeemed pursuant to Clause 7.

Units may be issued to Joint Holders with no limit as to the number of persons who may be registered as Joint Holders.

3.2 Unlisted Units

For so long as the Trust is Unlisted, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Statement of Holdings, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect.

3.3 Listed Units

- 3.3.1** For so long as the Trust is Listed,
 - (i) in respect of Units (other than Singapore Listed Units), the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the

number of Units held by each Holder and, in the event of any discrepancy between the entries in the Register and the details appearing on any Certificate, the entries in the Register shall prevail unless the Holder proves, to the satisfaction of the Manager and the Trustee, that the Register is incorrect; and

- (ii) in respect of Singapore Listed Units, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.2, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect.

3.3.2 ~~For so long as the Trust is Listed, the entries in the Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by the Depository and, in the event of any discrepancy between the entries in the Register and the confirmation notes issued by the Manager to the Depository under Clause 2.1, the entries in the Register shall prevail unless the Manager, the Trustee and the Depository mutually agree that the Register is incorrect. For so long as the Trust is Listed on the SGX-ST, the Manager shall have entered into the Depository Agreement for the Depository to maintain a record in the Depository Register of the Depositors having Units credited into their respective Securities Accounts and to record in the Depository Register the information referred to in Clause 3.1.1 to 3.1.5 in relation to each Depositor. Each Depositor named in the Depository Register shall for such period as the Units are entered against his name in the Depository Register, be deemed to be the owner in respect of the number of Units entered against such Depositor's name in the Depository Register and the Manager and the Trustee shall be entitled to rely on any and all such information in the Depository Register kept by the Depository. There is no limit to the number of persons who may be registered as Joint Depositors of Units. The entries in the Depository Register shall (save in the case of manifest error) be conclusive evidence of the number of Units held by each Depositor and, in the event of any discrepancy between the entries in the Depository Register and the details appearing in any confirmation note issued by the Depository, the entries in the Depository Register shall prevail unless the Depositor proves, to the satisfaction of the Manager and the Trustee, that the Depository Register is incorrect.~~

3.4 Change of Name or Address

~~For so long as the Trust is Unlisted, any~~Any change of name or address on the part of any Holder of Listed Units (other than Singapore Listed Units) or Unlisted Units shall forthwith be notified to the Manager in writing or in such other manner as the Manager may approve, who on being satisfied thereof and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder, where applicable) as it may require shall notify the Trustee of the same and the Trustee shall alter or cause to be altered the Register accordingly, and in the case of a change of name shall issue a new or amended Certificate to such Holder where applicable (and, in the case of any Certificate issued by the Trustee, the Trustee may charge the Holder a reasonable amount therefore).

3.5 Inspection of Register

3.5.1 The Trustee shall at all reasonable times during Business Hours give the Manager and its representatives access to the Register and all subsidiary documents and records relating thereto and allow them to inspect and to take copies of the same with or without notice and without charge but neither the Manager nor its representatives shall be entitled to remove the same (save in the case where the Manager is required

to produce the Register to a court of competent jurisdiction or otherwise as required by law) or to make any entries therein or alterations thereto; and except when the Register is closed in accordance with Clause 3.6, the Register shall during Business Hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two hours in each Business Day shall be allowed for inspection) be open to the inspection of any Holder or (as the case may be) any Depositor, without charge PROVIDED THAT if the Register is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 3.5 may be satisfied by the production of legible evidence of the contents of the Register.

- 3.5.2** If the Trustee is removed or retires in accordance with the provisions of Clause 23, the Trustee shall deliver to the Manager the Register and all subsidiary documents and records relating thereto.

3.6 Closure of Register

Subject to applicable law and regulation, the Register may be closed at such times and for such periods as the Trustee may from time to time determine PROVIDED THAT it shall not be closed for more than 30 days in any one Year.

3.7 Transfer of Units

- 3.7.1** For so long as the Trust is Listed on the SGX-ST, transfers of Singapore Listed Units between Depositors shall be effected electronically through the Depository making an appropriate entry in the Depository Register in respect of the Units that have been transferred in accordance with the Depository Requirements and the provisions of Clauses 3.7.2 to 3.7.6 shall not apply. The Manager shall be entitled to appoint the Depository to facilitate transactions of Units within the Depository and maintain records of Units of Holders credited into Securities Accounts and to pay out of the Deposited Property all fees, costs and expenses of the Depository arising out of or in connection with such services to be provided by the Depository. Any transfer or dealing in Units on the SGX-ST between a Depositor and another person shall be transacted at a price agreed between the parties and settled in accordance with the Depository Requirements. The broker or other financial intermediary effecting any transfer or dealing in Units on the SGX-ST shall be deemed to be the agent duly authorised by any such Depositor or person on whose behalf the broker or intermediary is acting. In any case of transfer, all charges in relation to such transfer as may be imposed by the Manager and/or the Depository shall be borne by the Holder or (as the case may be) the Depositor, who is the transferor. There are no restrictions as to the number of Units (whether Listed or Unlisted) which may be transferred by a transferor to a transferee. For so long as the Trust is Listed on the SGX-ST, in the case of a transfer of Singapore Listed Units credited from a Securities Account into another Securities Account, the instrument of transfer shall be in such form as provided by the Depository (if applicable) and the transferor shall be deemed to remain the Depositor of the Units transferred until the relevant Units have been credited into the Securities Account of the transferee or transferred out of a Securities Account and registered on the Depository Register.

- 3.7.2** ~~For so long as the Trust is Unlisted, every Holder~~ Every Holder of Listed Units (other than Singapore Listed Units, which are subject to Clause 3.7.1) or Unlisted Units shall be entitled to transfer the Units or any of the Units held by him or in the case of Joint Holders by all the Joint-All Holders or by any one of the Joint-Alternate Holders as follows:

- (i) a transfer of Units shall be effected by an instrument of transfer in writing in common form (or in such other form as the Manager and the Trustee may from time to time approve);
- (ii) every instrument of transfer relating to Units must be signed by the transferor and the transferee and subject to the provisions of Clauses 3.7 and 3.13, the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer need not be a deed;
- (iii) all charges in relation to such transfer as may be imposed by the Trustee shall be borne by the Holder who is the transferor; and
- (iv) there are no restrictions as to the number of Units which may be transferred by a transferor to a transferee.

3.7.3 Every instrument of transfer must be duly stamped (if required by law) and left with the Manager for registration accompanied by any necessary declarations or other documents that may be required in consequence of any legislation for the time being in force and by such evidence as the Manager may require to prove the title of the transferor or his right to transfer the Units: (including, where applicable, the Certificate or Certificate(s) relating to the Units to be transferred). The Manager may dispense with the production of any Certificate which shall be deemed lost, stolen or destroyed upon the transferor's compliance with the like requirements to those arising in the case of an application by him for the replacement thereof. In case some (but not all) of the Units represented by any Certificate are transferred, the transferor shall be entitled to a new Certificate in respect of the balance of the Units which are not transferred upon the payment of such fee as the Manager and the Trustee may from time to time determine.

3.7.4 ~~For so long as the Trust is Unlisted, the~~The Manager shall notify the Trustee of the date of each transfer effected in respect of Listed Units (other than Singapore Listed Units, which are subject to Clause 3.7.1) or Unlisted Units and the name and address of the transferee and the Trustee shall alter or cause to be altered the Register accordingly.

3.7.5 ~~For so long as the Trust is Unlisted, all~~All instruments of transfer which shall be registered in respect of Listed Units (other than Singapore Listed Units, which are subject to Clause 3.7.1) or Unlisted Units shall be forwarded by the Manager to, and retained by, the Trustee.

3.7.6 ~~For so long as the Trust is Unlisted~~In respect of the transfer of Listed Units (other than Singapore Listed Units, which are subject to Clause 3.7.1) or Unlisted Units, a fee not exceeding S\$10 (or such other amount as the Manager and the Trustee may from time to time agree), which excludes any stamp duty or other governmental taxes or charges payable, may be charged by the Trustee for the registration of any transfer by an instrument of transfer of Units. Such fee must, if required by the Trustee, be paid before the registration of any transfer.

3.7.7 No transfer or purported transfer of a Unit other than a transfer made in accordance with this Clause 3 shall entitle the transferee to be registered in respect thereof; neither shall any notice of such transfer or purported transfer (other than as aforesaid) be entered upon the Register or the Depository Register.

3.7.8 If and to the extent any Units are deposited, cleared and settled in the CCASS, HKSCC Nominees Limited shall be the sole Holder of such Units, holding such Units for the Participants in accordance with the general rules of the CCASS. The Trustee and the Manager acknowledge that pursuant to the general rules of the CCASS neither HKSCC Nominees Limited nor Hong Kong Securities Clearing Company Limited has any proprietary interest in the Units deposited in the CCASS.

3.8 Death of Holders

The executors or administrators of a deceased Holder or Depositor of Units (not being a Joint Holder or Joint Depositor) shall be the only persons recognised by the Trustee and the Manager as having title to the Units. In case of the death of any one of the Joint Holders or Joint Depositors of Units and subject to applicable law for the time being in force the survivor(s), upon producing such evidence of death as the Manager and the Trustee may require, shall be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units PROVIDED THAT where the sole survivor is a Minor, the Manager or the Trustee shall act only on the requests, applications or instructions of the surviving Minor after he attains the age of 18 years and shall not be obligated to act on the requests, applications or instructions of the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, and shall not be liable for any claims or demands whatsoever by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor, the Minor Joint Holder or Minor Joint Depositor or the Minor Joint Holder's or Minor Joint Depositor's legal guardian in omitting to act on any request, application or instruction given by the Minor before he attains such age or by the heirs, executors or administrators of the deceased Joint Holder or Joint Depositor.

3.9 Body Corporate

A body corporate may be registered as a Holder or as one of the Joint Holders. The successor in title of any corporate Holder which loses its legal entity by reason of a merger or amalgamation, subject to Clause 3.13, shall be the only person recognised by the Trustee and the Manager as having title to the Units of such corporate Holder. A body corporate may be registered as a Depositor or as one of two Joint Depositors. The successor in title of any corporate Depositor resulting from a merger or amalgamation shall, upon producing such evidence as may be required by the Manager and the Trustee of such succession, be the only person recognised by the Trustee and the Manager as having title to the Units.

3.10 Minors

A Minor shall not be registered as a sole Holder or as one of the Joint-Alternate Holders but may be registered as one of the Joint-All Holders PROVIDED THAT each of the other Joint-All Holders is a person who has attained the age of 18 years. In the event that one of the Joint-All Holders is a Minor, the Manager and the Trustee need only act on the instructions given by the adult Joint-All Holder.

3.11 Transmission

3.11.1 Any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of Joint Holders may (subject as hereinafter provided) upon producing such evidence as to his title as the Trustee and the Manager shall think sufficient either be registered himself as Holder of such Unit upon giving to the Manager notice in writing of his desire or transfer such Unit to some other person. The Manager shall notify the Trustee upon the receipt by it of any such notice and the Trustee shall alter or cause to be altered the Register accordingly. All the limitations, restrictions and provisions of this Deed relating to transfers shall be

applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer were a transfer executed by the Holder or Depositor (as the case may be).

3.11.2 Any person becoming entitled to a Unit in consequence of death or bankruptcy as aforesaid may give a discharge for all moneys payable in respect of the Unit but he shall not be entitled in respect thereof to receive notices of or to attend or vote at any meeting of Holders until he shall have been registered as the Holder of such Unit in the Register or (as the case may be) the Depositor of such Unit in the Depository Register.

3.11.3 The Manager may retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units hereinbefore contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer until such person shall be registered as the Holder of such Units or shall duly transfer the same.

3.12 Payment of Fee

In respect of the registration of any probate, letters of administration, power of attorney, marriage or death certificate, stop notice, order of the court, deed poll or other document relating to or affecting the title to any Unit, the Trustee may require from the person applying for such registration a fee of S\$10 (or such other amount as the Trustee and the Manager may from time to time agree) together with a sum sufficient in the opinion of the Trustee to cover any stamp duty or other governmental taxes or charges that may be payable in connection with such registration.

3.13 Removal from Register

~~For so long as the Trust is Unlisted~~In respect of a transfer Listed Units (other than Singapore Listed Units, which are subject to Clause 3.7.1) or Unlisted Units, upon the registration of a transfer in favour of the Manager, the name of the Holder shall be removed from the Register in respect of such Units but the name of the Manager need not be entered in the Register as the Holder of such Units. Such removal shall not be treated for any purposes of this Deed as a cancellation of the Units or as withdrawing the same from issue.

3.14 Registrar

The Trustee may with the approval of the Manager at any time or from time to time appoint ~~an agent~~one or more agents on its behalf to keep and maintain the Register. The fees and expenses of ~~the~~any Registrar (as may be agreed from time to time between the Manager, the Trustee and the Registrar) shall be payable out of the Deposited Property of the Trust.

4. Constitution of the Trust

4.1 Deposited Property

The Deposited Property shall be initially constituted out of the proceeds of the issue of Units and moneys borrowed or raised to finance the acquisition of Authorised Investments, if any.

4.2 Declaration of Trust

The Trustee shall stand possessed of the Deposited Property for the time being held by the Trustee pursuant hereto upon the trusts for the benefit of the Holders *pari passu*, each of whom

has an undivided interest in the Deposited Property as a whole subject to the Liabilities of the Trust and subject to the provisions of this Deed and any moneys forming part of the Deposited Property shall from time to time be invested at the direction of the Manager in accordance with the provisions herein contained and so that no Unit shall confer on any Holder or (as the case may be) any Depositor or person claiming under or through him any interest or share in any particular part of the Deposited Property. Subject to this Deed:

4.2.1 a Holder or a Depositor has no equitable or proprietary interest in the Deposited Property and is not entitled to the transfer to it of the Deposited Property or any part of the Deposited Property or of any estate or interest in the Deposited Property or in any part of the Deposited Property;

4.2.2 the right of a Holder in the Deposited Property and under this Deed is limited to the right to require the due administration of the Trust in accordance with this Deed including, without limitation, by suit against the Trustee or the Manager; and

4.2.3 without limiting the generality of the foregoing, each Holder or (as the case may be) each Depositor, acknowledges and agrees that:

(i) he will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the Deposited Property or any part of the Deposited Property and hereby waives any rights he may otherwise have to such relief;

(ii) if the Trustee or the Manager breaches or threatens to breach its duties or obligations to a Holder under this Deed, that Holder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction; and

(iii) damages or compensation is an adequate remedy for such breach or threatened breach.

4.2.4 Aa Holder or (as the case may be) a Depositor may not:

(i) interfere or seek to interfere with the rights, powers, authority or discretion of the Manager or the Trustee;

(ii) exercise any right in respect of the Deposited Property or any part of the Deposited Property or lodge any caveat or other notice affecting the Deposited Property or any part of the Deposited Property; and

(iii) require that any Authorised Investment forming part of the Deposited Property be transferred to a Holder or (as the case may be) a Depositor.

4.2.5 a Holder shall not be liable to the Manager or the Trustee to make any further payments to the Trust after he has fully paid the consideration to acquire his Units and no further liability shall be imposed on such Holder in respect of his Units.

4.3 Charges and Fees

There shall be established an Administration Fund (the "**Administration Fund**") as may be required by the ~~relevant authorities~~ Competent Authorities if the Trust is declared as an authorised unit trust under the Trustees Act in which the Trustee shall be entitled, from time to time, to retain such sum (if any) from the Deposited Property as the Trustee may determine, in consultation with the Manager, to be necessary for the defrayment of expenses arising from the

administration of the Trust. Any sum for the time being held in the Administration Fund may be invested in such manner as the Trustee and the Manager may agree, subject always to the provisions of Clause 10 and any Income derived therefrom shall be treated as Income of the Trust. Any sum or any investment for the time being constituting part of the Administration Fund shall continue to be treated as part of the Deposited Property. There shall be payable out of the Administration Fund (if applicable) or the Deposited Property in addition to any other charges or fees expressly authorised by this Deed by way of direct payment or reimbursement of the Manager or the Trustee, all fees, costs, charges and expenses properly and reasonably incurred in carrying out the duties of the Manager and the Trustee, including but not limited to:

- 4.3.1** all outgoings (including fees, costs, charges and expenses) which are necessary or desirable for the investment, management, administration or operation of the Trust and the Deposited Property including but not limited to rates, development and redevelopment costs, quantity surveyors' fees, subdivision and building costs, property taxes and any other statutory or regulatory charges, utility charges, repairs, alterations and maintenance, normal building operating expenses, insurance, computer related charges, energy charges, wages and salaries, cleaning charges and costs and expenses incurred in conducting baseline studies, costs and expenses incurred for any decontamination of the Deposited Property or any Investment or for compliance with any agreements relating to the Deposited Property or any service charges, land charges, licence fees, landscaping costs, administrative fees, land premium, regularisation fees, reasonable travel and accommodation expenses and, to the extent permitted by ~~the Code or any applicable law or regulation~~ Rules, marketing and promotional charges incurred in relation to any Investment or in connection with the Trust;
- 4.3.2** the cost of engaging or employing any expert or independent adviser and the fees and expenses of such expert or independent adviser;
- 4.3.3** all stamp duty and other charges and duty payable from time to time on or in respect of this Deed;
- 4.3.4** all Acquisition Costs and Fiscal and purchase charges or Fiscal and sale charges, including any fees payable to real estate agents in connection with any acquisition or divestment of Real Estate;
- 4.3.5** all expenses incurred and transaction fees charged in relation to the acquisition, holding, registration and realisation of any Investment or the holding in the name of the Trustee or its nominee of any Investment or the custody of the documents of title thereto (including insurance of documents of title against loss in shipment, transit or otherwise and charges made by agents of the Trustee for retaining documents in safe custody) and all fees and expenses of the custodians, joint custodians and sub-custodians appointed pursuant to Clause 18.1 and all transactional fees of the Trustee as may be agreed from time to time between the Manager and the Trustee in relation to all transactions involving the whole or any part of the Deposited Property;
- 4.3.6** all issuing fees, costs and expenses, underwriting fees and expenses, placement fees and expenses and brokerage in connection with any subscription or sale of Units by any issue manager, underwriter or placement agent appointed in relation to any issue of Units under Clause 5;
- 4.3.7** all fees, charges and expenses incurred in connection with the investigation, research, negotiation, acquisition, development, registration, custody, holding, management, supervision, repair, maintenance, valuation, sale of or other dealing

with an Investment (or attempting or proposing to do so) and the receipt, collection or distribution of income or other Investments notwithstanding that such fees, charges and expenses may be incurred by or payable to the Manager or any Related Party of the Manager;

- 4.3.8** all fees, charges and expenses incurred in relation to the assigning and maintaining of a credit rating to the Trust;
- 4.3.9** all taxation payable in respect of Income or the holding of or Dealings with the Deposited Property or any Investment;
- 4.3.10** all expenses incurred in the collection of Income (including expenses incurred in obtaining tax repayments or relief and agreement of tax liabilities), or the determination of taxation in relation to the Trust;
- 4.3.11** all interest, fees, charges and expenses (including, without limitation, legal fees and costs) on borrowings effected under Clause 10.11;
- 4.3.12** all costs and expenses of and incidental to preparing any such supplemental deed as is referred to in Clause 28 or any supplemental deeds for the purpose of ensuring that the Trust conforms to legislation coming into force after the date hereof;
- 4.3.13** all costs and expenses incurred in the convening and holding of a meeting of Holders or (as the case may be) Depositors, including meetings for purposes of investor or analyst briefings;
- 4.3.14** any amounts required to indemnify the Trustee pursuant to Clause 18.9;
- 4.3.15** the Management Fee comprising the Base Fee and (if relevant, indirectly through the relevant Special Purpose Vehicle owned by the Trust) the Performance Fee, the Acquisition Fee, the Divestment Fee and the remuneration of the Trustee pursuant to Clause 15;
- 4.3.16** all fees and expenses incurred for the provision and maintenance of the Register and the provision of fund valuation and accounting services in relation to the Trust;
- 4.3.17** all fees or costs incurred in the administration of the Trust, including, without limitation, any expense, charge or fee incurred in relation to the appointment by the Trustee of any process agent outside of Singapore;
- 4.3.18** all GST paid or to be paid in respect of services rendered to and by the Manager or the Trustee pursuant to Clause 17.12;
- 4.3.19** all fees and expenses of the Auditors in connection with the Trust and all fees and expenses related to keeping of accounting records incurred by the Trustee or any of its agents in connection with the Trust;
- 4.3.20** all costs and disbursements incurred in connection with (a) the negotiation for and acquisition of any Investment and (b) any dealing with or disposal of any Investment, including selling commissions and advisory fees payable to real estate agents, property managers, asset managers or advisers notwithstanding that such real estate agents, property managers, asset managers or advisers may be the Manager or any Related Party of the Manager;

- 4.3.21** all fees and expenses incurred in connection with the retirement or removal of the Manager, the Auditors or the Trustee or the appointment of a new manager, new auditors or a new trustee;
- 4.3.22** all fees, costs and expenses incurred by the Manager and the Trustee in establishing, forming and terminating or merging the Trust and, to the extent permitted by the ~~Code or applicable law or regulation~~ Rules, the initial and subsequent marketing, promotion, advertising and sale of Units, including the fees and expenses of any consultants and marketing and sales agents appointed by the Manager;
- 4.3.23** all fees and expenses of any bankers, accountants, financial advisers, legal advisers, tax advisers, computer experts or other professional advisers employed or engaged by the Manager or the Trustee in the performance of their respective obligations and duties under this Deed and by issue managers, underwriters and placement agents in connection with the listing of Units and/or the Trust on the SGX-ST or any other Recognised Stock Exchange and the offer, subscription, sale and purchase of the Units;
- 4.3.24** all costs and expenses of and incidental to preparing Statements of Holding, cheques, warrants, statements, circulars and notices;
- 4.3.25** to the extent permitted by ~~the Code or any applicable law or regulation~~ Rules, all fees and expenses incurred as a result of and incidental to preparing, printing, issuing, lodging and registering ~~the Prospectus pursuant to the Securities and Futures Act~~ an Offering Circular and any explanatory memorandum, publicity material or other sales literature in connection with the Trust or determining and publishing the Current Unit Value, any Issue Price or any Repurchase Price;
- 4.3.26** all printing, publishing, postage, telex, facsimile, telephone, internet, on-line computer and web development costs and other disbursements properly incurred by the Manager or the Trustee in sending, publishing or otherwise disseminating to Holders or (as the case may be) to the Depository for onward delivery to the Depositors, copies of the Accounts or any reports or statements issued by the Manager to the Holders or (as the case may be) the Depositors or otherwise in the performance of their respective obligations and duties under this Deed;
- 4.3.27** all other expenses, charges or fees properly and reasonably incurred by the Manager or the Trustee as a consequence of the due performance by the Manager or the Trustee of its obligations and duties under this Deed, including (without limitation) any expense, charge or fee incurred as a result of (a) the introduction of any change in, or in the interpretation or application of, any law, regulation, rule or directive of any agency of state or regulatory or supervisory body or (b) compliance by the Trustee or the Manager with any such law, regulation, rule or directive;
- 4.3.28** all costs and expenses incurred in the sub-division or consolidation of Units pursuant to Clause 2.3;
- 4.3.29** all costs and fees incurred in connection with the authorisation or approval of the Trust under any law or regulation;
- 4.3.30** all costs and expenses incurred by the Manager and the Trustee in obtaining and/or maintaining the listing of Units on the SGX-ST or any other Recognised Stock Exchange and/or the authorisation or other official approval or sanction of the Trust under the Securities and Futures Act or any other law or regulation in any part of the world;

- 4.3.31** if applicable, all costs and expenses payable to the Central Provident Fund (“CPF”) Board or its agents for obtaining and maintaining the status of the Trust as a fund included under the CPF Investment Scheme;
- 4.3.32** all fees, costs and expenses charged by the Depository pursuant to the Depository Agreement and/or the Depository Requirements in relation to the listing of Units on the SGX-ST or any other Recognised Stock Exchange and all charges payable to the Depository in respect of Units to be credited or debited from Securities Accounts of Depositors;
- 4.3.33** all fees incurred in relation to the calculation of the Value of Authorised Investments, the Net Asset Value of the Deposited Property, the Gross Revenue, the Adjusted Gross Revenue and related items of any Real Estate in the form of land, the Property Values and/or preparing the financial statements of the Trust;
- 4.3.34** all fees of and expenses incurred by the Manager and the Trustee or their respective agents or delegates in acquiring or incorporating any company or companies, including Special Purpose Vehicles, for the purpose of holding Investments and the costs of maintaining, managing and administering such companies;
- 4.3.35** all property management fees incurred by the Trustee and/or the Manager or its agent or payable to the Manager in respect of the Investments;
- 4.3.36** all fees, charges and expenses of asset managers, property managers, project managers and collection agents appointed in relation to the operation and management of the Investments which are Real Estate or Real Estate Related Assets notwithstanding that such asset managers, property managers, project managers and collection agents may be the Manager or a Related Party of the Manager; and
- 4.3.37** all fees, charges, expenses and liabilities incurred or to be incurred in relation to any indemnity given to the Depository;

and PROVIDED THAT there are sufficient funds in the Trust (in the event that any of the foregoing fees, charges and expenses is invoiced to the Manager) the Trustee shall make the relevant payment of such fees, expenses and charges within 21 days upon the production by the Manager (if applicable) of the supporting invoices and other documents.

Without limiting the generality of Clauses 1.9 and 31.2 of this Deed, this Clause 4.3 is subject to the relevant REIT Code requirements relating to payment of fees, costs and charges from the Deposited Property.

5. Issue of Units

5.1 Issue of Units

- 5.1.1** Subject to the provisions of this Deed, the Manager shall have the exclusive right to effect for the account of the Trust the issue of Units (whether on an initial issue of Units or a rights issue, an issue of new Units otherwise than by way of a rights issue or any issue pursuant to a reinvestment of distribution arrangement) PROVIDED THAT the Manager shall not be bound to accept an initial application for Units so as to give rise to a holding of fewer than 1,000 Units (or such other number of Units as may be determined by the Manager). No fractions of a Unit shall be issued (whether on an initial issue of Units or a rights issue, an issue of new Units otherwise than by a rights issue or any issue pursuant to a reinvestment of distribution arrangement) and in issuing such number of Units as correspond to the relevant subscription

proceeds, the Manager shall in respect of each Holder's entitlement to Units truncate but not round off to the nearest whole Unit and any balance arising from such truncation shall be retained as part of the Deposited Property. Issues of Units shall only be made on a Business Day unless and to the extent that the Manager with the previous consent of the Trustee otherwise prescribes. Issues of Units for cash shall be made at the price hereinafter mentioned.

- 5.1.2** The Manager may by deed supplemental hereto with the Trustee issue Classes of Units under such terms and conditions as may be contained therein.
- 5.1.3** The Trust may be listed on the SGX-ST pursuant to Clause 9 and if so listed shall, Units may be traded on the SGX-ST and settled through the Depository. Units already in issue may be transferred or otherwise dealt with through Securities Accounts into which Units are credited in accordance with Clause 3.7.

In addition, the Trust may be listed on the SEHK pursuant to Clause 9 and if so listed in Hong Kong, Units may be traded on the SEHK. Units already in issue and Listed on the SEHK may be transferred or otherwise dealt with in accordance with Clause 3.7.

- 5.1.4** If the Trust is Listed on the SGX-ST, and subject to the Singapore Listing Rules, the Manager shall not issue any Units in numbers exceeding the limit (if any), set out in any applicable laws, regulations and the Singapore Listing Rules, relating to the issue of Units unless the Holders approve the issue of Units exceeding the aforesaid limit by Ordinary Resolution in general meeting.
- 5.1.5** For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply in relation to the issue of Units (including the issue of Units by way of bonus issues and/or capitalisation issues).

- (i) New Units may be offered on a pro rata basis to all existing Holders without the prior approval of Holders other than where any such issue increases the market capitalisation of the Trust by more than 50 per cent., in which case such issue shall require the prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1. Units offered or issued under this Clause 5.1.5(i) will be offered and issued at an Issue Price as determined by the Manager which may (for the avoidance of doubt) be a price different from any other Issue Price falling to be calculated in accordance with Clause 5.2.6.
- (ii) Subject to Clause 5.1.5(iii), Units may be issued, or agreed (conditionally or unconditionally) to be issued, in any Financial Year, otherwise than on a pro rata basis to all existing Holders, without the approval of Holders, if the total number of new Units issued, or agreed (conditionally or unconditionally) to be issued, in that Financial Year pursuant to this Clause 5.1.5(ii) does not increase the number of Units that were outstanding at the end of the previous Financial Year (or, in the case of an issue of, or an agreement (whether conditional or unconditional) to issue, Units during the first Financial Year, the number of Units that were outstanding as at the Listing Date) by more than 20 per cent. (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC). Any issue of, or any agreement (whether conditional or unconditional) to issue, new Units exceeding the threshold in this Clause 5.1.5(ii) will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1.

(iii) Any issue, grant or offer of Units to a Connected Person will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1, unless such issue, grant or offer is made under the following circumstances (where, for the avoidance of doubt, no Holders' approval will be required):

(a) the Connected Person receives a pro rata entitlement to Units in its capacity as a Holder;

(b) Units are issued to a Connected Person under Clauses 15.1.1 and 15.1.2 in or towards the satisfaction of the Base Fee and Performance Fee; or

(c) Units are issued to a Connected Person within 14 days after such Connected Person has executed an agreement to reduce its holding in the same class of Units by placing such Units to or with any person(s) who is/are not its associate(s) (other than any Excluded Associate), provided always that: (a) the new Units must be issued at a price not less than the placing price (which may be adjusted for the expenses of placing); and (b) the number of Units issued to the Connected Person must not exceed the number of Units placed by it.

5.1.6 The Manager and its Related Parties shall abstain from voting in relation to any issuance of new Units.

5.1.7 For so long as the Trust is a SFC-Authorised REIT, Units shall be issued free from any restriction on the right of transfer (except as permitted by the SFC) and shall be free from lien.

5.2 Issue Price

5.2.1 The issue of Units for the purpose of an initial public offering of Units shall be at an Issue Price initially stated to be in the range of HK\$4.60 to HK\$4.75 per Unit (in respect of which no Preliminary Charge will be imposed), with the actual Issue Price within such range to be determined by the Manager on or before the Listing Date for such Units, PROVIDED THAT the Manager may cede the right to make such determination to any underwriter, manager or placement agent engaged in connection with the initial public offering. The actual Issue Price shall be determined by the Manager and/or such underwriter, manager or placement agent following a book building process. The manner of and amount payable and any applicable refund on an application for Units during the initial public offering will be stated in the Prospectus. Any such offer of Units for the purpose of an initial public offering may remain open for a period not exceeding 60 days (or such longer period as may be agreed between the Manager and the Trustee).

5.2.2 Subject to Clauses 5.2.5, 5.2.6 and 5.2.7, the Manager may extend a discount to the Issue Price per Unit to any applicant in any offering of Units who successfully applies to purchase more than 20 million Units in a single application PROVIDED THAT any such discount shall be limited to no more than such percentage off the actual Issue Price per Unit as may be determined by the Manager, subject to compliance with applicable law and regulation and the Listing Rules.

5.2.3 Subject to Clauses 5.2.5 and 5.2.6 and 5.2.7 and for so long as the Trust is Listed, the Manager may issue Units on any Business Day at an Issue Price equal to the Market Price. For this purpose "Market Price" shall mean:

- (i) the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days immediately preceding the relevant Business Day; or
- (ii) if the Manager believes that the calculation in Clause 5.2.3(i) or does not provide a fair reflection of the Market Price of a Unit, an amount as determined by the Manager and the Trustee (after consultation with a Stockbroker approved by the Trustee), as being the fair Market Price of the Unit.

5.2.4 Where Units are Unlisted (whether they have been suspended from quotation on the SGX-ST and other Recognised Stock Exchanges) or the Trust has been de-listed from the SGX-ST and other Recognised Stock Exchanges (other than temporarily) or have otherwise ceased to be quoted on the SGX-ST and other Recognised Stock Exchanges, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and plus an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.2.5 The Manager shall comply with the ~~listing~~Singapore Listing Rules in determining the Issue Price, including the Issue Price of a Unit for a rights issue offered on a pro rata basis to all existing Holders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Unitholders, and the Issue Price of a Unit for any reinvestment of distribution arrangement.

5.2.6 For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply in relation to the determination of the Issue Price of Units.

- (i) The Manager, subject to Clause 5.1.5, may effect or agree to effect the issue of Units on behalf of the Trust on any Business Day at an Issue Price per Unit that is:
 - (a) equal to or above the HK Market Price determined in accordance with Clause 5.2.6(ii);
 - (b) in its discretion, at a discount of no more than 20% to the HK Market Price;
or
 - (c) where approval by way of an Ordinary Resolution is obtained pursuant to Clause 5.2.6(ii), on the pricing basis as authorised in such Ordinary Resolution.
- (ii) An issue of, or agreement (whether conditional or unconditional) to issue, new Units at an Issue Price that is otherwise than in accordance with the pricing basis and/or discount allowed in Clauses 5.2.6(i)(a) and 5.2.6(i)(b) above, will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1, and such approval may be subject to such conditions as the Holders may approve, including without limitation stating the basis of pricing, or authorising the Manager to determine the pricing basis on such terms as are authorised under that Ordinary Resolution.
- (iii) For purposes of this Clause 5.2.6, “HK Market Price” shall mean the price as determined by the REIT Manager, being the higher of:

- (a) the closing price of the Units on the SEHK on the date of the relevant agreement or other instrument for the proposed issue of Units; and
- (b) the average closing price of the Units in the ten Trading Days immediately prior to the earlier of:
 - (I) the date of announcement of the proposed issue of Units;
 - (II) the date of the relevant agreement or other instrument for the proposed issue of Units; and
 - (III) the date on which the Issue Price is fixed.
- (iv) For the avoidance of doubt, this Clause 5.2.6 shall not be construed as permitting the Manager to issue Units at an Issue Price which would result in non-compliance with any of the other requirements of this Clause 5.2.

5.2.7 ~~5.2.6~~ Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

5.2.8 ~~5.2.7~~ If a Unit is to be issued to a person resident outside Singapore or Hong Kong, the Manager shall be entitled to charge an additional amount to the Issue Price thereof which is equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if such person had been resident in Singapore or Hong Kong. In relation to any rights issue, the Manager may in its absolute discretion elect not to extend an offer of Units under the rights issue to those Holders or (as the case may be) Depositors, whose addresses are outside Singapore or Hong Kong. In such event, the rights or entitlements to the Units of such Holders or Depositors will be offered for sale by the Manager as the nominee and authorised agent of each such relevant Holder or Depositor in such manner and at such price, as the Manager may determine. Where necessary, the Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale if successful will be paid to the relevant Holders or Depositors.

5.2.9 ~~5.2.8~~ Where payment of the Issue Price payable in respect of any Unit agreed to be issued by the Manager has not been received by the Trustee before the seventh Business Day after the date on which the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) the agreement to issue such Unit may, in the absolute discretion of the Manager, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the Trustee and such Unit shall thereupon be deemed never to have been issued or agreed to be issued and the applicant therefor shall have no right or claim in respect thereof against the Manager or the Trustee, PROVIDED THAT:

- (i) no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such Units;
- (ii) the Manager shall be entitled to charge the applicant (and retain for its own account) a cancellation fee of such amount as it may from time to time

determine to represent the administrative costs involved in processing the application for such Units from such applicant; and

- (iii) the Manager may, but shall not be bound to, require the applicant to pay to the Manager for the account of the Trust in respect of each Unit so cancelled the amount (if any) by which the Issue Price of each such Unit exceeds the Repurchase Price which would have applied in relation to each such Unit if the Manager had received on such day a request from such applicant for the repurchase or redemption thereof.

5.2.10 ~~5.2.9 For so long as the Trust is~~ In respect of Singapore Listed Units, the Manager shall cause the Depository to effect the book entry of Units issued to a Holder into such Holder's Securities Account no later than the tenth Business Day after the date on which those Units are agreed to be issued by the Manager.

5.3 Selling Price of Manager's Units

For so long as the Trust is Unlisted, each Unit of which the Manager is or is deemed to be the Holder may be sold or offered for sale by the Manager at a price equal to the total of the Current Unit Value of that Unit on the day of the sale or offer, the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the Manager for its own benefit and the amount of the adjustment shall be retained as part of the Deposited Property.

5.4 Discounts

In the event a Preliminary Charge is imposed on the issue of Units where the Trust is Unlisted, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge to be imposed (within the permitted limit) on the Issue Price of Units issued to them respectively and likewise the Manager may on any day on the issue of Units allow any person or persons applying for larger numbers of Units than others a discount or discounts on the Issue Price of their Units on such basis or on such scale as the Manager may think fit (PROVIDED THAT no such discount shall exceed the Preliminary Charge included in the Issue Price of the Units concerned) and in any such case, the amount of such Preliminary Charge to be deducted from the proceeds of issue of such Units shall be reduced by the amount of the discount and accordingly the discount shall be borne by the Manager. Besides the number of Units purchased, the bases on which the Manager may differentiate between applicants as to the amount of the Preliminary Charge to be included in the Issue Price of their Units depends on several other factors, including but not limited to, the performance of and the marketing strategy adopted by the Manager for the Trust.

5.5 Statement of Dealings

The Manager shall furnish to the Trustee from time to time on demand a statement of all issues of Units and of the terms on which the same are issued and of any Investments which it determines to direct to be purchased for account of the Trust, and also a statement of any Investments which in accordance with the powers hereinafter contained it determines to direct to be sold for account of the Trust, and any other information which may be necessary so that the Trustee may be in a position to ascertain at any moment the Net Asset Value of the Deposited Property. The Trustee shall be entitled to require that the Manager refuse to issue a Unit if at any time the Trustee is of the opinion that the provisions of this Clause 5 in regard to the issue of Units are being infringed; but nothing in this Clause 5.5 or elsewhere in this Deed contained shall impose upon the Trustee any responsibility for satisfying itself before issuing Units that the Manager has complied with the conditions of this Clause 5.

5.6 Suspension of Issue

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing applicable Rules, suspend the issue of Units during any of the following events:

- (i) any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- (ii) the existence of any state of affairs which, in the opinion of the Manager or the Trustee (as the case may be) might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- (iii) any breakdown in the means of communication normally employed in determining the price of any of such Investments or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when for any reason the prices of any of such Investments cannot be promptly and accurately ascertained;
- (iv) any period when remittance of money which will or may be involved in the realisation of such Investments or in the payment for such Investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- (v) in relation to any general meeting of the Holders, the period 48 hours before such general meeting or any adjournment thereof;
- (vi) any period where the issuance of Units is suspended pursuant to any order or direction issued by the any Competent Authority; or
- (vii) when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or the Trustee (as the case may be) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Clause 5.6 shall exist upon the declaration in writing thereof by the Manager or the Trustee (as the case may be). In the event of any suspension while the Trust is Listed, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or other relevant Recognised Stock Exchange.

6. Valuation

6.1 Valuation of Investments

The Value of an Authorised Investment at any given date means

- 6.1.1** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is not in the nature of a Real Estate in the form of land and subject to Clauses 6.1.4 to ~~6.1.6~~6.1.7) the Acquisition Cost thereof on its Acquisition Date;
- 6.1.2** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is in the nature of a Real Estate in the form of land and subject to Clauses 6.2 to 6.4) (a) on the Trust's acquisition of an Authorised Investment, its Acquisition Cost thereof on its Acquisition Date and (b) on a subsequent valuation by an Approved Valuer of such Authorised Investment obtained pursuant to any of the

provisions of this Deed since the date of the Trust's acquisition of such Authorised Investment, the Value of such Authorised Investment as determined by such valuation;

- 6.1.3** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is in the nature of a Special Purpose Vehicle owning a Real Estate in the form of land) the Acquisition Cost thereof on its Acquisition Date, less any impairment in net recoverable value. Net recoverable value of the Special Purpose Vehicle is determined based on the higher of the net selling price of the Special Purpose Vehicle or the net book values of the underlying assets less liabilities of the Special Purpose Vehicle;
- 6.1.4** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is in the nature of a listed securities or a unit in a unit trust or participation in a collective investment scheme or a money market investment) the Value of such an Investment calculated by reference to the price appearing to the Manager to be the last transacted price on the market in which such Investment is dealt or if there is no such transacted price, the mean of the last offer and bid price quoted by any market maker for such Investment, or other appropriate closing prices determined by the Manager in consultation with the Trustee in relation to such Investment PROVIDED THAT if such quotations do not, in the opinion of the Manager, represent a fair value of such Investment, then the Value of such Investment shall be any reasonable value as may be determined by the Manager with the consent of the Trustee and in determining such reasonable value, the Manager may rely on quotations for such Investment on an over-the-counter or telephone market or any certified valuation by a Stockbroker. The Manager and the Trustee shall not incur any liability by reason of the fact that a price reasonably believed by them to be the last sale price or other appropriate closing price may be found not to be such PROVIDED THAT such liability shall not have arisen out of the fraud, negligence or wilful default of or a breach of this Deed by the Manager or the Trustee or a breach of trust by the Trustee;
- 6.1.5** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is not quoted, listed or dealt in on the SGX-ST or any Recognised Stock Exchange) the Value of such an Investment shall be calculated by reference to the mean of bid and offer prices quoted by such persons, firms or institutions determined by the Manager to be dealing or making a market in such Investment at the close of trading in the relevant market on which such Investment is traded. However, if such price quotations are not available, the Value shall be determined by reference to the face value of such Investment, the prevailing term structure of interest rates and the accrued interest thereon for the relevant period; or
- 6.1.6** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is in the nature of cash, deposits and similar assets) such an Investment shall be valued at its face value (together with accrued interest) unless, in the opinion of the Manager (after consultation with the Trustee), any adjustment should be made to reflect the value thereof; or
- 6.1.7** (in the case of Investments falling within any paragraph of the definition of "Authorised Investment" which is in the nature of derivative instruments used for hedging or efficient portfolio management purposes), the Value of such an Investment shall be determined by the Manager, subject to the approval of the Trustee, and shall be calculated as follows:

- (i) all calculations of investments quoted, listed, traded or dealt on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made; and
- (ii) where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market, all calculations based on the value of investments quoted by any person, firm or institution making a market in such investments (and if there is more than one such market maker, then such market maker as the Manager shall designate) shall be by reference to the mean of the latest bid and offered price quoted thereon provided that the Manager may, with the approval of the Trustee, or the Trustee itself may, request a revaluation of any such investments to be made by any such professional person as the Manager may consider, with the approval of the Trustee, to be qualified to value such investments,

and the Value of the Deposited Property at any given date means the aggregate Value of all Authorised Investments comprising the Deposited Property at the relevant date.

6.2 Valuation of Real Estate Investments

6.2.1 A full valuation of each of the Trust's Real Estate in the form of land must be conducted by an Approved Valuer at least once a year, in accordance with the ~~Property Funds Appendix and any applicable code of practice for asset valuations~~Rules, except that the next valuation of the Trust's Real Estate in the form of land following the establishment of the Trust will be effected on 31 December 2003.

6.2.2 Save for the issue of Units pursuant to Clause 11.12, where the Manager proposes to issue new Units for subscription, or acquire or sell any Real Estate or to redeem existing Units, a valuation of all the Real Estate in the form of land of the Trust must be conducted by an Approved Valuer in accordance with the ~~Property Funds Appendix~~Clause 6.3. The Manager or the Trustee may at any other time arrange for the valuation of any Real Estate of the Trust if it is of the opinion that it is in the best interests of Holders or (as the case may be) Depositors, to do so.

6.3 Basis of Valuation

Valuations made by Approved Valuers pursuant to this Clause 6 shall be carried out on such basis as the Approved Valuers respectively may determine to be appropriate subject always to the terms of this Deed and the ~~provisions of the Property Funds Appendix~~applicable Rules.

6.4 Approved Valuer

6.4.1 The Trustee covenants that it will appoint an Approved Valuer (i) recommended by the Manager or (ii) chosen by the Trustee if it disagrees with any such recommendation, to make a valuation of Real Estate if the Approved Valuer complies with the requirements for a "valuer" set out in the ~~Property Funds Appendix and the requirements of any other applicable Rules~~, PROVIDED THAT the Trustee shall not be liable for the acts or omissions of such Approved Valuer if the Trustee has acted in good faith and without negligence in the appointment of such Approved Valuer.

6.4.2 The remuneration of the Approved Valuer (which shall be payable out of the Deposited Property) shall be determined by the Manager with the approval of the Trustee and disclosed in the annual financial statements of the Trust.

6.5 Approved Valuer to Receive Information

The Manager covenants that it will ensure that each Approved Valuer appointed to make a valuation of Real Estate receives all information reasonably required by him to make the valuation including particulars of leases and/or licences and the rents and/or fees currently payable thereunder.

6.6 Valuations Addressed to Trustee and Valuation Costs Borne by Deposited Property

Each valuation carried out pursuant to the foregoing provisions of this Clause 6 by an Approved Valuer shall be either addressed to the Trustee or acknowledged in writing by the Approved Valuer as being able to be relied upon by the Trustee and the cost of each and every such valuation shall be borne by the Deposited Property.

7. Repurchase and Redemption of Units by Manager

7.1 Repurchase and Redemption Restrictions when Trust is Listed

7.1.1 The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. In the event the Manager decides to make any offer to repurchase or redeem Units, the Repurchase Price for a Unit shall be the Current Unit Value per Unit. In the event the Manager decides to permit the redemption of Units, such redemption must comply with the Property Funds Appendix and the Singapore Listing Rules. Any offer to redeem Units is required to be made known publicly to investors through the SGX-ST at least 14 calendar days before the offer is posted. The Manager may, subject to the Singapore Listing Rules, suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.6. Any offer of repurchase or redemption of Units under this Clause 7.1 shall be offered on a *pro rata* basis to all Holders.

7.1.2 Notwithstanding anything to the contrary in this Clause 7, and in addition to any requirements set out herein, for so long as the Trust is a SFC-Authorised REIT, any repurchase or redemption of Units by the Manager must also be effected in compliance with the REIT Code and any other relevant codes and guidelines issued by the SFC from time to time.

7.2 Repurchase and Redemption when Listed Units are Suspended or De-Listed

If Listed Units have been suspended for at least 60 consecutive calendar days or de-listed from the SGX-ST and all other relevant Recognised Stock Exchange(s), the Manager is required by the Property Funds Appendix to offer to redeem the Units within 30 calendar days from such suspension or de-listing. In offering such redemption, the Manager is required by the Property Funds Appendix to offer at least 10 per cent. of the Deposited Property. Should a trading suspension be lifted within 30 calendar days after the suspension, the Manager has the option under the Property Funds Appendix to withdraw any redemption offer made. Should the trading suspension be lifted after the offer period to redeem has commenced, the Manager is required by the Property Funds Appendix to satisfy all redemption requests which have been received prior to the date the trading suspension is lifted. The Manager will not be obliged to satisfy these redemption requests received after the date the trading suspension is lifted. If the Trust continues to be suspended indefinitely or has been de-listed from the SGX-ST, the Manager is required to offer to redeem Units at least once a year after the first offer to redeem Units on a suspension or de-listing explained above has closed. In other words, the Trust will then be treated as an unlisted property fund under the Property Funds Appendix.

7.3 Repurchase and Redemption when Trust is Unlisted

For so long as the Trust is Unlisted, the Manager must offer to redeem Units at least once a year in accordance with the Property Funds Appendix, and any Units of which the Manager is or is deemed to be the Holder shall be treated on the same basis as any other Units held by Holders. The Manager will send an offer notice to Holders in the event of any such offer to redeem Units. Holders wishing to take up the offer will be asked to respond by sending a request in writing for the repurchase or redemption of their Units. At such request in writing of a Holder (or, in the case of Joint-All Holders, all the Joint-All Holders and in the case of Joint-Alternate Holders, any one of the Joint-Alternate Holders), the Manager will repurchase or cause to be repurchased or redeemed, in accordance with this Clause 7 and the Property Funds Appendix, such of the Units in relation to which the Holder is registered in the Register as are required by the Holder to be repurchased. At all times during which the Trust is Listed, the remaining provisions of this Clause 7 shall not apply.

7.4 Minimum Holding

A Holder shall not be entitled hereunder to the repurchase or redemption of part only of his holding of Units if thereby his holding would be reduced to less than the Minimum Holding and in any such event, the Manager shall be entitled to repurchase all of his holding of Units (or cause all of his holding of Units to be redeemed) if by such Holder's request his holding would be so reduced, and the following provisions of this Clause 7 are to be read and construed subject thereto.

7.5 Repurchase Price

Following receipt of the request for repurchase or redemption, the Repurchase Price for the Units that are the subject of the request shall be paid by the Manager or caused by the Manager to be paid as soon as practicable after the date of the receipt of the request to the Holder. For the purposes of Clauses 7.3 and 7.5, the Repurchase Price shall be the Current Unit Value of the relevant Unit on the day the request is accepted by the Manager less the Repurchase Charge and less an amount to adjust the resultant total downwards to the nearest whole cent. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units, Holders who have opted for a distribution reinvestment arrangement and an incentive to Holders to hold the Units for longer periods of time. A request for repurchase or redemption once given cannot be revoked without the consent of the Manager. The Manager may suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.6.

7.6 Repurchase Procedure

In relation to any repurchase or redemption request and within the time limit specified in Clause 7.5 or the Property Funds Appendix (as the case may be) as set out in Clause 7.3 in the case of an offer to redeem Units pursuant to the event(s), the Manager shall have the following options:

- 7.6.1** to effect the repurchase out of its own funds (upon which repurchase the Manager shall be entitled to the Units concerned and to the benefit of the Units concerned);

- 7.6.2** to procure some other person to purchase the Units and such purchase shall be deemed to be a repurchase by the Manager within the meaning of this Clause 7; or
- 7.6.3** PROVIDED THAT there is sufficient cash in the Trust, to request and cause the Trustee to redeem the Units out of the assets of the Trust by paying from the Deposited Property a sum sufficient to satisfy the Repurchase Price and the Repurchase Charge (if any) of the Units.

7.7 Amendments to Register

Upon delivery to the Trustee of a written statement signed by or on behalf of the Manager that all the Units or a specified number of Units held by a Holder have been repurchased by the Manager or have been purchased by another person or have been redeemed, the Trustee shall remove or procure the removal of the name of the Holder from the Register in respect of all or such number of Units, as the case may be.

7.8 Redemption of Units

If the Manager decides in its absolute discretion to take the course of action referred to in Clause 7.6.3 then it shall give a redemption notice within 30 Business Days of receipt of the request for repurchase, to the Trustee, requesting the Trustee to redeem the relevant Units and shall specify therein the Repurchase Price to be paid for such Units. Subject to the provisions of Clause 7.9, the Trustee shall as soon as practicable and as may be prescribed by the Property Funds Appendix after its receipt of the redemption notice comply with the redemption notice by releasing to the Manager out of the available cash of the Deposited Property the Repurchase Price of the Units and the Repurchase Charge and shall thereupon redeem the relevant Units.

7.9 Funds Available for Redemption

The Trustee shall only comply with any redemption notice if, in the opinion of the Trustee, sufficient cash would be retained in the Deposited Property after the release of cash necessary to comply with the redemption notice to meet other liabilities of the Trust, including but without limiting the generality thereof, the Property Operating Expenses and the remuneration due to the Trustee and the Manager under this Deed.

7.10 Procedure if Insufficient Funds

Should the Trustee advise the Manager that in the opinion of the Trustee sufficient cash would not be retained in the Deposited Property to meet other liabilities of the Trust if the Trustee were to release the funds necessary to comply with any redemption notice, then the Manager may at its absolute discretion request the Trustee to sell, mortgage or otherwise deal with the Investments or borrow to raise sufficient cash to redeem the Units pursuant to Clause 7.6.3.

7.11 Restriction on Repurchase and Redemption

The Manager may, with the approval of the Trustee and subject to the Property Funds Appendix, limit the total number of Units which Holders may request the Manager to repurchase on any redemption offer pursuant to Clause 7.2 or Clause 7.3 to 10 per cent. of the total number of Units then in issue (disregarding any Units which have been agreed to be issued), such limitation to be applied *pro rata* to all Holders who have validly requested repurchase on such offer. The Manager may suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.6.

7.12 Redeemed Units are Cancelled

Units which are redeemed shall thereupon be cancelled and shall not thereafter be reissued but this Clause 7.12 shall not limit or restrict the right of the Manager to cause the creation of and/or issue of further or other Units.

8. Currencies

8.1 Records to Be Maintained in Hong Kong Dollars

The Trust and its records and accounts shall be maintained in Hong Kong Dollars unless and until the Manager and the Trustee agree that such currency is not suitable because it is not in the interests of the Holders or (as the case may be) Depositors and decide that another currency shall be used.

8.2 Payments in Hong Kong Dollars

So long as the Trust and its records and accounts are maintained in Hong Kong Dollars, payments for Units, payments out of the Trust and payments by the Manager for Units repurchased from Holders under Clause 7 will be made in Hong Kong Dollars PROVIDED THAT the Manager may accept payment for Units, make payments out of the Trust (including distributions of income) and make payments for Units repurchased from Holders under Clause 7 in a currency other than Hong Kong Dollars and in such event, the equivalent amount in Hong Kong Dollars of any sum paid in such other currency shall be calculated at such rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to the cost of exchange. From the initial launch of the Trust until such time as may be determined by the Manager and notified to the Holders, payments of distributions of income in respect of Singapore Listed Units will be made in Singapore Dollars unless a Holder notifies the Manager in writing that the Holder wishes to receive distributions in Hong Kong Dollars.

8.3 Transactions in Currencies

Any transaction authorised hereunder may be effected in Hong Kong Dollars or Singapore Dollars or in any other currency other than Hong Kong Dollars or Singapore Dollars as the Manager may deem fit and for such purpose, any foreign currency may be acquired at such rate of exchange or otherwise as the Manager may determine and either for present or forward settlement and any costs and commissions thereby incurred shall be paid out of the Deposited Property.

9. Listing of Trust

The Manager may cause the Trust to be Listed on the SGX-ST and to be ~~secondarily~~-Listed on other Recognised Stock Exchanges, (whether on a primary or secondary basis), at the cost and expense of the Trust which shall be borne by the Deposited Property. The Manager and the Trustee are entitled to take such actions as may be required of the Trust to comply with all applicable ~~Rules of the SGX-ST~~ and the conditions of any applicable exemptions and waivers granted by the ~~SGX-ST and any other relevant Recognised Stock Exchanges~~ Competent Authorities in this connection. The Trust, if Listed on the SGX-ST, shall be subject to the Singapore Listing Rules and any trading or dealing of Units on the SGX-ST shall be settled in accordance with the Depository Requirements. Similarly, the Trust, if Listed on the SEHK, shall be subject to the applicable provisions of the Hong Kong Listing Rules and any trading or dealing of Units on the SEHK shall be settled in accordance with Clause 3 of this Deed.

10. Investment of the Deposited Property

10.1 Scheme of Investment

Subject to the provisions of Clause 11, all Cash and other Investments which ought in accordance with the provisions of this Deed to form part of the Deposited Property shall be paid or transferred to the Trustee forthwith upon receipt by the Manager and all Cash shall be applied at the discretion of the Manager (but subject always to the provisions of this Deed) in the acquisition of Authorised Investments PROVIDED THAT all or any amount of Cash may during such time or times as the Manager may think fit be retained in Cash or Cash Equivalent Items.

10.2 Investment of the Trust

Subject to the provisions of this Deed, the Manager's investment policy and objective of the Trust is the following:

- 10.2.1** the Trust is established to invest in Real Estate by way of shareholding in Special Purpose Vehicles which are unlisted corporations, each of whose primary purpose is to hold or own Real Estate, or by direct ownership of Real Estate, and the Manager must manage the Deposited Property so that the principal investments of the Trust are Real Estate;
- 10.2.2** the Manager's principal investment policy in respect of the Trust is for the Trustee to invest in Real Estate in Hong Kong. Such Real Estate shall generally be income-producing. The investment strategy of the Trust shall be determined by the Manager from time to time at its absolute discretion;
- 10.2.3** subject to Clause 10.2.4, the Manager must in determining the investment strategy of the Trust from time to time and in exercising its powers and fulfilling its duties in relation to the investment of the Deposited Property ensure that the Trust is reasonably diversified in terms of the type(s) of Real Estate and/or the number of Real Estate Investments, taking into account the size of the Trust, the Manager's investment policy and prevailing investment strategy, and the prevailing market conditions. In the event that the Manager's prevailing investment strategy is not to have a diversified portfolio of Real Estate, the Manager must ensure that the then current ~~Prospectus~~Offering Circular issued by the Manager in respect of the Trust contains adequate disclosure of that fact; and
- 10.2.4** subject to compliance with the applicable Rules, the Manager may from time to time change its investment policies for the Trust so long as:
- (i) ~~the Manager may from time to time change its investment policies (and if the Trust is Listed, subject to compliance with the Listing Requirements) for the Trust so long as it has given not less than 30 days' prior notice of the change to the Trustee and to the Holders by way of written notice if the Trust is Unlisted and by way of an announcement to the SGX-ST if the Trust is Listed-; and~~
 - (ii) for so long as the Trust is a SFC-Authorised REIT, (a) it has notified the Holders of the change by way of circular in accordance with the requirements of any applicable Rules, and (b) the change has been approved by Holders by Extraordinary Resolution at a meeting convened by the Manager in accordance with Schedule 1.

10.3 Investment Restrictions.

10.3.1 Subject as provided herein, no investment shall be made by the Trust which would result in non-compliance with the Property Funds Appendix (including any waivers or exemptions therefrom permitted by the Authority), the Tax Ruling and applicable investment restrictions in the Singapore Listing Rules.

10.3.2 Subject to the restrictions and requirements in the Property Funds Appendix (including any waivers or exemptions therefrom permitted by the relevant ~~authorities~~ Competent Authorities), the Tax Ruling and the Singapore Listing Rules, the Trust may only invest in Authorised Investments.

10.3.3 Further, for so long as the Trust is a SFC-Authorised REIT, the Manager shall ensure that the following investment restrictions are complied with

- (i) subject as provided herein, no investment shall be made by the Trust which would result in non-compliance with any applicable Rules and this Deed;
- (ii) the Trust may only invest in REIT Code Authorised Investments or other Investments permitted by the REIT Code;
- (iii) the Trust shall not invest in vacant land or engage or participate in any property development activities (excluding, for the avoidance of doubt, refurbishment, retrofitting and renovations);
- (iv) the Trust shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person nor shall any part of Deposited Property to secure the indebtedness of any person or any obligations, liabilities or indebtedness without the prior written consent of the Trustee;
- (v) the Trust shall not acquire any Investment which involves the assumption of any liability that is unlimited; and
- (vi) the Trust shall hold each Investment (which is in the nature of a Real Estate or shares in any Special Purpose Vehicle holding interest in a Real Estate) for a period of at least two years, unless the Manager has clearly communicated to the Holders the rationale for disposal prior to the expiry of such period and the Holders approve the disposal of such Investment by Extraordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1.

10.3.4 For the avoidance of doubt, for so long as the Trust is a SFC-Authorised REIT, the Manager shall ensure that no investment shall be made by the Trust which would result in non-compliance with the requirements of Clause 10.3.3, even where such investment would otherwise permitted by this Deed.

10.3.5 The Manager shall ensure that each Special Purpose Vehicle shall comply with the requirements set out in this Clause 10.3.

10.4 Ownership of Special Purpose Vehicle and Joint Ownership

10.4.1 The Trust may beneficially own all or part of the issued share capital or (as the case may be) all or part of the issued units or interests in a Special Purpose Vehicle by incorporating or otherwise establishing a Special Purpose Vehicle and/or subscribing for and/or otherwise acquiring shares, units or interests (as the case may be) in a Special Purpose Vehicle if the Manager considers it necessary or desirable for the Trust (in which event the Manager shall instruct the Trustee to incorporate or

otherwise constitute, and/or subscribe for or acquire such shares, units or interests accordingly). For the purpose of this Sub-Clause, Investments of the Trust which are held in any such Special Purpose Vehicle shall be deemed to be held or (as the case may be) made directly by the Trustee for the Trust. The Manager or its agents shall, to the extent possible, manage the assets held by any such Special Purpose Vehicle as provided in Clause ~~10.4.2~~10.4.3 and the Trustee shall, to the extent possible, have ultimate control over the objective and management of the Special Purpose Vehicle as provided in Clause ~~10.4.3~~10.4.4. The Manager and the Trustee shall be entitled to claim all costs and expenses incurred in relation to the management of such Special Purpose Vehicle from the Deposited Property. All costs and expenses of establishing and/or maintaining and administering the Special Purpose Vehicle, whether incurred by the Manager or the Trustee or their agents, shall be payable from the Deposited Property.

10.4.2 For so long as the Trust is a SFC-Authorised REIT, the Trust may legally and beneficially acquire and own any Special Purpose Vehicles in accordance with the REIT Code provided that

- (i) the Trustee shall, to the extent possible, have ultimate control over the objective and management of the Special Purpose Vehicle as provided in Clause 10.4.4;
- (ii) in accordance with the REIT Code:
 - (a) the Special Purpose Vehicle is wholly-owned by the Trust, or
 - (b) the Trust has majority ownership and control of such Special Purpose Vehicle and there are sufficient and proper safeguards in relation to the Special Purpose Vehicle to address the risks arising from the non-wholly owned structure, and such investment is not in conflict with any applicable Rules or this Deed;
- (iii) the Special Purpose Vehicles are incorporated in jurisdictions which have established laws and corporate governance standards which are commensurate with those observed by companies incorporated in Hong Kong;
- (iv) as and to the extent allowed by the Code or the SFC, the Manager shall ensure that the Trust shall incorporate or acquire no more than two layers of Special Purpose Vehicles in respect of any Investment. In the case of two layers of Special Purpose Vehicles, the top layer Special Purpose Vehicle shall be incorporated solely for the purpose of holding the legal and beneficial interests in one or more Special Purpose Vehicles established for the sole purpose of directly or indirectly holding Real Estate and/or arranging financing for the Trust; and
- (v) the Manager shall ensure that neither the memorandum or articles of association or equivalent constitutional documents of the Special Purpose Vehicles nor the organisation, transactions or activities of such vehicles shall under any circumstance contravene any requirements of the REIT Code or this Deed.

10.4.3 ~~10.4.2~~ The Manager shall, to the extent possible, be charged with responsibility for the day-to-day management of the assets held by each Special Purpose Vehicle and shall, at its discretion, make recommendations to the Trustee on the annual budget and the management and operation of such Special Purpose Vehicles, and generally, to the extent possible, carry out the activities in relation to the assets of such Special Purpose Vehicles in accordance with Clause 19.1. The Manager shall also have

discretion in recommending to the directors of the Special Purpose Vehicles the amount of distribution for dividends to be paid by each such Special Purpose Vehicle (where applicable) to the Trust. For the avoidance of doubt, the requirements of this Clause ~~10.4.2~~10.4.3 shall apply subject to overriding contractual obligations in the case where the Trust owns (whether directly or indirectly) part of the Special Purpose Vehicle or Investment.

10.4.4 ~~10.4.3~~ Notwithstanding the provisions of Clause 13.1, the Trustee shall have the full rights to control, to the extent possible, the objective and management of any Special Purpose Vehicle, including, without limitation, the right to nominate, appoint or remove its representatives and/or such person(s) as it may deem fit and/or upon the recommendation of the Manager (including, without limitation, any employee or nominee of the Manager as the Trustee may approve from time to time) to fill all the seats on the board of directors (or where applicable, the member of the governing body) of such Special Purpose Vehicle available to be filled by the Trust. For the avoidance of doubt, the requirements of this Clause ~~10.4.3~~10.4.4 shall apply subject to overriding contractual obligations in the case where the Trust owns (whether directly or indirectly) part of the Special Purpose Vehicle or Investment.

10.4.5 ~~10.4.4~~ In the discharge of its obligations above, the Manager shall, whenever requested by the Trustee and subject to overriding contractual obligations between the Trustee and/or the Manager and other parties in a situation where the Trust owns (whether directly or indirectly) part of the Special Purpose Vehicle or Investment, propose such of its employees or other relevant persons to act as the directors (or equivalent member of the governing body) of the Special Purpose Vehicle and, in relation to such proposal, provide such information in relation to the candidate as the Trustee may reasonably require. The manner in which the Trustee is to (i) approve the candidate proposed by the Manager; and (ii) appoint (and remove) such candidate to act as the director (or equivalent member of the governing body) of the Special Purpose Vehicle shall be agreed between the Trustee and the Manager from time to time or, failing such agreement, shall be determined by the Trustee in its absolute discretion. The Manager shall take all steps within its powers as may be required or necessary to give effect to the decision of the Trustee in relation to the appointment or removal of any such director (or equivalent member of the governing body) of the Special Purpose Vehicle.

10.4.6 ~~10.4.5~~ The Manager shall procure and ensure that such directors (or equivalent member of the governing body) of the Special Purpose Vehicle nominated by the Manager and appointed by the Trustee, to the extent applicable, observe and be bound by the same investment policies, strategies, duties, obligations and restrictions which are imposed on the Manager under this Deed (including without limitation, the provisions of Clause 19.1 and the requirements of ~~the Code, the Property Funds Appendix, the Listing Rules (and the listing rules of any other relevant Recognised Stock Exchange)~~any applicable Rules and the Tax Ruling (where applicable)). The Manager shall indemnify and keep indemnified the Trustee and the Trust from and against all actions, claims, proceedings, losses, damages, costs, charges and expenses suffered or incurred by the Trustee or the Trust in consequence of such person's breach, wilful default, fraud or negligence under this Clause or any other act of wilful default, fraud or negligence.

10.4.7 ~~10.4.6~~ The Manager shall procure and ensure that such persons appointed pursuant to Clause ~~10.4.4~~10.4.5 to be the directors (or members of the equivalent governing body) of the Special Purpose Vehicle, to the extent applicable, (i) observe and undertake to be bound by the same investment policies, strategies, duties, obligations and restrictions which are imposed on the Manager under this Deed

(including without limitation, the provisions of Clause 19.1 and the requirements of the Code, the Property Fund Appendix, the Listing Rules (and the listing rules of any other relevant Recognised Stock Exchange) any applicable Rules and the Tax Ruling (where applicable)) and (ii) resign as a director (or member of the equivalent governing body) of the Special Purpose Vehicle so as to give effect to any decision of the Trustee in relation to the removal of any such director (or such member of the equivalent member of the governing body).

10.4.8 ~~10.4.7~~ Notwithstanding the above, the Trustee or its nominees shall, and the Manager and its nominees shall ensure that the Trustee and its nominees shall, (i) have the right and be able to attend, and to have observers present at, meetings of the board of directors (or equivalent governing body) of the Special Purpose Vehicle; and (ii) be provided with all board papers, information, statements, and any other documents, relating to such meetings, whether on a regular basis or upon request by the Trustee.

10.4.9 ~~10.4.8~~ Subject to and without prejudice to any additional requirements specified by the relevant laws, regulations and guidelines, the following matters in relation to the Special Purpose Vehicle shall require the consent of the Trustee:

- (i) amendment of the provisions of the constitutive documents of the Special Purpose Vehicle;
- (ii) cessation or change of the business of the Special Purpose Vehicle;
- (iii) changes to the investment policies for the Special Purpose Vehicle;
- (iv) approval or amendment to the annual business plan of the Special Purpose Vehicle;
- (v) changes to the dividend distribution policies for the Special Purpose Vehicle;
- (vi) liquidation, winding up, termination or other event of analogous effect of the Special Purpose Vehicle;
- (vii) changes in the equity or capital structure of the Special Purpose Vehicle;
- (viii) changes to the rights attached to any class of share or equity capital of the Special Purpose Vehicle;
- (ix) issue of shares, equity capital or other securities (including any options over such shares, equity capital or other securities) by the Special Purpose Vehicle;
- (x) incurrence of borrowings by the Special Purpose Vehicle to a level such that the gearing of the Special Purpose Vehicle exceeds 35.0 per cent (or such other or higher level permitted by applicable law, regulations and guidelines); Rules;
- (xi) creation of any security or charge over the assets of the Special Purpose Vehicle or any part thereof;
- (xii) direct or indirect acquisition of any form of investment;
- (xiii) direct or indirect transfer or disposal of the assets of the Special Purpose Vehicle or any part thereof;

- (xiv) approval of asset enhancement and capital expenditure plans for the assets of the Special Purpose Vehicle, where the expected cost of any such plan exceeds 5.0 per cent. of the value of the assets of the Special Purpose Vehicle or such other absolute sum as may be specified and agreed between the Trustee and the Manager from time to time;
- (xv) entry into interested person transactions as defined in the Singapore Listing Rules and interested party transactions as defined in the CIS Code and, where the Trust is a SFC-Authorised REIT, Connected Party Transactions as defined in the REIT Code;
- (xvi) appointment or removal of, or change in, any person or persons appointed pursuant to ~~Clause 10.4.2~~10.4.3 to be the directors (or members of the equivalent governing body) of the Special Purpose Vehicle;
- (xvii) approval of the terms of reference of, any agreement in relation to, or any change to the terms of reference of or any agreement in relation to, any person or persons appointed pursuant to ~~Clause 10.4.2~~10.4.3 to be the directors (or members of the equivalent governing body) of the Special Purpose Vehicle;
- (xviii) any change in the accounting policies or practices (except where required by applicable law) of the Special Purpose Vehicle;
- (xix) provision of loans or credit to any party otherwise than in the ordinary course of business of the Special Purpose Vehicle;
- (xx) provision of any form of security in relation to any borrowings by any third party; and
- (xxi) commencement or settlement of any litigation, arbitration or other proceedings (except for collection of debts in the ordinary course of business of the Special Purpose Vehicle).”

10.4.10 For so long as the Trust is a SFC-Authorised REIT, the Manager shall ensure that the auditor and accounting principles and policies of any Special Purpose Vehicle are identical to those of the Trust.

10.4.11 For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply.

- (i) The Manager may, where it considers it to be in the interests of Holders, invest the assets of the Trust in Real Estate where the Trust has less than 100 per cent. ownership and control.
- (ii) The Manager shall ensure that the Trust has, inter alia, at all times, majority (more than 50 per cent.) ownership and control of each Real Estate constituting Deposited Property, or at least to the extent required by the REIT Code.
- (iii) As and to the extent required by the REIT Code, the Manager shall ensure that prior to entering any such joint ownership arrangement, it shall obtain a legal opinion in accordance with the relevant requirements of the REIT Code satisfactory to and addressed to the Trustee stating that the Trust will have good and marketable legal and beneficial interest in the Real Estate.

10.5 Realisation of Investments

If any Investment forming part of the Deposited Property is not or at any time ceases to be an Authorised Investment, it shall be realised by the Manager and the net proceeds of realisation shall be applied as aforesaid but the Manager may postpone the realisation of any such Investment for such period as it may determine to be in the interest of the Holders or (as the case may be) the Depositors unless the Trustee shall require the same to be realised. Without prejudice to the foregoing provisions and subject to the provisions of Clause ~~10.12~~10.11 and in particular to the requirements therein mentioned, any Investment comprised in the Deposited Property may at any time be realised at the discretion of the Manager either in order to invest the proceeds of sale in other Authorised Investments or to provide Cash required to be paid out of the Deposited Property for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly the other.

10.6 Stocklending

The Trustee shall at the request of the Manager from time to time enter into any transaction for the sale of Investments falling within any paragraph of the definition of “**Authorised Investments**” which is in the nature of listed securities and the simultaneous repurchase of the same Investments, PROVIDED THAT the same is carried out in accordance with applicable law and PROVIDED FURTHER THAT the collateral obtained is in the form of cash or investment grade assets and where possible, its value shall at all times be at least 100 per cent. of the current market value of the Investments transferred by the Trustee, is adequate and is transferred before or at the time of the transfer of the Investments by the Trustee. For the purposes of this Clause 10.6, the collateral is adequate only if (i) it is transferred to the Trustee or its agents, (ii) it exceeds in value, at the time of the transfer to the Trustee or its agents, the value of the Investments transferred by the Trustee, (iii) it is the subject of an agreement for transfer of the collateral, or assets equivalent to the collateral, by the Trustee as soon as the need for it has disappeared and (iv) it is in the form of cash or such other form as is acceptable to the Trustee. Any fees received from such stocklending transactions shall be retained in the Trust and form part of the Deposited Property and any costs in relation to or any losses resulting from such stocklending will be borne by the Trust, and deducted from the Deposited Property. The Trustee shall not incur any liability for any loss which a Holder or (as the case may be) a Depositor may suffer by the reason of any depletion in the value of the Deposited Property which may result from any transaction effected hereunder and shall be indemnified out of and have recourse to the Deposited Property in respect thereof.

10.7 Depreciation of Investments

The Units offered for subscription or purchase may to the extent that the investments of the Trust are made in fittings (which include, without limitation, furniture, carpets, fittings, furnishings, appliances, machinery, plant and equipment installed or used or to be installed or used in or in association with any item or parcel of Real Estate forming part of the Deposited Property or any building thereon or considered necessary by the Manager to fit out any such item or parcel for the purposes of letting or sale and other assets incidental to the ownership of Real Estate) consist of rights or interests in or arising out of an investment relating to property that ordinarily depreciates in value through use or effluxion of time. The value of the fittings is however likely to be negligible in comparison with the value of the investments in Real Estate investments of the Trust. Such fittings will be replaced as and when advised by the Manager's agents which are the property manager(s) of such investments, and the costs of such replacement will be paid out of the Deposited Property.

10.8 Manager's Discretion on Investment Decisions

Subject to the provisions of this Deed, the Manager alone shall have absolute discretion to determine and it shall be the duty of the Manager to recommend or propose to the Trustee the manner in which any Cash forming part of the Deposited Property should be invested and what purchases, sales, transfers, exchanges, collections, realisations or alterations of Investments should be effected and when and how the same should be effected and to give to the Trustee all directions which the Trustee may desire in relation to those matters and subject as aforesaid, it shall be the role of the Trustee to give effect to all such proposals as aforesaid by the Manager as are communicated in writing by the Manager in accordance with the succeeding provisions of this Clause 10 to the Trustee.

10.9 Trustee to be Indemnified Against Personal Liability

Unless the Trustee is indemnified to its satisfaction against all liability which it may incur on that account or the Trustee does not require in any particular case to be so indemnified, no investment shall be made in any Authorised Investment the holding of which by the Trustee exposes or may expose the Trustee to any personal liability, actual, contingent, prospective or of some other kind, and the Trustee shall not be bound to enter into any building or other contract or other transaction under which it may be exposed to any such personal liability.

10.10 Investment Procedures

10.10.1 If the Manager at any time and from time to time thinks it desirable in the interests of the Holders to sell or otherwise dispose of, develop or reconstruct, exchange, vary, modify or otherwise change any Investment forming part of the Deposited Property, it shall inform the Trustee in writing of its proposal in that behalf and shall supplement that writing with such information about the proposals as the Trustee reasonably requires and such proposals shall not provide for investment or reinvestment otherwise than in an Authorised Investment. Such proposals shall be rejected by the Trustee if they provide for investment or reinvestment otherwise than in an Authorised Investment or in contravention of Clause 10.3.

10.10.2 For so long as the Trust is a SFC-Authorised REIT, as and to the extent required by the REIT Code, if Real Estate is to be acquired through the acquisition of shares in a Special Purpose Vehicle.

- (i) a report made by accountants (who shall be named in the then Offering Circular or circular) shall be prepared on:
 - (a) the profit and loss of the Special Purpose Vehicle in respect of each of the three financial years (or such other shorter period as appropriate) immediately preceding the transaction; and
 - (b) the assets and liabilities of the Special Purpose Vehicle as at the last date (which shall not be more than six months old from the date of the report) to which the accounts of the Special Purpose Vehicle were made up;
- (ii) the report required under Clause 10.10.2(i) shall:
 - (a) indicate how the profits and losses of the Special Purpose Vehicle would, in respect of the shares to be acquired, have concerned the Trust, if the Trust had at all material times held the shares to be acquired; and

- (b) where the Special Purpose Vehicle has subsidiaries, deal with the profits or losses and the assets and liabilities of the Special Purpose Vehicle and its subsidiaries, either as a whole, or separately; and
- (iii) a valuation report in respect of the Special Purpose Vehicle's interest in Real Estate shall be prepared, and such report shall comply with the requirements set out in Clause 6.

10.11 Manager May Require Trustee to Borrow or Raise Money

10.11.1 Subject to Clause 10.11.2 and ~~the Property Funds Appendix~~ any applicable Rules, the Manager may whenever it considers it necessary or desirable in order to enable the Trustee to meet any liabilities under or in connection with the trusts of this Deed or with any Investment or whenever the Manager considers it desirable that moneys be borrowed or raised to finance the acquisition of any Authorised Investment or the redemption of Units by the Manager pursuant to Clause 7.10 require the Trustee to borrow or raise moneys (upon such terms and conditions as the Manager thinks fit and in particular by charging or mortgaging all or any of the Investments) and the Trustee shall give effect to such requisition PROVIDED THAT the Trustee shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage or agreement in respect of the borrowing or raising of moneys which (in the opinion of the Trustee) would render the Trustee's liability to extend beyond it being limited to the Deposited Property PROVIDED FURTHER THAT where moneys are borrowed for the purposes of redemption of Units, such borrowings shall be repaid within six months from the date on which such borrowings were made. Subject to Clause 10.11.2, the Trustee with the consent of the Manager may whenever it thinks it desirable in the interests of Holders or (as the case may be) the Depositors, to do so or considers it necessary or desirable to enable the Trustee to meet any liabilities as aforesaid raise or borrow any sum or sums of money (including, without limitation, the issue of securities in respect of any borrowing or any liability and the encumbering of any Investment) and may secure the repayment of such moneys and interest costs and other charges and expenses in such manner and upon such terms and conditions in all respects as the Trustee may think fit and in particular by charging or mortgaging all or any of the Investments or provide such priority, subordination or sharing of any liabilities owing to the Trust in such manner and upon such terms and conditions in all respects as the Trustee may think fit.

10.11.2 No borrowing or money raised shall be requisitioned by the Manager under 10.11.1 or made by the Trustee at the instruction of the Manager under Clause 10.11.1 if upon the effecting of such borrowing or raising the amount thereof together with the amount of all other raisings or borrowings made by the Trustee at the requisition of the Manager under Clause 10.11.1 or made by the Trustee at the instruction of the Manager under Clause 10.11.1 and still remaining to be repaid, taken together with any collateral (in the form of cash) obtained from any stocklending transaction pursuant to Clause 10.6, would thereupon in the aggregate exceed ~~35 per cent. (or such other higher or lower percentage as may be permitted by the Property Funds Appendix or as may be specifically permitted by the relevant authorities)~~ of the Deposited Property immediately prior to such borrowing being effected.:

- (i) 35 per cent. (or such other higher or lower percentage as may be permitted by the Property Funds Appendix or as may be specifically permitted by the Competent Authorities) of the Deposited Property immediately prior to such borrowing being effected; and

(ii) if and for so long as the Trust is a SFC-Authorised REIT, the lower of (a) the amount calculated under the foregoing paragraph (i) and (b) 45 per cent. (or such other higher or lower percentage as may be permitted by the REIT Code or as may be specifically permitted by the Competent Authorities) of the total gross asset value of the Deposited Property as set out in the Trust's latest published audited accounts immediately prior to such borrowing being effected (as adjusted by (A) the amount of any distribution proposed by the Manager in such audited accounts and any distribution declared by the Manager since the publication of such accounts; and (B) where appropriate the latest published valuation of the assets of the Trust if such valuation is published after the publication of such accounts).

- 10.11.3** The Manager covenants with the Trustee for the benefit of the Trustee and the Holders that it will use its best endeavours to ensure that the Trust is so carried on and conducted that the borrowing limitations under Clause 10.11.2 are at all times met.
- 10.11.4** Neither the Manager nor the Trustee shall incur any liability by reason of any loss which a Holder or (as the case may be) a Depositor, may suffer by reason of any depletion in the value of the Deposited Property which may result from any borrowing arrangements made hereunder and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this Clause 10 and the arrangements referred to herein.
- 10.11.5** In the event that any arrangements for borrowing, making deposits, acquiring foreign currency or converting foreign currency into any other currency under this Clause 10.11 shall be made with the Manager or the Trustee or any Related Party of either, such person shall be entitled to retain for its own use and benefit all profits and advantages which may be derived therefrom PROVIDED THAT any such arrangements shall be on ~~or on~~ normal commercial terms equivalent to and on an arm's length basis.
- 10.11.6** Any borrowing shall be subject to a provision whereunder the borrowing shall become repayable in the event of the termination of the Trust and be further subject to a provision that the Trustee's liability is limited to the extent of the assets of the Deposited Property.
- 10.11.7** Any interest on any borrowing effected under this Clause 10.11 and fees, charges and expenses incurred in negotiating, entering into, varying and carrying into effect, with or without variation, and terminating the borrowing arrangements shall be payable out of the Deposited Property.
- 10.11.8** For the purposes of securing any borrowing and interest and expenses thereof, the Trustee shall at the request of the Manager create a lien on or charge or pledge or mortgage or hypothecate in any manner all or part of the Deposited Property and where any part of the Deposited Property or the document of title thereto is for the time being under the custody or control of some other person than the Trustee in consequence of any such lien, charge, pledge, mortgage or hypothecation, the provisions of this Deed as to the custody and control of the Deposited Property or the documents of title thereto (including registration of Authorised Investments) shall be deemed not to have been infringed thereby.

10.11.9 Subject to the provisions of this Clause 10.11, any borrowing effected hereunder shall be conducted at arm's length and the terms thereof shall be commensurate with those of transactions of similar size and nature, and may be on such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee.

10.12 Acquisition and Disposal Costs Borne by the Deposited Property

Any brokerage, commission, stamp duty, legal and other costs and valuation fees incurred in and expenses relating to the acquisition or disposal or attempted acquisition or disposal of or otherwise in relation to Investments shall be borne by the Deposited Property.

10.13 Trustee to Take Steps to Effect Proposals

Subject to the provisions of this Deed, its duties and obligations under law and this Deed and to all proper enquiries, investigation and legal steps deemed necessary by the solicitors acting for the Trustee, the Trustee shall take all necessary steps on its part to give effect to any proposal approved by it.

10.14 Appointment of Solicitor

Upon the approval or acceptance of any proposal in accordance with the provisions of this Clause 10, the solicitor or conveyancer appointed to act on behalf of the Trust with respect thereto shall be a person selected by the Manager and approved by the Trustee.

10.15 Insurance of Investments

The Manager will insure or cause to be insured and keep insured or cause to be kept insured the Investments in the normal course of business usually insured, in the name of the Trustee in such amount as is determined by the Manager or as may be required by the Trustee, with such reputable insurance company as may be determined by the Manager and approved by the Trustee (which may be an insurance company related to the Manager) and to the full insurable value thereof the Investments which are of a nature or kind capable of being so insured, against fire, loss of rent and such other risks as the Manager or the Trustee may deem prudent. Either the Manager or the Trustee may effect such further or other insurances as it may deem necessary or prudent. The Manager shall pay or procure the payment of premiums and any other sums payable on any such insurances effected by the Manager or the Trustee out of the Deposited Property on a timely basis within all requisite periods. In the event that pursuant to the provisions of this Deed a borrowing is made by the Trustee on the security of any such Investment the interest of the security holder shall, if the Manager so requires, be noted on the particular insurance policy in place in respect of that Investment and it shall, if the Manager so requires, be a term of the security document entered into by the Trustee that the Trustee agrees with the security holder to allow direct payment according to the interest of the security holder of all or part of any insurance proceeds under the insurance policy from the insurer to the security holder.

10.16 Use of Derivatives

10.16.1 Efficient Portfolio Management

- (i) The Manager shall only be permitted to use derivatives for the purposes of efficient portfolio management pursuant to the Deed or the Property Funds Appendix when the conditions in Clause 10.16.1(ii) are satisfied and if the

purpose of efficient portfolio management is to achieve one or more of the following in respect of the Deposited Property:

- (a) the reduction of risk;
 - (b) the reduction of cost with no increase or a minimal increase in risk; and
 - (c) the generation of additional capital or income of the Trust with no, or with a reasonably low level of, risk.
- (ii) Transactions entered by the Manager for the purpose of efficient portfolio management:
- (a) shall be economically appropriate to the purpose as defined by Clause 10.16.2; and
 - (b) the exposure shall be fully covered in accordance with Clause 10.16.4.
- (iii) The purpose referred to in Clause 10.16.1(i) shall relate to:
- (a) Deposited Property;
 - (b) property (whether precisely identified or not) which is to be or is proposed to be acquired for the Trust; and
 - (c) anticipated cash receipts of the Trust, if due to be received at some time and likely to be received within one month.

10.16.2 Economically Appropriate

- (i) A transaction (alone or in combination with one or more transactions) is economically appropriate to the efficient portfolio management of the Trust if the Manager believes that:
- (a) for a transaction undertaken to reduce risk or cost or both, the transaction will diminish a risk or cost of a kind or level which is sensible to reduce; and
 - (b) for a transaction undertaken to generate additional capital or income, the Trust is certain, barring events which are not reasonably foreseeable by the Manager, to derive a benefit from the transaction.
- (ii) A transaction would not be economically appropriate to the efficient portfolio management of the Trust if its purpose could reasonably be regarded as speculative in nature.

10.16.3 Level of Risk

For the purpose of Clause 10.16.1(i)(c), there is an acceptably low level of risk in any case where the Manager believes that the Trust is certain (or certain barring events which are not foreseeable by the Manager) to derive a benefit on any of the bases set out below:

- (i) the Trust takes advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the Trust holds or may properly hold; or

- (ii) the Trust receives a premium for the writing of a covered call option or a covered put option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

10.16.4 Maximum Potential Exposure

- (i) No transaction may be entered by the Manager unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative is:
 - (a) covered individually under Clause 10.16.4(ii) or 10.16.4(iii); and
 - (b) covered globally under Clause 10.16.4(iv).
- (ii) Subject to Clause 10.16.4(iii), exposure is covered individually if there is, in the Deposited Property:
 - (a) (in the case of an exposure in terms of property) a transferable security or other property which is of the right kind, and sufficient in amount, to match the exposure; and
 - (b) (in the case of an exposure in terms of money), cash or near cash which is or are, or, on being turned into money in the right currency, will be sufficient in amount, to match the exposure.
- (iii) Exposure to an index or basket of securities or other assets is covered individually only if the Trust holds securities or other property which (taking into account the closeness of the relationship between fluctuations in the price of the two) can reasonably be regarded as appropriate to provide cover for the exposure, and they may be so regarded even if there is not complete congruence between the cover and the exposure.
- (iv) Exposure is covered globally for the purposes of Clause 10.16.4 if, after taking account of all the cover required under Clause 10.16.4(ii) or 10.16.4(iii) for other positions already in existence, there is available adequate cover from within the Deposited Property to enable the fresh transaction to be entered into.
- (v) A derivative is not available to provide cover for another derivative under Clause 10.16.4, but:
 - (a) the two transactions involved in a “synthetic future” are to be treated as if they were a single derivative, and the net exposure from the combination is to be covered on the basis of the higher of the cover requirements of the options which make up the synthetic future;
 - (b) “synthetic cash” (that is where a position in a derivative offsets an exposure in property to the point where that exposure has effectively been neutralised, and the effect of the combined holding of both property and the position in the derivative is the same as if the Trust had received or stood to receive the value of the property in cash) is available to provide cover for a transaction as if it were cash; and
 - (c) a covered currency derivative may provide cover for a derivative.
- (vi) Cash not yet received into the property of the Trust but due to be received within one month is available as cover for the purposes of Clauses 10.16.4(ii)(b) and 10.16.4(iii).

- (vii) Subject to Clause 10.16.4(v), to the extent that the Deposited Property has been used for cover in respect of one transaction (whether under this Clause 10.16.4 or otherwise), it is not available for cover in respect of another.
- (viii) Property anticipated under a derivative does not count as property under Clause 10.16.4(ii)(a).
- (ix) Property is not available for cover if it is the subject of a stocklending transaction pursuant to Clause ~~10.6,10.7,~~ unless the Manager reasonably believes that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

10.16.5 Amendment of Conditions

Notwithstanding anything in this Deed, the Manager and the Trustee may with the written approval of the competent authorities (including, without limitation, the Authority) modify, alter or add to the provisions of Clauses 10.16.1 to 10.16.4.

11. Distributions

11.1 Distribution of Income

Subject to this Clause 11, the Manager shall make regular distributions of all Tax-Exempt Income (excluding dividends paid out of interest income and gains from the sale of Real Estate, if any), after deduction of applicable Trust expenses (“**Net Tax-Exempt Income**”) to Holders at half-yearly or yearly intervals as the Manager shall decide in its absolute discretion.

For the avoidance of doubt, upon the declaration of any distribution per Unit made by the Manager on behalf of the Trust, the Trust shall be obliged to pay such distribution per Unit regardless of the number of Units in issue as at the Record Date for the relevant period, provided that appropriate adjustments shall be made to take into account any consolidation or sub-division of Units which may have occurred between the date of declaration of the distribution and the Record Date.

11.2 Manager to collect

The Manager must collect ~~and pay on behalf of~~ the Trustee and the Trustee must receive all moneys, rights and property paid or receivable in respect of the Trust.

11.3 Determination of Income and Reserves

The Manager (acting after consulting the Auditors) is to determine whether any item is income in nature or capital in nature and the extent to which reserves or provisions need to be made. If the Manager determines any item to be capital it may apply it to any item in the balance sheet of the Trust including, without limitation, Holders’ funds and Investments. This Clause 11.3 applies to distributions and to books of account.

11.4 Frequency of Distribution of Income

The Manager will endeavour to ensure that for each Financial Year:

- 11.4.1** there is at least one Distribution Period; and

11.4.2 the last Distribution Period ends on the last day of the Financial Year.

For each Distribution Period the Manager will calculate, and the Trustee will distribute, each Holder's Distribution Entitlement, in accordance with the provisions of this Clause 11. The Record Date in respect of each Distribution Period should not be a date prior to the date when the relevant distribution is declared.

11.5 Distribution Entitlement

11.5.1 "Distribution Amount" for a period is to be determined in accordance with the following formula:

$$DA = NTEI + C$$

Where:

DA is the Distribution Amount;

NTEI is the Net Tax-Exempt Income (as defined in Clause 11.1) for the period determined by the Manager; and

C is any additional amount (including capital), which may be a negative amount, which the Manager has determined is to be distributed or if thought fit by the Manager, to be transferred to or from an undistributed income reserve account,

provided that, in no event shall the aggregate of the Distribution Amount(s) for any Financial Year be less than the minimum amount (if any) that the Trust is required to distribute to Unitholders for that Financial Year pursuant to the applicable Rules.

11.5.2 Each Holder's Distribution Entitlement is to be determined in accordance with the following formula:

$$DA \times \frac{UH}{UI}$$

where:

DA is the Distribution Amount;

UH is the number of Units held by the Holder or (as the case may be) the Depositor, at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount; and

UI is the number of Units in issue in the Trust at the close of business on the Record Date for the relevant Distribution Period adjusted to the extent he is entitled to participate in the Distribution Amount.

11.6 Distribution of Entitlement

11.6.1 The Trustee must in respect of each Distribution Period pay to each Holder or (as the case may be) the Depositor, his Distribution Entitlement on or before the Distribution Date for the Distribution Period.

- 11.6.2** For the purpose of determining the entitlement to the Distribution Entitlement for a Distribution Period, the persons who are Holders or (as the case may be) Depositors on the Record Date for that Distribution Period have an absolute, vested and indefeasible interest in the Income of that Distribution Period.

For the avoidance of doubt, in the event that the Trust does not have sufficient cashflow to meet payments of Distribution Entitlements, such unpaid Distribution Entitlements shall be accrued and shall be paid to the persons entitled thereto as soon as practicable after the Trust has sufficient cashflow to meet the payment obligations, and Holders shall be notified of the suspension of payments by way of announcement.

- 11.6.3** The Manager and the Trustee must deduct from each Holder's or (as the case may be) each Depositor's Distribution Entitlement all amounts which

- (i) are necessary to avoid distributing a fraction of a cent;
- (ii) the Manager determines it is not practical to distribute on a Distribution Date;
- (iii) equal any amount of Tax which has been paid or which the Manager determines is or may be payable by the Trustee or the Manager in respect of the Holder or (as the case may be) the Depositor, on the amount of the income of the Trust and attributable to the Holder or (as the case may be) the Depositor, or the amount of the distribution otherwise distributable to that Holder or (as the case may be) the Depositor;
- (iv) are required to be deducted by law or this Deed; or
- (v) are payable by the Holder or (as the case may be) the Depositor, to the Trustee or the Manager.

- 11.6.4** The Manager must direct the Trustee how any sum so retained is to be applied and/or paid.

- 11.6.5** The Manager shall arrange for the Auditors to review and check its calculation of the Distribution Entitlement in respect of each Distribution Period, to ensure compliance with this Clause 11.

11.7 Holder Notification

Each Holder or (as the case may be) each Depositor must as and when required by the Manager provide such information as to his place of residence for taxation purposes as the Manager may from time to time determine.

11.8 Composition of Distribution

Following the end of each Financial Year, the Manager must notify each Holder or (as the case may be) each Depositor of

- 11.8.1** the extent to which a distribution under this Clause 11 is composed of, and the types of, income and capital; and
- 11.8.2** any amounts deducted under Clauses 11.6.3(iii) and 11.6.3(iv).

11.9 Tax Distribution Vouchers

On a distribution having been made, the Trustee shall where necessary issue to each Holder or (as the case may be) each Depositor, a tax distribution voucher prepared by the Manager in a form approved by the Trustee and IRAS. In the case of any distribution made or on termination of the Trust, each tax distribution voucher shall show what proportion of the distribution represents capital, what proportion represents income exempt from Singapore income tax or income subject to Singapore income tax and what proportion represents the tax portion of any tax payable by the Trustee on income and gains attributable to the Holders.

11.10 Categories and Sources of Income

- 11.10.1** For any category or source of income the Manager may keep separate accounts and allocate the income from any category or source to any Holder or (as the case may be) any Depositor.
- 11.10.2** The Manager may cause the distribution of any amount recorded in an account or record kept pursuant to Clause 11.10.1 before the distribution of any other amount.

11.11 Distribution Policy

The Manager and the Trustee acknowledge that:

- 11.11.1** The Trust's distribution policy as at the date of this Deed in respect of the intended holding of Special Purpose Vehicles owning Real Estate in the form of land or buildings in Hong Kong or any other offshore jurisdiction is to distribute all of its Net Tax-Exempt Income (except dividends paid out of interest income and gains, if any, which are distributable at the discretion of the Manager). It is expected that in this connection, the Tax-Exempt Income will comprise dividends received in Singapore from the Special Purpose Vehicles which are paid out of income that are subject to profits tax of not less than 15% in Hong Kong or other relevant offshore jurisdiction.
- 11.11.2** To the extent so required by the applicable Rules, the Manager and the Trustee shall use their best endeavours to procure that each Special Purpose Vehicle for the time being shall, directly or indirectly, distribute to the Trust all of such Special Purpose Vehicle's income attributable to the Trust for each Financial Year as permitted by the laws and regulations of its relevant jurisdiction of incorporation.
- 11.11.3** ~~11.11.2~~ The amount of profits of the Special Purpose Vehicles which are available for distribution will be governed by applicable law and regulations in the jurisdiction in which each Special Purpose Vehicle is incorporated or registered.
- 11.11.4** ~~11.11.3~~ In certain instances, the income subject to profits tax may be greater than or less than the profits which are available for dividend distribution according to applicable law and regulations, including, without limitation, when there are expenses or losses which are not tax-deductible such as deficit due to the revaluation of the Real Estate in the form of land or buildings owned by the Special Purpose Vehicles. The income subject to profits tax in this instance will be greater than the accounting income. Accordingly, the amount of dividends which may be paid out by the relevant Special Purpose Vehicle may be restricted to the amount of accounting income.
- 11.11.5** ~~11.11.4~~ It is intended that the capital structure of each Special Purpose Vehicle as at the date of this Deed will be structured in a manner which includes loans from the Trust catering for the possibility of the occurrence of the circumstances described above. Loans from the Trust will be structured with terms which allow the Trust to forgive an appropriate amount of such loans so as to permit the relevant Special Purpose Vehicle to pay out, within the permissible confines of applicable law and

regulations, an appropriate amount of dividend to the Trust for onward distribution to the Holders in accordance with the dividend distribution policy stated in Clause 11.11.1 while still adhering to applicable law and regulations governing the Trust.

11.12 Distribution Reinvestment Arrangements

The Manager may advise Holders or (as the case may be) Depositors, from time to time in writing that Holders or (as the case may be) Depositors, may on terms specified in the notice participate in an arrangement under which Holders or (as the case may be) Depositors may request that all or a proportion of specified distributions due to them be applied to the issue of further Units, PROVIDED THAT the Issue Price for any such Units to be issued shall be the Issue Price specified in Clause 5.2.3 as appropriate if the Units are Listed and Clause 5.2.4 if the Units are Unlisted. The Units so issued shall be deemed to be purchased by such Holders or (as the case may be) such Depositors. The Manager shall be entitled to amend the terms of any such distribution reinvestment arrangements from time to time by notice in writing to Holders.

12. Place and Conditions of Payment

12.1 Place and Conditions of Payment

Any moneys payable by the Trustee to any Holder or (as the case may be) any Depositor on the relevant Record Date under the provisions of this Deed shall be paid in the case of Units of such Holder by cheque or warrant sent through the post to the registered address of such Holder or, in the case of Joint Holders, to the registered address of that one of the Joint Holders who is first named on the Register or to the registered address of any other of the Joint Holders as may be authorised by all of them. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the moneys payable and shall be a good discharge to the Trustee. Where an authority in that behalf shall have been received by the Trustee in such form as the Trustee shall consider sufficient, the Trustee shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. Any moneys payable by the Trustee to any Depositor appearing in the Depository Register in respect of Units on the relevant Record Date under the provisions of this Deed shall be made in the case of Units of such Depositor credited into a Securities Account by the payment of such moneys into the Depository's bank account as notified to the Manager and the Trustee and the Trustee shall cause the Depository to make payment thereof to such Depositor by cheque sent through the post to the address of such Depositor on record with the Depository or, in the case of Joint Depositors, to the address of that one of the Joint Depositors on record with the Depository or by any other form as may be agreed between the Manager and the Depository. Payment of the moneys by the Trustee to the Depository shall be a satisfaction of the moneys payable to the relevant Holder and shall be a good discharge to the Trustee. Any charges payable to the Depository for the distribution of moneys to Depositors under this Deed shall be borne by the Deposited Property. No amount payable to any Holder or Depositor shall bear interest.

12.2 Deductions

Before any payment is made to a Holder, there shall be deducted such amounts as any law of Singapore or any law of any other country in which such payment is made may require or allow in respect of any income or other taxes, charges or assessments whatsoever and there may also be deducted the amount of any stamp duties or other government taxes or charges payable by the Manager or the Trustee (as the case may be) for which the Manager or the Trustee (as the case may be) may be made liable in respect of or in connection therewith. Neither the Manager or the Trustee shall be liable to account to a Holder or (as the case may be) a Depositor for any

payment made or suffered by the Manager or the Trustee (as the case may be) in good faith and in the absence of fraud, negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be, or need not have been, made or suffered.

12.3 Receipt of Holders

The receipt of the Holder or (as the case may be) the Depository in respect of the Depositors, for any amounts payable in respect of Units shall be a good discharge to the Manager or the Trustee (as the case may be) and if several persons are registered as Joint Holders or (as the case may be) Joint Depositors or, in consequence of the death of a Holder or (as the case may be) a Depositor, are entitled to be so registered, any one of them may give effectual receipts for any such amounts.

12.4 Unclaimed Moneys

Any moneys payable to a Holder or (as the case may be) a Depositor under this Deed which remain unclaimed after a period of 12 months shall be accumulated in a special account (the “**Unclaimed Moneys Account**”) from which the Trustee may from time to time make payments to a Holder claiming any such moneys and, subject to Clause 26, the Trustee shall cause such sums which represent moneys remaining in the Unclaimed Moneys Account for five years after the date for payment of such moneys into the Unclaimed Moneys Account and interest, if any, earned thereon to be paid into Court after deducting all fees, costs and expenses incurred in relation to such payment into Court from such sums thereof PROVIDED THAT if the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.

13. Voting Rights in Respect of the Deposited Property

13.1 Manager’s Right to Determine how Voting Rights are Exercised

Except as otherwise expressly provided and subject to Clause 10.4 relating to Special Purpose Vehicles owned by the Trustee, all rights of voting conferred by any of the Deposited Property shall be exercised in such manner as the Manager may in writing direct and the Manager may refrain at its own discretion from the exercise of any voting rights and no Holder or (as the case may be) no Depositor shall have any right to interfere or complain. The Trustee shall upon written request by and at the expense of the Manager from time to time execute and deliver or cause to be executed or delivered to the Manager or its nominees such powers of attorney or proxies as the Manager may reasonably require, in such name or names as the Manager may request, authorising such attorneys and proxies to vote, consent or otherwise act in respect of all or any part of the Deposited Property. The Manager shall be entitled to exercise the said rights in what may consider to be the best interests of the Holders and the Depositors, but neither the Manager nor the Trustee shall be under any liability or responsibility in respect of the management of the Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by the Manager whether in person or by proxy, and neither the Trustee nor the Manager nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or Manager or by the holder of such proxy or power of attorney under this Deed; and the Trustee shall be under no obligation to anyone and shall not incur any liability with respect to any action taken or caused to be taken or omitted by the Manager or by any such proxy or attorney. The Manager shall in respect of its having exercised or not having exercised any such right of voting, action or consent keep a

written record of such exercise or non-exercise and shall at all reasonable times during Business Hours give the Trustee and any Holder reasonable access to such record and allow the Trustee and any Holder to inspect such record but neither the Trustee nor any Holder shall be entitled to remove the same or to make any entries therein or alterations thereto, provided always that if such record is kept on magnetic tape or in accordance with some other mechanical or electrical system the provisions of this Clause 13.1 may be satisfied by the production of legible evidence of the contents of such record.

13.2 Construction of Voting Rights

The phrase “**rights of voting**” or the word “**vote**” used in this Clause 13 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

14. Interest upon Deposited Cash

Where any cash forming part of the Deposited Property or the Distribution Amount is transferred to a deposit account with any Related Party of the Manager or the Trustee (being a Banker) such person shall pay interest thereon on terms no less beneficial to the Trust than those which would have been applicable in accordance with normal banking practice to such deposit on the same day effected or granted by any person other than any such Related Party of the Manager or the Trustee. Any interest accruing to such deposits shall be treated as part of the Deposited Property. Subject thereto such person shall be entitled to retain for its own use any benefit it may derive from any cash for the time being in its hands (whether on current or deposit account).

15. Remuneration of Trustee and Manager

15.1 Management Fee

15.1.1 Base Fee

The Manager shall be entitled to receive for its own account out of the Deposited Property within 30 days of the last day of every calendar quarter in arrear the amount of the Base Fee accrued to it and remaining unpaid. The Manager shall be entitled to alter the rate of the Base Fee to some smaller percentage than that hereinafter provided by notice to the Trustee in writing PROVIDED THAT the Manager shall give written notice of any alteration of such rate to a higher percentage within the permitted limit to all Holders, the Trustee and the Depository in respect of the Depositors, not less than three months prior to the date of effect thereof. The Base Fee shall not exceed the rate of 0.3 per cent. per annum of the Property Values (for the purposes of this Clause, the “**permitted limit**”). Any increase in the rate of the Base Fee above the permitted limit or any change in the structure of the Base Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors, duly convened and held in accordance with the provisions of the Schedule hereto-1. The Base Fee shall accrue on each day of each calendar quarter in respect of the period up to and including the last day of that calendar quarter. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Property Values on the last day of the calendar quarter multiplied by the number of days in the relevant period and divided by 365. The “**appropriate percentage**” shall be the rate of Base Fee applicable on the relevant day. The Base Fee shall be payable out of the Capital Account or the Income Account as the Manager in its discretion shall decide. For an initial period of five years after

the Listing Date, the Base Fee referable only to the relevant Real Estate held through the Special Purpose Vehicles acquired in respect of the initial public offering of the Trust shall be paid to the Manager in the form of Units to be issued to the Manager. After the fifth anniversary of the Listing Date, the Base Fee referable to such Real Estate shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect). When paid in the form of Units, the Manager ~~shall be entitled~~ may elect to receive such Units as Singapore Listed Units or, for so long as the Trust is a SFC-Authorised REIT, Units that are Listed on the SEHK. The Manager shall receive such number of Units as may be purchased for the relevant amount of the Base Fee at the prevailing Market Price (in respect of Singapore Listed Units) or the prevailing HK Market Price (in respect of Units that are Listed on the SEHK), as the case may be, at the time of the issue of such Units as determined under Clauses 5.2.3 and 5.2.6(iii), respectively. In the event payment is to be made in the form of Units and Holder's approval for the issuance of Units is required but not obtained, then payment of that excess part of the Base Fee will be paid in the form of cash. The Base Fee in respect of any Real Estate (other than those referable to the relevant Real Estate acquired in respect of the initial public offering of the Trust) shall be paid in the form of cash and/or Units (as the Manager may elect). The amount of the Base Fee payable to the Manager shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere.

15.1.2 Performance Fee

- (i) The Manager shall be entitled to receive for its own account from the Deposited Property or if relevant, each Special Purpose Vehicle owned by the Trust, in respect of each calendar month the amount of Performance Fee accrued to the Manager and remaining unpaid. The Performance Fee payable to the Manager at the level of the Trust or if relevant, the Special Purpose Vehicles, in relation to any Financial Year shall be equal to a rate of 3 per cent. per annum of the Net Property Income of the Trust or Special Purpose Vehicles for each Financial Year (for the purposes of this Clause, the "**permitted limit**"). The Performance Fee shall be calculated with reference to the Net Property Income of the Trust or if relevant the Special Purpose Vehicles determined for the relevant Financial Year and be paid to the Manager by the Trust or if relevant, directly by the Special Purpose Vehicles, as referred to in Clause 15.1.2(ii). The Performance Fee shall be paid in cash to the Manager. Any increase in the Performance Fee payable by each Special Purpose Vehicle above the permitted limit or any change in the structure of the Performance Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of ~~the Schedule hereto~~ 1. The amount of the Performance Fee (if any) payable to the Manager shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere.
- (ii) If relevant, the Manager shall procure the entry into by the Manager and the Trustee of a written agreement relating to the Real Estate in the form of land and the Special Purpose Vehicles owned or to be owned by the Trust to provide, *inter alia*, for the payment of the Performance Fee to the Manager by each relevant Special Purpose Vehicle. The Manager shall pursuant to such agreement at the end of each calendar month of each Financial Year compute the Performance Fee for that month, based on management accounts of the relevant Special Purpose Vehicle, as the Gross Revenue less the Adjusted Property Operating Expenses of all the Real Estate in the form of land owned by

the Trust (including, if relevant, all the Special Purpose Vehicles), except where the Manager expressly determines in respect of any such Real Estate that the computation for that Real Estate, is to be based on its Adjusted Gross Revenue (including the Rental Top Up Amounts) less its Adjusted Property Operating Expenses, estimated for that month, and submit an invoice with such computation of the Performance Fee to the Trustee or to such Special Purpose Vehicle with a copy to the Trustee, within 14 days of the last day of that calendar month for payment within 14 days of receipt of the invoice. All such payments of the Performance Fee by the Special Purpose Vehicles made to the Manager shall be reconciled with the audited accounts for the relevant Financial Year relating to the relevant Special Purpose Vehicle within 14 days of the completion of the audited accounts (or such other period as may be agreed between the Manager and the Trustee) and any balance of such Performance Fee due and payable to the Manager or any refund due from the Manager, respectively, shall be paid by the relevant Special Purpose Vehicle or (if the Real Estate is owned by the Trust) the Trust or the Manager (as the case may be) within 14 days after completion of the said audited accounts for that Financial Year (or such other period as may be agreed between the Manager and the Trustee).

- 15.1.3** The Manager shall be entitled to all the rights attached to any Units issued to it under this Clause as any other Holder of Units.

15.2 Acquisition Fee and Divestment Fee

- 15.2.1** The Manager is also entitled to receive:

- (i) An Acquisition Fee not exceeding the rate of 1.0 per cent. of the acquisition price (for the purposes of this Clause 15.1.2(i), the “**permitted limit**”) of any Real Estate in the form of land acquired directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust’s interest in the Real Estate acquired). The Manager shall give the Holders at least one month’s prior written notice of any increase in the rate of the Acquisition Fee that the Manager proposes to charge from time to time up to (but not exceeding) the permitted limit. Any increase in the Acquisition Fee above the permitted limit or any change in the structure of the Acquisition Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of the Schedule hereto-1. The Acquisition Fee will be paid either in the form of cash and/or Units (as the Manager may elect, such election to be irrevocable and made prior to the payment of the Acquisition Fee) to the Manager. The Acquisition Fee is payable as soon as practicable after completion of the acquisition. When paid in the form of Units, the Manager ~~shall be entitled~~may elect to receive such number of Units as Singapore Listed Units or, for so long as the Trust is a SFC-Authorised REIT, Units that are Listed on the SEHK. The Manager shall receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisition, the prevailing Market Price (in respect of Singapore Listed Units) or the prevailing HK Market Price (in respect of Units that are Listed on the SEHK), as the case may be, at the time of the issue of such Units as determined under Clauses 5.2.3 and 5.2.6(iii), respectively. In the event payment is to be made in the form of Units and Holder’s approval for the issuance of Units is required but not obtained, then payment of that excess part of the Acquisition Fee will be paid in the form of cash. No Acquisition Fee is

payable in relation to the acquisition of the Special Purpose Vehicles for the initial public offering of Units; and

- (ii) A Divestment Fee not exceeding the rate of 0.5 per cent. of the sale price (for the purposes of this Clause 15.2.1(ii), the “**permitted limit**”) of any Real Estate in the form of land sold or divested directly or indirectly by the Trust (pro-rated if applicable to the proportion of the Trust’s interest in the Real Estate sold). The Manager shall give the Holders at least one month’s prior written notice of any increase in the rate of the Divestment Fee that the Manager proposes to charge from time to time up to (but not exceeding) the permitted limit. Any increase in the Divestment Fee above the permitted limit or any change in the structure of the Divestment Fee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of ~~the Schedule hereto~~.1. The Divestment Fee will be paid in cash to the Manager. The Divestment Fee is payable as soon as practicable after completion of the divestment.

15.2.2 The Trustee is entitled, on the recommendation of the Manager based on tax considerations, to authorise the payment of any Acquisition Fee or Divestment Fee either at the level of the Trust or if relevant, at the level of the Special Purpose Vehicle.

15.2.3 The amount of any Acquisition Fee or Divestment Fee payable to the Manager shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere.

15.2.4 Any payment to third party agents or brokers in connection with the acquisition or divestment of any Real Estate for the Trust shall be paid by the Manager to such persons out of the Acquisition Fee or the Divestment Fee received by the Manager, and not additionally out of the Trust or the assets of the relevant Special Purpose Vehicle.

15.3 Remuneration of Trustee

The Trustee shall be entitled to receive for its own account out of the Deposited Property within 30 days of the last day of every calendar month the amount of the remuneration of the Trustee accrued to it and remaining unpaid. The remuneration of the Trustee shall not

exceed the rate of 0.25 per cent. per annum of the Property Values (for the purposes of this Clause 15.3, the “**permitted limit**”) subject to a minimum amount of HK\$50,000 per month and shall be payable out of the Deposited Property monthly in arrear. The Trustee shall give at least one month’s prior written notice to the Manager and the Holders of any increase in the rate of the remuneration of the Trustee that the Trustee proposes to charge from time to time up to (but not exceeding) the permitted limit. Any such increase must be approved by the Manager. Any increase in the rate of the remuneration of the Trustee above the permitted limit or any change in the structure of the remuneration of the Trustee shall be approved by an Extraordinary Resolution of a meeting of Holders or (as the case may be) Depositors duly convened and held in accordance with the provisions of ~~the Schedule hereto~~.1. The Trustee and the Manager may agree from time to time to determine the rate of remuneration of the Trustee within the permitted limit. The remuneration of the Trustee shall accrue on each day of each calendar month in respect of the period up to and including the last day of that calendar month. The amount accruing on each day of each month shall be a sum equal to the appropriate percentage of the Property Values on the last day of the calendar month multiplied by the number of days in the relevant period and divided by 365. The “**appropriate percentage**” shall be the rate of the remuneration of the Trustee applicable on the relevant day. The Trustee shall in addition to such

remuneration be entitled to be paid out of the Deposited Property all reasonable out-of-pocket expenses (including a one-time inception fee of S\$25,000 for the Trust) incurred by it in the performance of its duties under this Deed until the Trust is finally wound up. The amount of the remuneration payable to the Trustee shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere.

15.4 Charges by Trustee or Manager

In consideration of the foregoing neither the Trustee nor the Manager shall make any charge against the Holders or against the Deposited Property for its services or for its normal expenses hereunder with the exception of the charges or fees expressly authorised by this Deed and PROVIDED THAT unless and until the Trustee shall be satisfied that adequate provision has been or will be made for the future expenses of the Trust (including the remuneration of the Trustee), the Trustee shall have a lien on and shall be entitled to retain the Deposited Property for the purpose of paying, discharging or providing for such expenses and shall pay to the Manager only the balance (if any) after all such payments discharges or provisions have been made.

16. Related Party Transactions and Connected Party Transactions

16.1 Related Party Transactions

The Trust shall at all times comply with the Property Funds Appendix in relation to interested party transactions and the provisions of the Singapore Listing Rules relating to “interested person transactions” as well as such other guidelines as may from time to time be prescribed by the Authority and the SGX-ST to apply to real estate investment trusts. If the Trustee is to sign any contract with a Related Party of the Trustee or the Manager or with any other interested party or interested person (as defined in the Property Funds Appendix and the Listing Rules, respectively), it will review that contract to satisfy itself that the transactions contemplated therein are on normal commercial terms and are not prejudicial to the interests of Holders or the Trust and will ensure that it complies with requirements related to interested party transactions (as defined in the Property Funds Appendix) and to interested person transactions (as defined in the Listing Rules) as well as such other guidelines relating to interested person transactions as may from time to time be prescribed by the SGX-ST to apply to real estate investment trusts.

16.2 Connected Party Transactions

For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply.

16.2.1 Subject to Clause 18.16.2(x), any Connected Party Transaction shall be carried out in accordance with the provisions of the REIT Code and any conditions (including any conditions of waivers and exemptions from the operation of the Code granted by the SFC from time to time) imposed by the SFC from time to time provided that no Connected Party Transaction shall be void or voidable if it is entered into in breach of such provisions.

16.2.2 All transactions carried out by or on behalf of the Trust by the Manager or the Trustee shall be:

- (i) carried out at arm’s length on normal commercial terms;
- (ii) valued, in relation to a property transaction, by an Approved Valuer;

- (iii) consistent with the investment objective and strategy of the Trust as set out in Clause 10;
- (iv) in the best interests of the Holders; and
- (v) properly disclosed to the Holders.

16.2.3 Where cash forming part of the Trust's assets is deposited with, or the Trust (or any Special Purpose Vehicle) borrows from:

- (i) the Trustee;
- (ii) the Manager;
- (iii) the Approved Valuer; or
- (iv) any Connected Person (each being licensed to accept deposits or lend money, where required, as the case may be),

interest shall be paid on the deposit or the borrowing, as the case may be, at a rate not lower in the case of deposits, and not higher in the case of borrowings, than the prevailing commercial rate for a deposit or borrowing, as the case may be, of that size and term.

16.2.4 As and to the extent required by the REIT Code or any conditions of waivers and exemptions from the operation of the REIT Code granted by the SFC from time to time, the Trustee shall take actions or commence proceedings on behalf of the Trust as necessary, including action against the Manager or Connected Persons of the Manager or (upon request in writing by the Manager) action against any other person including against any Connected Persons of the Trustee in relation to any transactions or agreements entered into by the Trustee for and on behalf of the Trust with such persons; provided that the Trustee shall have discretion to refrain from taking actions or commencing proceedings after consultation with the Manager if it considers in its absolute discretion that such action is not in the best interests of the Holders.

17. Concerning the Trustee and the Manager

17.1 Sales or Dealings as Principal Prohibited in Certain Cases

Neither the Trustee nor the Manager nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter in this Clause referred to as a “**delegate**”) entitled to exercise any investment powers or discretions under this Deed pursuant to a delegation by the Manager, shall as principal sell, or deal in the sale of, Investments to the Trustee for account of the Trust or purchase Investments from the Trustee acting for the account of the Trust and each shall (without incurring any liability for failure to do so) use its best endeavours to procure that no such sale or dealing or purchase shall be made (i) by any person, firm or corporation holding or beneficially entitled to 10 per cent. or more of the share capital of the Trustee or the Manager or any delegate, (ii) by any corporation controlled by any such person, firm or corporation, (iii) by any Director of the Trustee, or of the Manager, or of any delegate (being a corporation) or of any such corporation, or (iv) by any partner of any such firm. Any such sale or dealing of a purchase of Investments shall further comply with the Property Funds Appendix and be subject to the provisions of Clause 17.4. Each such person or body (other than the Trustee and the Manager) referred to in this Clause 17.1 shall be known in this Clause 17 as a “**connected person**”. Nothing shall prevent:

17.1.1 any sale for account of the Trust of any Investment to, or any purchase for account of the Trust of any Investment from, the Trustee or Manager of any other unit trust scheme for account of such scheme, notwithstanding that the Trustee and/or the Manager and/or any connected person may be, or be interested in, the Trustee or the Manager of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under, such scheme PROVIDED THAT:

- (i) such sale or purchase is in compliance with the Property Funds Appendix;
- (ii) the value of the Investment in question is certified in writing for the purpose of the transaction by an Approved Valuer or a Stockbroker; and
- (iii) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders or (as the case may be) Depositors; or

17.1.2 the Trustee or the Manager or any connected person from becoming the owner of Units and holding, disposing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 2 of ~~the Schedule hereto~~¹) which it would have had if neither the Trustee nor the Manager nor any connected person were a party to, or delegate under, this Deed, PROVIDED THAT in so owning, holding or disposing of or otherwise dealing with Units, the Trustee and the Manager shall each maintain with respect to the Trustee or the Manager and any of its respective connected persons a register giving details of such transactions, including the prices, discounts, net prices, quantities of Units transacted and dates of and parties to such transactions, or from buying, holding or dealing in any Investments upon their respective individual accounts, notwithstanding that similar Investments may be held under this Deed as part of the Deposited Property. The Trustee and the Manager shall each respectively ensure that any such transactions in Units by it or them be carried out in a manner which shall not prejudice the interests of the Holders or (as the case may be) Depositors. The respective registers of the Trustee and the Manager shall be available for inspection by the Trustee and the Holders or (as the case may be) Depositors.

Neither the Trustee nor the Manager nor any connected person shall be liable to account, either to the other or others of them or to the Holders or (as the case may be) the Depositors or any of them, for any profits or benefits made or derived by or in connection with any transaction permitted under this Clause 17.1.2.

17.1.3 The Manager hereby covenants that it will not:

- (i) invest moneys of the Trust in the securities (excluding collective investment schemes) of any corporation, including any bank, which is related (as defined in Section 6 of the Companies Act) to itself (in this Clause 17.1.3, a “**related corporation**”) save that if the Trust is benchmarked against a widely accepted index constructed by an independent party and approved by the Authority, the moneys of the Trust may be invested in the securities of any related corporation included in such index up to its weight in such index; or
- (ii) lend moneys of the Trust to a related corporation, save that deposits made with related corporations that are banks licensed under the Banking Act, Chapter 19 of Singapore and any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction, in the ordinary course of business of the Trust, shall not be construed as moneys lent.

17.2 Quotation and Dealings by Manager

No Units shall at any time be quoted by or sold by or for account of the Manager outside the Depository at a price higher than the Issue Price for the time being applicable to Units issued for cash pursuant to Clause 5. No Units shall at any time be quoted or repurchased or redeemed by or for account of the Manager outside the Depository at a price lower than the Repurchase Price for the time being applicable to Units repurchased by the Manager pursuant to Clause 7. The Trustee shall not be responsible to verify the price of any such quotation or dealing unless on any occasion specifically requested by the Holder or (as the case may be) the Depositor or former Holder or (as the case may be) Depositor of the Units concerned so to do not later than one month after the date of such quotation or dealing but the Manager shall justify such quotation or dealing if so requested by the Trustee at any time.

17.3 Dealings with Joint-Alternate Holders

Should the Manager or the Trustee prior to acting on any request, application or instruction from any of the Joint-Alternate Holders or (as the case may be) the Joint-Alternate Depositors, receive a contradictory request, application or instruction from the other Joint-Alternate Holders or (as the case may be) the other Joint-Alternate Depositors, the Manager or the Trustee (as the case may be) may elect to act on the latest request, application or instruction received or to act on the joint mandate of all Joint-Alternate Holders or (as the case may be) the Joint-Alternate Depositors, or not to act at all, and will not be held liable for so acting and omitting to act.

17.4 Other Related Party Transactions

17.4.1 Notwithstanding Clause 17.1, the Trust may enter into any transaction with a Related Party who is an interested party (as such term is defined in the Property Funds Appendix) of the Manager or the Trustee so long as the following is complied with:

- (i) any transaction entered into by the Trustee for and on behalf of the Trust relating to the Trust's acquisition of Investments from or sale of Investments to an interested party (as defined in the Property Funds Appendix) shall comply with the Property Funds Appendix;
- (ii) any transaction entered into by the Trustee for and on behalf of the Trust relating to the engagement of an interested party (as defined in the Property Funds Appendix) as property management agent or marketing agent for the Trust's Investments shall comply with the Property Funds Appendix; and
- (iii) any transaction entered into by the Trustee for and on behalf of the Trust with a Related Party who is an interested party (as defined in the Property Funds Appendix) relating to any matter other than a transaction described in Clause 17.4.1(i) or (ii) shall comply with the Singapore Listing Rules relating to interested person transactions (as such term is defined in the Singapore Listing Rules) as the same are adapted to apply to such transaction and such other guidelines as may be prescribed by the SGX-ST to apply to property funds (including, without limitation, rules and guidelines pertaining to the exclusion of the interested person (as such term is defined in the Singapore Listing Rules) or its connected persons (as defined in the Singapore Listing Rules) from voting any proposal required to be approved by the Holders or (as the case may be) the Depositors.

17.4.2 If the Manager is required to decide whether to or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of the Trust with such person which is a Related Party of the Manager, the

Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of the Trust, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the Manager (including its independent directors) will have a duty to ensure that the Manager shall comply with the aforesaid. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of the Trust with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Holders or (as the case may be) Depositors and/or which is in the interests of Holders or (as the case may be) Depositors. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

17.5 Indemnities — Invalid Documents

The Trustee and the Manager shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed by each of them in good faith and in the absence of fraud, negligence, wilful default, a breach of this Deed or a breach of trust (in the case of the Trustee) to be genuine and to have been passed, sealed or signed by the proper parties.

17.6 Legislation

The Trustee and the Manager shall incur no liability to the Holders or (as the case may be) the Depositors, for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of this Deed, neither the Trustee nor the Manager shall be under any liability therefor or thereby unless such failure is caused by its fraud, negligence or wilful default.

17.7 Verification of Signatures

Neither the Trustee nor the Manager shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or (as the case may be) any Depositor, to any document required to be signed by him under or in connection with this Deed shall be verified to its or their reasonable satisfaction.

17.8 Saving Clause as to Indemnities and Limitations on Liability

Notwithstanding any other provisions in this Deed, nothing in this Deed shall exempt or be construed as to exempt the Manager or the Trustee from any liability to Holders imposed under any applicable law or attributable to breaches of trust through fraud, negligence or wilful default,

or breaches of this Deed to which the Trustee or the Manager (as the case may be) is a party, or breaches of the applicable Rules by the Trustee or the Manager (as the case may be), nor may the Manager or the Trustee be indemnified against such liability by the Holders or at the Trust's expense.

~~Any indemnity expressly given to the Trustee or the Manager in this Deed is in addition to and without prejudice to any indemnity allowed by law; PROVIDED NEVERTHELESS THAT any provision of this Deed shall be void insofar as it would have the effect of exempting the Trustee or the Manager from or indemnifying it against any liability for breach of this Deed or breach of trust (in the case of the Trustee) or any liability which by virtue of any rule of law would otherwise attach to it in respect of any fraud, negligence or wilful default of which it may be guilty in relation to its duties or where it fails to show the degree of diligence and care required of it having regard to the provisions of this Deed.~~

17.9 Other Trusts

Subject to the applicable Rules and any conditions on the Manager's licence(s) to manage the Trust, Nothing herein contained shall be construed so as to prevent the Manager and the Trustee in conjunction or the Manager or the Trustee separately from acting as the Manager or trustee of trusts separate and distinct from the Trust and neither of them shall in anyway be liable to account to the Holders or (as the case may be) the Depositors or any other person for any profit or benefit made or derived hereby or in connection therewith.

17.10 Resolutions

Neither the Trustee nor the Manager shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders or (as the case may be) the Depositors, in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders or (as the case may be) the Depositors.

17.11 Reliance by Trustee and Manager

17.11.1 The Trustee and the Manager may accept as sufficient evidence of the Value of any Investment or the cost price or sale price thereof or of any quotation from the SGX-ST or any other Recognised Stock Exchange, a certificate by an Approved Valuer in respect of Real Estate and a Stockbroker in respect of securities or any other professional person, firm or association qualified in the opinion of the Manager to provide such a certificate.

17.11.2 At all times and for all purposes of this Deed the Trustee and the Manager may rely upon the established practice and rulings of SGX-ST or any other Recognised Stock Exchange and any committees and officials thereof on which any dealing in any Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under this Deed.

17.12 GST

Where any GST is payable by the Manager or the Trustee in relation to services rendered to the Manager or the Trustee in connection with the exercise of the powers and discretion and/or the performance of the obligations of the Manager or the Trustee under this Deed, the Manager or the Trustee, as the case may be, shall be reimbursed therefor out of the Deposited Property.

Where any GST is payable in connection with the services rendered by the Manager or the Trustee pursuant to this Deed, such GST shall be paid out of the Deposited Property.

17.13 Beyond Control

Neither the Manager nor the Trustee shall be responsible to the Trust or any Holder or (as the case may be) any Depositor, for any loss or damage arising from reasons or causes beyond its control, or the control of any of its employees, including (without limitation) nationalisation, expropriation, currency restrictions, acts of war, terrorism, insurrection, revolution, civil unrest, riots or strikes, nuclear fusion or acts of God.

18. Concerning the Trustee

18.1 Custody of Investments

The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Manager and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may act as custodian itself or may appoint such persons (including any Related Party of the Trustee) as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint with prior consent in writing of the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the Deposited Property. The Trustee may at any time procure that:

- 18.1.1** the Trustee; or
- 18.1.2** any officer of the Trustee jointly with the Trustee; or
- 18.1.3** any nominee appointed by the Trustee; or
- 18.1.4** any such nominee and the Trustee; or
- 18.1.5** any custodian, joint-custodian or sub-custodian appointed; or
- 18.1.6** any company operating a depository or recognised clearing system in respect of the Deposited Property; or
- 18.1.7** any broker, financial institution or other person with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

takes delivery of and retains and/or be registered as proprietor of any Authorised Investments in registered form held upon the trusts of this Deed.

Notwithstanding anything contained in this Deed:

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any sub-custodian not appointed by it.

18.2 Manager's Statements may be Accepted

The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Manager. Whenever pursuant to any provision of this Deed any certificate, notice, instruction or other communication is to be given by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager by any one person whose signature the Trustee is for the time being authorised by the Manager to accept and may act on verbal and facsimile instructions given by authorised officers of the Manager specified in writing by the Manager to the Trustee.

18.3 Certificates as to Value may be Accepted

The Trustee may accept as sufficient evidence of the Value of any Investment or the cost price or sale price thereof or of any quotation from the SGX-ST or any other Recognised Stock Exchange a certificate by an Approved Valuer, a Stockbroker or other professional person, firm or association approved by the Trustee as qualified to value such Investment.

18.4 Trustee not Responsible for Errors of Judgment

Without prejudice to the powers, authorities and discretions of the Trustee under the Trustees Act, the Trustee may act upon any advice of or information obtained from the Manager or any bankers, accountants, brokers, lawyers, Approved Valuers, Stockbrokers, agents or other persons acting as agents or advisers of the Trustee or the Manager and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information PROVIDED THAT the Trustee has acted in good faith and with due care in the appointment thereof. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, Approved Valuer, Stockbroker, agent or other person as aforesaid or of the Manager PROVIDED FURTHER THAT the Trustee has acted in good faith and with due care in the appointment thereof. Any such advice or information may be obtained or sent by letter, facsimile transmission, telex message or cablegram and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such letter, facsimile transmission, telex message or cablegram although the same contains some error or shall not be authentic.

18.5 Trustee's Discretion Absolute

Except if and so far as herein otherwise expressly provided, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode of and time for the exercise thereof, and in the absence of fraud, negligence, wilful default, breach of this Deed, ~~or~~ breach of trust or breach of any applicable Rules, the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

18.6 Trustee Free to Carry on Transactions

Subject to the applicable Rules, Nothing herein shall prevent the Trustee or a Related Party thereof from contracting or entering into any financial, banking or any other type of transaction with the Manager or any Holder or Depositor or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction, PROVIDED THAT any such transaction shall be ~~on an arm's length basis~~ in compliance with Clause 16. The Trustee or any Related Party thereof shall not be liable to account either to the Manager or to the Holders or Depositors or any of them for any profits or benefits made or derived from or in connection with any such transaction if it complies with Clause 16.

18.7 Extent of Holder's or Depositor's Rights

In no event shall a Holder or (as the case may be) a Depositor have or acquire any rights against the Trustee or the Manager or either of them except as expressly conferred on the Holder or (as the case may be) the Depositor hereby nor shall the Trustee be bound to make any payment to any Holder or (as the case may be) any Depositor except out of the funds held by it for that purpose under the provisions of this Deed.

18.8 Legal Proceedings

The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the Deposited Property or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Manager shall so request in writing, and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.

18.9 Indemnity Out of Deposited Property

Subject as herein expressly provided and without prejudice to any right of indemnity at law given to the Trustee, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Manager to indemnify and/or reimburse the Trustee on account of the Deposited Property pursuant to the provisions of this Deed.

18.10 Deduction of Tax

Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee, the Trustee may make such deductions as by the law of Singapore or by the law of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any Income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it or for which it may be made liable in respect of such distribution or any documents signed by it in connection therewith. The Trustee shall not be liable to account to any Holder or (as the case may be) any Depositor, or otherwise for any payment made or suffered by the Trustee in good faith and in the absence of fraud, negligence, wilful default, breach of this Deed or breach of trust to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.

18.11 Trustee Not Bound to Check Valuations

The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any calculation of the prices at which Units are to be issued or realised, except as herein expressly provided, but shall be entitled at any time to require the Manager to justify the same.

18.12 Destruction of Documents

The Trustee (or the Manager or its agents with the approval of the Trustee) shall (subject as hereinafter provided) be entitled to destroy all distribution mandates which have been cancelled or lapsed at any time after the expiration of six years from the date of cancellation or lapse thereof and all notifications of change of address after the expiration of one year from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders or (as the case may be) Depositors, one year from the date of the meeting at which the same are used and the Register, and statements and other records and documents relating to the Trust at any time after the expiration of six years from the termination of the Trust. Neither the Trustee nor the Manager nor other agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every document so destroyed shall be deemed to have been a valid and effective instrument in accordance with the recorded particulars thereof.

PROVIDED THAT:

- 18.12.1** the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
- 18.12.2** nothing in this Clause 18.12 shall be construed as imposing upon the Trustee or the Manager or its agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of Clause 18.12.1 are not fulfilled; and
- 18.12.3** references herein to the destruction of any document include references to the disposal thereof in any manner.

18.13 Acts of Trustee

- 18.13.1** Any provision in this Deed providing for any act or matter to be done by the Trustee may (if the Trustee is a corporation) be performed on behalf of the Trustee by any officer or responsible official of the Trustee and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Trustee.
- 18.13.2** The Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered authority of the Republic of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.
- 18.13.3** The Trustee and the Manager shall be entitled to rely absolutely on any declaration of tax residence which may be received from a Holder or prospective Holder or applicant for Units.
- 18.13.4** Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of the Trust over which the Trustee has recourse PROVIDED THAT the Trustee had acted without fraud, negligence, wilful default, breach of this Deed, breach of trust or breach of any applicable Rules.

- 18.13.5** The Trustee may in relation to the acquisition, holding or disposal of any Investment with the concurrence of the Manager utilise its own services or the services of any Related Party of the Trustee (if such Related Party is a Banker) on an arm's length basis without there being any liability to account therefor and any charges or expenses properly and reasonably incurred shall be payable out of the Deposited Property.
- 18.13.6** Subject to the duties and obligations of the Trustee under this Deed, the Trustee shall at all times be entitled to rely on the recommendations, certifications and representations of the Manager in relation to the Trust and shall not be liable for any act or omission of the Manager in relation to the Trust save where the Trustee is fraudulent, negligent or in wilful default.
- 18.13.7** In the absence of fraud, negligence, wilful default, breach of this Deed, ~~or~~ breach of trust or breach of any applicable Rules by the Trustee, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder.
- 18.13.8** Subject to the Property Funds Appendix, nothing contained in this Deed shall prevent the Trustee from becoming the owner of Units and holding, disposing or otherwise dealing with the same rights which it would have had as an owner of Units and the Trustee may buy, hold and deal in any Investments upon its individual account notwithstanding that similar Investments may be held under this Deed as part of the Deposited Property. The Trustee shall not be liable to account to the Holders or (as the case may be) the Depositors or the Manager for any profits or benefits made or derived by or in connection with any such transaction permitted as aforesaid PROVIDED THAT such transactions are effected on an arm's length basis.

18.14 Powers of Trustee

Subject to the provisions of this Deed and without in any way affecting the generality of the foregoing, the Trustee on the recommendation of the Manager in writing shall be deemed to have full and absolute powers in relation to the Deposited Property of:

- 18.14.1** purchasing or selling any part of the Deposited Property for cash or Authorised Investments including the granting or purchasing of options;
- 18.14.2** leasing, sub-leasing, licensing and sub-licensing or procuring the leasing, sub-leasing, licensing and sub-leasing by any relevant Special Purpose Vehicle, real and personal property to and accepting surrenders thereof from any person including any Related Party of the Manager with power to compromise with lessees, sub-lessees, licensees, sub-licensees and others, to execute and pay for repairs and improvements;
- 18.14.3** instituting, prosecuting, compromising and defending legal proceedings including legal proceedings instituted to secure compliance with the provisions of this Deed and the terms of any prospectus and legal proceedings instituted to recover any loss suffered by Holders or (as the case may be) Depositors in respect of their investment under this Deed subject always to Clause 18.8;
- 18.14.4** performing and enforcing agreements;
- 18.14.5** issuing powers of attorney to appoint any person to be the attorney for the Trustee, provided that any power of attorney appointing the Manager as the attorney of the Trustee shall not permit the Manager to enter into any interested party transaction (as

defined in the Property Funds Appendix) or interested person transaction (as defined in the Singapore Listing Rules) (both as referred to in Clause 16), which transaction value exceeds 3 per cent. of the Net Asset Value of the Deposited Property;

- 18.14.6** insuring the Investments of the Trust pursuant to Clause 10.15;
- 18.14.7** attending and voting at meetings of corporations, shares in the capital of which are Investments;
- 18.14.8** subject to Clause 10.11.2, raising or borrowing moneys with or without security for the purposes of the Trust;
- 18.14.9** creating, giving, renewing, altering or varying any mortgage, charge or other encumbrance over the Deposited Property or any part thereof in accordance with Clause 10.11 to secure the payment of any money or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Trustee and the Manager may think fit;
- 18.14.10** giving in favour of any person any guarantee or indemnity or any guarantee and indemnity for the payment of money or for the performance of any obligation whatsoever or howsoever arising of any person and the Trustee may secure any part or parts of the Deposited Property;
- 18.14.11** developing, building, demolishing, altering, repairing, extending, rebuilding, improving, replacing or reconstructing any Investment in whole or in part;
- 18.14.12** subdividing or consolidating into lots any Real Estate for the time being comprised in the Deposited Property and for such purpose or otherwise to dedicate, vest in, transfer or grant to the Singapore Government or any government or other authority or any person any portion of such Real Estate or any rights therein and any similar arrangements facilitating the development or other work specified in Clause 18.14.11;
- 18.14.13** paying any outgoings connected with the Deposited Property or this Deed which are not otherwise payable by the Manager, including, without limitation, all taxes imposed in connection with the Deposited Property;
- 18.14.14** approving annual budgets prepared by the Manager for the Trust and the management and operation of the Investments of the Trust;
- 18.14.15** in relation to each Special Purpose Vehicle owned by the Trust, ensuring that the provisions of ~~Clause 10.4.3~~Clause 10.4.4 are complied with;
- 18.14.16** generally, on the recommendations of the Manager, managing and turning to account the Investments;~~and~~
- 18.14.17** where the Trustee believes that a Holder may be a Significant Holder, requiring the Holder to promptly disclose to the Trustee all of the legal, beneficial and equitable interests in Units held by the Holder and such other persons whose holdings of Units would be taken into account in determining whether the Holder is a Significant Holder under the definition of "Significant Holder" in Clause 1.1; and
- 18.14.18** ~~18.14.17~~ doing such other things as may appear to the Trustee to be incidental to any or all of the above powers,

and none of the provisions of this Clause 18.14 shall be read down to limit (i) the powers conferred on the Trustee by any of the other provisions and each provision shall be severally considered or (ii) the powers of the Trustee under the Trustees Act.

18.15 Appointments of Agents and Experts by Trustee

Without in any way affecting the generality of the foregoing and subject to Clause ~~20.2~~,18.16.2, the Trustee for the purpose of carrying out and performing the duties and obligations on its part as owner of the Investments of the Trust may:

- 18.15.1** appoint and engage any independent financial advisers (and if appropriate, without being required to consult the Manager in any such appointment of an independent financial adviser), auditors, Approved Valuers, legal practitioners, accountants, surveyors, real estate agents, contractors, qualified advisers and such other persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations and all reasonable and proper fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings properly chargeable in respect thereof shall be paid out of the Deposited Property and where applicable, such person appointed or engaged must comply with the qualifications set out in the ~~Property Funds Appendix~~ applicable Rules; and
- 18.15.2** on the Manager's recommendation, appoint and engage any real estate agents or managers in relation to the management, development, leasing, purchase or sale of any of the Investments and even if such real estate agents or managers are Related Parties of the Manager (PROVIDED THAT in such an event the Related Parties shall provide such services to the Trust on normal commercial terms and be in compliance with the ~~Property Funds Appendix~~ applicable Rules) and pay to such real estate agents or managers in respect of their services fees not exceeding such fees as are commercially reasonable which shall be paid out of the Deposited Property as an expense of the Trust PROVIDED THAT any such person appointed or engaged be approved by the Trustee and where applicable, such person appointed or engaged complies with the qualifications set out in the ~~Property Funds Appendix~~ applicable Rules.

18.16 Duties of the Trustee for SFC-Authorised REITs

For so long as the Trust is a SFC-Authorised REIT, the following provisions shall apply.

- 18.16.1** The Trustee shall hold the Deposited Property in trust for the benefit of the Holders, and to oversee the activities of the Manager for compliance with this Deed and the regulatory requirements applicable to the Trust. This duty includes ensuring that all investment activities carried out by the Manager are in line with the investment objective and policy of the Trust and this Deed, and are in the interests of the Holders.
- 18.16.2** The Trustee shall:
- (i) exercise all due diligence and vigilance in carrying out its functions and duties and in protecting the rights and interests of Holders;
 - (ii) ensure that the Deposited Property is properly segregated and held for the benefit of the Holders in accordance with the provisions of this Deed;
 - (iii) be liable for the acts and omissions of its nominees and agents (other than a Registrar (if the Trustee is not a Registrar), the Manager and any Approved Valuer) in relation to the Deposited Property;
 - (iv) take all reasonable care to ensure that the sale, issue, repurchase and cancellation of Units are carried out in accordance with provisions of this Deed and the applicable Rules;

- (v) appoint from time to time an Approved Valuer who meets the qualification requirements set out in the REIT Code;
- (vi) cause a valuation of any of the Real Estate of the Trust to be carried out if it, or the Manager, reasonably believes that such valuation is appropriate;
- (vii) carry out the instructions of the Manager in respect of Investments unless they are in conflict with an Offering Circular, this Deed any applicable Rules or under general law;
- (viii) take all reasonable care to ensure that the investment and borrowing provisions set out in Clauses 10.2, 10.3 and 10.11 and the conditions under which the Trust was authorised by the SFC and Authority are complied with;
- (ix) take all reasonable care to ensure that no Real Estate is acquired or disposed of by or on behalf of the Trust until the Trustee has obtained a recent valuation report of the Approved Valuer where:

 - (a) in respect of a transaction which requires Holders' approval, the effective date as at which the Real Estate is valued shall not be more than three months before the date on which the relevant circular is issued; and
 - (b) in the case of a transaction which does not require Holders' approval, the effective date as at which the Real Estate is valued shall not be more than three months before the date of the relevant sale and purchase agreement of the Real Estate to be acquired or disposed of;
- (x) take all reasonable care to ensure that all transactions carried out by or on behalf of the Trust are conducted at arm's length and that Connected Party Transactions are carried out in accordance with Clause 16.2 and any waivers granted by the SFC in relation to Connected Party Transactions and any conditions to such waivers provided that in the event that the Trustee is in any doubt as to whether a transaction is a Connected Party Transaction it shall require that such transaction is conducted pursuant to Clause 16.2;
- (xi) issue a report to the Holders, to be included in the annual report of the Trust, on whether, in the Trustee's opinion, the Manager has in all material respects managed the Trust in accordance with the provisions of this Deed; if the Manager has not done so, the report shall specify the respects in which it has not done so and the steps which the Trustee has taken in respect thereof;
- (xii) take all reasonable care to ensure that any Certificates are not issued until subscription monies have been paid in full;
- (xiii) take all reasonable care to ensure that the Trust (including, where relevant, a Special Purpose Vehicle) has good marketable legal title to any Real Estate owned by the Trust (including where relevant, a Special Purpose Vehicle), and that each of the contracts (such as property contracts, rental agreements, joint venture or joint arrangement agreements and any other agreements) entered into on behalf of the Trust (including, where relevant, a Special Purpose Vehicle) with respect to the Investments is legal, valid, binding and enforceable by or on behalf of the Trust (including, where relevant, a Special Purpose Vehicle) in accordance with its terms;

- (xiv) take all reasonable care to ensure that the Manager arranges adequate property insurance and public insurance coverage in relation to that part of the Deposited Property comprising Real Estate;
- (xv) take all reasonable care to ensure that the Net Asset Value of the Deposited Property and Net Asset Value of the Deposited Property per Unit (being the Net Asset Value of the Deposited Property divided by the number of Units then in issue) is calculated by the Manager in accordance with this Deed as and when an annual valuation report of the Trust's Real Estate is issued by the Approved Valuer for the relevant period, and that such Net Asset Value of the Deposited Property and Net Asset Value of the Deposited Property per Unit shall be published in the annual report for the Trust;
- (xvi) require that the Manager reports to the Trustee as soon as reasonably practicable any breaches of this Deed and the provisions of the REIT Code and the Trustee shall inform the SFC of such breaches, where appropriate, upon notification by the Manager;
- (xvii) be responsible for the appointment of the board of directors of all Special Purpose Vehicles as provided in Clause 10.4.5;
- (xviii) send or cause to be sent to the Manager all notices, reports, accounts, circulars and other documents which are received by it or on its behalf as the holder of any Authorised Investment for the time being constituting part of the Deposited Property; and
- (xix) carry out all of its other obligations specified in this Deed, including but not limited to its obligations in relation to Connected Party Transactions as set out in Clause 16.

18.16.3 Where the Trustee is required under this Deed to act upon the Manager's instructions, the Trustee shall nonetheless be subject to the overriding fiduciary duties it owes the Trust.

18.17 Disclosure to Trustee

Without prejudice to Clause 18.14.17, the Trustee shall have the power to require any Holder to promptly disclose to the Trustee all of the Holder's beneficial interests in Units.

19. Concerning the Manager

19.1 Manager's Activities

The Manager shall carry out all activities as the Manager may deem necessary for the management of the Trust and its business. Without limiting the generality of the foregoing, the Manager shall, in managing the Trust and its business, undertake the following activities:

- 19.1.1** develop a business plan for Real Estate in the short, medium and long term with a view to maximising income of the Trust;
- 19.1.2** purchase, transfer, acquire, hire, lease, license, exchange, dispose of, convey, surrender or otherwise deal with any Real Estate in furtherance of the investment policy and prevailing investment strategy of the Trust;

- 19.1.3** supervise and oversee the management of Real Estate (including but not limited to lease audit, systems control, data management and business plan implementation) in accordance with the provisions of this Deed;
- 19.1.4** generally advise on and procure through service providers under Clause ~~19.9~~19.9.3 the maintenance of any Real Estate, including but not limited to such repair, painting, alteration, rebuilding and/or improvement of any Real Estate or Real Estate Related Asset which the Manager considers to be necessary or desirable;
- 19.1.5** prepare annual budgets for the Trust and the management and operation of the Investments of the Trust;
- 19.1.6** manage the preparation and production of annual performance reports as required by the ~~relevant authorities~~Competent Authorities for the Trust;
- 19.1.7** make the necessary announcements in relation to the Trust as may be required by the ~~Listing~~applicable Rules;
- 19.1.8** lodge statutory returns;
- 19.1.9** prepare and monitor the financial and statutory accounts of the Trust;
- 19.1.10** manage all tax affairs of the Trust including the appointment of advisors as required;
- 19.1.11** act in the best interests of the Trust and provide diligent and responsible management of the assets and liabilities of the Trust;
- 19.1.12** ensure the proper, smooth and efficient performance of its obligations under this Deed or under law and legislative requirements;
- 19.1.13** give directions to the Trustee to ensure the smooth and efficient performance of the Trustee's duties under this Deed or under law or legislative requirements;
- 19.1.14** determine if any Taxes, expenses, outgoings, losses debts or obligations will be paid or borne out of the capital or income of the Trust;
- 19.1.15** institute, defend, conduct, settle, discontinue or compromise legal proceedings as the Manager, with the approval of the Trustee, deems fit;
- 19.1.16** undertake primary management activities in relation to the Trust, including but not limited to:
 - overall strategy
 - new acquisition and disposal analysis
 - marketing and communications
 - individual asset performance and business planning
 - market performance analysis
- 19.1.17** manage Real Estate and Real Estate Related Assets through the procurement of service providers under Clause 19.9 to carry out specified activities, including but not limited to:
 - onsite and mobile property management
 - property presentation and maintenance

- budget preparation for individual buildings
- leasing services including but not limited to new leases, review and renewals
- at-call customer services
- rent collection
- arrears control

19.1.18 manage the finances of the Trust, including but not limited to:

- account preparation
- capital management
- co-ordination of the budget process
- forecast modelling
- performance analysis and reporting
- corporate treasury functions
- ongoing financial market analysis

19.1.19 develop and maintain investor relations, including but not limited to:

- customer service to the investors
- complaints handling
- Register analysis
- information co-ordination and distribution
- co-ordination of investor and analyst briefing and marketing
- co-ordination of media releases and stock exchange announcements
- corporate branding
- liaise with and respond to queries from the public in relation to the Trust

19.1.20 ensure legal and corporate compliance in relation to Real Estate and Real Estate Related Assets, including but not limited to:

- legal support on acquisitions, disposals and leasing
- due diligence
- compliance with relevant regulators' rules and procedures and this Deed
- reporting to and communicating with the Audit and Compliance Committee
- maintenance of appropriate licences and regulatory approvals

- 19.1.21** manage and supervise service providers appointed under Clause 19.9 for the conduct project leasing, marketing and customer relationship management activities, including but not limited to:
- leasing of existing properties and new developments
 - co-ordination of external agents
 - co-ordination of marketing materials
 - competitor analysis
 - customer relationship management programme, including but not limited to reviewing of future business needs for existing tenants and new business developments
- 19.1.22** prepare such property market reports which the Manager considers to be relevant and appropriate; and
- 19.1.23** carry out such other activities as the Manager may consider necessary from time to time.

19.2 Manager not Responsible for Errors of Judgement

The provisions of this Clause 19.2 are subject to Clause 19.8. The Manager may act upon any advice of or information obtained from any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Manager and the Manager shall not be liable for anything done or omitted or suffered in reliance upon such advice or information PROVIDED THAT the Manager has acted in good faith and with due care in the appointment thereof. The Manager shall not be responsible for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid PROVIDED FURTHER THAT the Manager has acted in good faith and with due care in the appointment thereof. Any such advice or information may be obtained or sent by letter, telex message, facsimile or other electronic means and the Manager shall not be liable for acting in good faith and in the absence of fraud, negligence, wilful default or breach of this Deed on any advice or information purported to be conveyed by any such letter, telex message, facsimile or other electronic means although the same contains some error or shall not be authentic. Notwithstanding the above, the Manager shall be responsible at all times for the management of the Trust and the investment of the Deposited Property.

19.3 Manager's Discretion Absolute

Except if and so far as herein otherwise expressly provided the Manager shall as regards all the powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud, negligence, wilful default or breach of this Deed, or breach of the applicable Rules, the Manager shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof. Notwithstanding the above, the Manager shall be responsible at all times for the exercise or non-exercise of its powers, authorities and discretions in respect of the management of the Trust and the investment of the Deposited Property.

19.4 Manager to Prepare Cheques and Warrants

It shall be the duty of the Manager or its agent to prepare all cheques, warrants, statements and notices which the Trustee has to issue, send or serve as hereby provided, to stamp the same as necessary and (where authorised by the Trustee) to sign the same on behalf of the Trustee and despatch them on the day on which they ought to be despatched or (otherwise) to deposit the same (with the necessary stamped and addressed envelopes) with the Trustee so as to afford the Trustee ample time to examine and sign the same and despatch them on the proper day.

19.5 Good Faith of Manager

In the absence of fraud, negligence, wilful default or breach of this Deed or breach of any applicable Rules by the Manager it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder.

19.6 Limitation of Liability of Manager

The Manager shall not be under any liability except such liability as may be assumed by it under this Deed nor shall the Manager (save as herein otherwise appears) be liable for any act or omission of the Trustee.

19.7 Books

The Manager or its agent shall keep or cause to be kept proper books of accounts and records in which shall be entered all transactions effected by the Manager for account of the Trust and shall permit the Trustee from time to time on demand to examine and take copies of or extracts from any such books.

19.8 Manager Free to Carry on Transactions

Subject to the applicable Rules, Nothing herein shall prevent the Manager or any Related Party thereof from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as Trustee of the Trust) or any Holder or any Depositor or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction, PROVIDED THAT any such transaction shall be on an arm's length basis in compliance with Clause 16. The Manager or any Related Party thereof shall not be liable to account to the Trustee or to the Holders or (as the case may be) the Depositors, or any of them, for any profits or benefits or other commissions made or derived from or in connection with any such transaction if it complies with Clause 16.

19.9 Appointment of Agents and Experts by Manager

Without in any way affecting the generality of its powers, the Manager in managing the Trust and in carrying out and performing the duties and obligations on its part herein contained may with the written consent of the Trustee appoint such person or persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under this Deed PROVIDED THAT the Manager shall be liable for all losses, liabilities, damages, costs and expenses suffered or incurred by the Trust arising from all acts and omissions of such persons as if such acts or omissions were its own acts or omissions and PROVIDED FURTHER THAT the Manager shall use its reasonable efforts to ensure that its delegates, and the selection and on-going

monitoring of such delegates, complies with the requirements set out in the applicable Rules. Without limiting the generality of the foregoing, the Manager may with the written consent of the Trustee:

- 19.9.1** by power of attorney appoint any person to be attorney, agent or delegate of the Manager for such purposes and with such powers and authorities as it thinks fit, with power for the attorney or agent to sub-delegate any such powers, authorities or discretions and also to authorise the issue in the name of the Manager of documents bearing facsimile signatures of the Manager or of the attorney or agent either with or without proper manuscript signatures of its officers thereon and may appoint by writing or otherwise any person to be sub-agent of the Manager as the Manager thinks necessary or proper for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as it thinks fit PROVIDED THAT the Manager shall be liable for all losses, liabilities, damages, costs and expenses suffered or incurred by the Trust arising from all acts or omissions of any such attorney, agent, or delegate (including agents or delegates appointed by the Trustee at the discretion of the Manager), sub-delegate or sub-agent as if such acts or omissions were its own acts or omissions, and shall be solely responsible for the remuneration of any such attorney, agent, delegate, sub-delegate or sub-agent;
- 19.9.2** appoint and engage or direct the Trustee to appoint and engage any Approved Valuers, legal practitioners, accountants, surveyors, real estate agents, contractors, investment managers, investment advisers, qualified advisers, service providers and such other persons as may be necessary, usual or desirable for the purpose of exercising its powers and performing its obligations hereunder and subject as otherwise expressly provided in this Deed, all fees, charges and moneys payable to any such persons and all disbursements, expenses, duties and outgoings in relation thereto shall be paid from the Deposited Property PROVIDED THAT any such person appointed or engaged be approved by the Trustee and where applicable, such person appointed or engaged complies with the qualifications set out in the Property Funds Appendix applicable Rules; and
- 19.9.3** appoint and engage or direct the Trustee to appoint and engage any real estate agents or managers or service providers or such other persons in relation to the project management, lease management, marketing or property management of any of the Investments and even if such real estate agents or managers are Related Parties of the Manager (PROVIDED THAT in such event the Related Party shall provide such services to the Trust on normal commercial terms) and pay to such real estate agents or managers in respect of their services such fees as are commercially reasonable or usual and are approved by the Trustee which shall be paid out of the Deposited Property as an expense of the Trust PROVIDED THAT any such person appointed or engaged be approved by the Trustee and, where applicable, such person appointed or engaged complies with the qualifications set out in the Property Funds Appendix applicable Rules.

19.10 Directors' Disclosure Obligations

- 19.10.1** Each director of the Manager shall give notice to the Manager of his acquisition of Units or to changes to the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest, as applicable.
- 19.10.2** A director of the Manager is deemed to have an interest in Units in the following circumstances:

- (i) where the director is the beneficial owner of a Unit (whether directly as a registered Holder or through a direct securities account with the Depository or indirectly through a depository agent, Participant or otherwise), he is deemed to have an interest in that Unit;
- (ii) where a body corporate is the beneficial owner of a Unit and the director is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the body corporate, he is deemed to have an interest in that Unit;
- (iii) where the director's spouse or infant child (including step-child and adopted child) has any interest in a Unit, he is deemed to have an interest in that Unit;
- (iv) where the director, his spouse or infant child (including step-child and adopted child):
 - (a) has entered into a contract to purchase a Unit;
 - (b) has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
 - (c) has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
 - (d) is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting holders of Units) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder,

the director is deemed to have an interest in that Unit; and
- (v) where the property subject to a trust consists of or includes a Unit and the director knows or have reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit, he is deemed to have an interest in that Unit.

19.11 Indemnity Out of Deposited Property

Subject as herein expressly provided and without prejudice to any right of indemnity at law given to the Manager, the Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager to have recourse to the Deposited Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of this Deed by the Manager.

19.12 Duties of Manager for SFC-Authorised REITs

For so long as the Trust is a SFC-Authorised REIT, the Manager shall, and shall have the power to, carry out the following:

- 19.12.1** manage the Trust and Deposited Property in accordance with this Deed in the sole interests of the Holders;

- 19.12.2 fulfil the duties imposed on it under general law as the manager of the Trust;
- 19.12.3 ensure that in managing the Trust, it has sufficient oversight of the daily operations and financial conditions of the Trust and Deposited Property, and shall remain to be the key decision-maker of all material matters relating to the management of the Trust;
- 19.12.4 ensure that the financial and economic aspects of Deposited Property are professionally managed in the sole interest of the Holders, including:
- (i) formulating the investment strategy and policy of the Trust and managing risks connected with the Trust efficiently;
 - (ii) determining the borrowing limit of the Trust, complying at all times with the provisions of Clause 10.11.2;
 - (iii) investing Deposited Property only in Real Estate and other REIT Code Authorised Investments;
 - (iv) managing the cashflow of the Trust;
 - (v) managing the financial arrangements of the Trust;
 - (vi) formulating dividend payment schedules of the Trust;
 - (vii) arranging adequate property insurance and public insurance coverage in relation to that part of the Deposited Property comprising Real Estate;
 - (viii) planning the tenant mix and identifying potential tenants for the Real Estate owned by the Trust;
 - (ix) formulating and implementing leasing strategies for the Real Estate owned by the Trust;
 - (x) enforcing tenancy conditions for the Real Estate owned by the Trust;
 - (xi) ensuring compliance with government regulations in respect of Real Estate owned by the Trust;
 - (xii) performing tenancy administration work, including managing tenants occupancy and ancillary amenities, and negotiating with tenants on grant, surrender and renewal of leases, rent review, termination and re-letting of premises;
 - (xiii) conducting rental assessment, formulating tenancy terms, preparing tenancy agreements, rent collection and accounting, recovery of arrears and possession for the Real Estate owned by the Trust;
 - (xiv) securing and administering routine management services (either internally by the Manager or through the appointment of external third parties) for the Real Estate owned by the Trust, including security control, fire precautions, communication systems and emergency management;
 - (xv) formulating and implementing policies and programmes in respect of building management, maintenance and improvement for the Real Estate owned by the Trust;

- (xvi) initiating refurbishment of any part of the Deposited Property comprising Real Estate under management and monitor such activity;
- (xvii) appointing and reviewing the performance of the Auditors and the auditors for Special Purpose Vehicles;
- (xviii) calculating the Net Asset Value of the Deposited Property in accordance with this Deed;
- (xix) nominate a suitably qualified person to be an Approved Person in respect of the Trust; and
- (xx) cause to maintain the status of the Trust as an authorised collective investment scheme in the nature of a real estate investment trust under Section 104 of the SFO.

19.12.5 ensure that the Trust (including where relevant, a Special Purpose Vehicle) has good marketable legal and beneficial title to the Real Estate owned by the Trust (including where relevant, a Special Purpose Vehicle), and that each of the contracts (such as property contracts, rental agreements, joint venture or joint arrangement agreements and any other agreements) entered on behalf of the Trust (including where relevant, a Special Purpose Vehicle) with respect to its assets is legal, valid and binding, and enforceable by or on behalf of the Trust in accordance with its terms;

19.12.6 implement appropriate policies and conduct due diligence such that Investments are made only after careful and diligent investigations by the Manager as required by the REIT Code. All such procedures and processes followed, and decisions made in relation to whether to invest or not to invest in a particular country or a property by the Trust shall be fully, properly and clearly documented as part of the record-keeping function of the Manager as required by the REIT Code;

19.12.7 maintain or cause to be maintained proper books and accounts and records of the Trust (and of all Special Purpose Vehicles and joint ownership arrangements) in Hong Kong and contain the information required by the REIT Code, and shall permit the Trustee from time to time on demand to examine and take copies of or extracts from any such books. The Manager shall prepare or cause to be prepared the Trust's financial statements which are in agreement with the Trust's books and records and in accordance with the IFRS, other relevant provisions of the REIT Code, this Deed and which give a true and fair view of the state of affairs of the Trust at the end of the relevant Financial Year and of the financial transactions of the Trust for the relevant Financial Year. The Manager shall cause the Accounts to be audited by the Auditors and auditors of the Special Purpose Vehicles;

19.12.8 prepare and publish: (a) annual reports and accounts to be distributed to Holders and filed with the SFC within three months of the end of the relevant Financial Year; and (b) semi annual reports to be distributed to Holders and filed with the SFC within two months of the end of the period they cover, in each case complying with the provisions of the REIT Code and this Deed;

19.12.9 ensure that this Deed and all material agreements relating to the Trust (including those in relation to the listing of Units on the SEHK, but excluding such documents containing commercially sensitive information as determined at the discretion of the Manager) are made available for inspection by the public in Hong Kong, free of charge, at all times during Business Hours at the place of business of the Manager in Hong Kong; and ensure that copies of such documents are available upon request by any person upon the payment of a reasonable fee;

- 19.12.10** ensure that Holders are given sufficient prior notice, and where applicable, right to vote, with respect to any material change to the Trust, including, without limitation, an increase in the level of Management Fees, changes in investment objectives or policies or proposal to de-authorise or de-list the Trust;
- 19.12.11** ensure compliance with the licensing and authorisation conditions of the Manager and the Trust and with any applicable laws, rules, codes or guidelines issued by government departments, regulatory bodies, exchanges or any other organisations regarding the activities of the Trust or its administration and the activities of the Special Purpose Vehicles, including satisfying the SFC that internal systems, controls and procedures are in place to ensure all applicable requirements are complied with;
- 19.12.12** notify the Trustee as soon as possible of any breaches of any provision of the REIT Code and this Deed and take all necessary steps within a reasonable period of time to remedy such breach, taking into account the interests of Holders; and
- 19.12.13** disclose to Holders of the name of any Significant Holder with which it has a relationship, and the nature of such relationship.

20. Covenants by the Manager and Trustee

20.1 Covenants by Manager

In addition to the other covenants of the Manager as set out in this Deed, the Manager hereby covenants as follows:

- 20.1.1** that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner and will ensure that the Trust is carried on and conducted in a proper and efficient manner;
- 20.1.2** that it will pay to the Trustee within five days after its receipt by the Manager of any moneys which are payable hereunder by the Manager to the Trustee. No interest is payable on such moneys and the Manager shall not be obligated hereunder to place any such moneys in interest-bearing accounts but in the event that such moneys are so placed in interest-bearing accounts, the Trust shall have the benefit of any interest accruing to such moneys in the interim;
- 20.1.3** that it will not sell any Units otherwise than on the terms and at a price calculated in accordance with the provisions hereof;
- 20.1.4** that it will to the same extent as if the Trustee were a Director of the Manager (i) make available to the Trustee or representative, or any approved company auditor appointed by it, for inspection within a reasonable time the whole of the books of the Manager whether kept at the registered office of the Manager or elsewhere and (ii) give to the Trustee or any such auditor such oral or written information as it or he requires within a reasonable time with respect to all matters relating to the undertaking, scheme or enterprise of the Manager or any property (whether acquired before or after the date hereof) of the Manager or otherwise relating to the affairs thereof;
- 20.1.5** that it will make available or ensure that there is made available to the Trustee or representative within a reasonable time such oral or written information as the Trustee or representative requires with respect to all matters relating to the Trust;

- 20.1.6 that it will send to Holders or (as the case may be) Depositors, within three months of the end of each Financial Year, an annual report disclosing the matters set out in the Property Funds Appendix;
- 20.1.7 that it and its Related Parties will conduct all transactions with or for the Trust at arm's length;
- 20.1.8 that it will not pay or cause to be paid any fees out of the Trust that have not been provided for in this Deed;
- 20.1.9 that it will at all times comply with the applicable Rules and the Tax Ruling,~~the Property Funds Appendix and the Listing Rules~~;
- 20.1.10 that it will keep or cause to be kept such books as will sufficiently explain the transactions and financial position of the Trust and enable true and fair accounts to be prepared from time to time and in such manner as will enable such books to be conveniently and properly audited;
- 20.1.11 that it will prepare or cause to be prepared the Accounts relating to the Trust in accordance with the CodeIFRS;
- 20.1.12 that it will not permit a material change to its business (such that property fund management becomes an ancillary business); and
- 20.1.13 that it will execute or procure the execution of such other documents and carry out or procure the carrying out of such other acts as may be necessary to give effect to this Deed.

20.2 Covenants by Trustee

The Trustee hereby covenants as follows:

- 20.2.1 that it will exercise all due diligence and vigilance in carrying out its functions and duties and in safeguarding the rights and interests of Holders or (as the case may be) Depositors;
- 20.2.2 that it will cause the accounts relating to the Trust to be audited at the end of each Financial Year by the Auditors;
- 20.2.3 that it will send or cause to be sent by post to each Holder the Accounts of the Trust with the report of the Auditors thereon and the annual report on the Trust, within three months from the end of each Financial Year;
- 20.2.4 that it will send or cause to be sent to the Manager all notices, reports, accounts, circulars and other documents which are received by it or on its behalf as the holder of any Authorised Investment for the time being constituting part of the Deposited Property;
- 20.2.5 that it will conduct all transactions with or for the Trust at arm's length; and
- 20.2.6 that it will at all times comply with the Tax Ruling,~~the Property Funds Appendix and the Listing~~ and the applicable Rules.

21. Accounts

21.1 Preparation and Laying of Accounts before Annual General Meetings

21.1.1 The Trustee and Manager shall cause to be prepared the Accounts which shall contain such statements, reports and information as may be required by any applicable law or regulation, including the Code and the Listing Rules, subject to any waivers or extensions as may be granted by the Authority. In particular, the Trustee and the manager shall cause to be prepared a statement of total return of the Trust for the period since the preceding Accounts made up to a date not more than four months before the date of the Annual General Meeting. Such Accounts shall be laid before the Annual General Meeting and shall be accompanied by a balance sheet of the Trust as at the date to which the statement of total return is made up, being a balance sheet that gives a true and fair view of the state of affairs of the Trust as at the end of the period to which it relates.

21.1.2 The statement of total return and balance sheet of the Trust presented at the Annual General Meeting shall be accompanied by a statement signed by the Manager stating whether in its opinion the statement of total return of the Trust gives a true and fair view of the results of the business of the Trust for the period covered, whether the balance sheet of the Trust exhibits a true and fair view of the state of affairs of the Trust as at the end of that period, and whether at the date of the statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

21.2 Accounting Principles

Such Accounts shall be prepared in accordance with this Deed and ~~generally accepted accounting principles in Singapore,~~ the IFRS, so as to give a true and fair view of the state of affairs and movements in Holders' funds of the Trust at the end of the relevant Financial Year and of the results and cash flow of the Trust for the Financial Year then ended.

21.3 Audit

Such Accounts shall be audited by the Auditors and shall be accompanied by a report of the Auditors stating whether, in their opinion, the Accounts are properly drawn up in accordance with this Deed and ~~generally accepted accounting principles in Singapore,~~ the IFRS, so as to give a true and fair view of the state of affairs and movements in Holders' funds of the Trust at the end of the relevant Financial Year and of the results and cash flow of the Trust for the Financial Year then ended.

22. Auditors

22.1 Appointment and Removal of Auditors

The Auditors shall be an accounting firm or corporation as described in the Accountants Act, Chapter 2 of Singapore and shall be appointed by an Ordinary Resolution duly passed by Holders or (as the case may be) Depositors at each Annual General Meeting. For so long as the Trust is a SFC-Authorised REIT, the Auditors shall be qualified under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) for appointment as an auditor of a company in Hong Kong and independent of the Manager and the Trustee.

The Auditor so appointed shall hold office until the conclusion of the next Annual General Meeting, unless they resign or are removed, and are replaced by other Auditors, in accordance with this Clause 22.

22.2 Voluntary Retirement

The Auditors may voluntarily retire by notice in writing to the Manager. Upon the retirement of the Auditors the Manager shall, with the consent of the Trustee, appoint other Auditors in their place.

22.3 Removal by Extraordinary Resolution

The Auditors may be removed, and other Auditors appointed, by Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) the Depositors.

22.4 Fees of Auditors

The fees (including disbursements) of the Auditors in connection with the audit of the Accounts referred to in Clause 21 shall be fixed at the Annual General Meeting, and if so authorised by Holders or (as the case may be) Depositors at the last preceding Annual General Meeting, by the Manager.

Such fees and disbursements of the Auditors shall be paid out of the Deposited Property.

22.5 Costs of Removal

Any costs and expenses incurred in connection with the removal or retirement of the Auditors under this Clause 22 shall be payable out of the Deposited Property.

23. Appointment, Removal or Retirement of Trustee

23.1 Appointment of Trustee

HSBC Institutional Trust Services (Singapore) Limited is hereby appointed as Trustee for the Holders.

23.2 Retirement of Trustee

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee, with the prior written consent of the Competent Authorities (where applicable), of a new Trustee. The retirement of the Trustee shall take effect at the same time as the new Trustee takes up office as the trustee of the Trust. In the event of the Trustee desiring to retire it shall give notice in writing to that effect to the Manager and the Manager shall use its best endeavours to appoint another person (duly qualified and approved as may be required by the applicable Rules and the law for the time being applicable to this Deed) as the new Trustee for the Holders in the place of the retiring Trustee upon and subject to such corporation entering into a deed supplemental hereto providing for such appointment. If no new Trustee is appointed by the Manager as aforesaid within a period of three months after the date of receipt by the Manager of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new Trustee on the same basis as aforesaid. On retirement, the Trustee must vest the Deposited Property in the new Trustee, and give the new Trustee all books, documents, records and any other property held by or on behalf of the Trustee relating to the Trust.

23.3 Removal of Trustee

The Trustee may be removed by notice in writing to the Trustee by the Manager in any of the following events:

- 23.3.1** if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager), becomes bankrupt or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
- 23.3.2** if the Trustee ceases to carry on business;
- 23.3.3** if the Trustee fails or neglects after reasonable notice from the Manager to carry out or satisfy any material obligation imposed on the Trustee by this Deed;
- 23.3.4** if the Holders or (as the case may be) the Depositors, by Extraordinary Resolution duly passed at a meeting of Holders or (as the case may be) Depositors held in accordance with the provisions contained in ~~the Schedule hereto~~¹ and of which not less than 21 days' notice has been given to the Trustee and the Manager shall so decide; and
- 23.3.5** ~~the~~ Competent Authority directs that the Trustee be removed.

In any of such events the Manager shall, with the prior approval of the Competent Authorities (where applicable), appoint another person (duly approved as may be required by the law for the time being applicable to this Deed) as the new Trustee of the Trust and the Trustee shall upon receipt of notice by the Manager execute such deed as the Manager shall require under the common seal of the Trustee appointing the new Trustee to be Trustee of the Trust and shall thereafter *ipso facto* cease to be the Trustee.

23.4 Costs of Removal

Any costs and expenses incurred in connection with the removal or retirement of the Trustee under this Clause 23 shall be payable out of the Deposited Property.

24. Removal or Retirement of Manager

24.1 Removal of Manager

The Manager shall be subject to removal by notice in writing given by the Trustee in any of the following events:

- 24.1.1** if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee), becomes bankrupt or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the Manager;
- 24.1.2** if the Manager ceases to carry on business;
- 24.1.3** if the Manager fails or neglects after reasonable notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by this Deed;
- 24.1.4** if the Holders or (as the case may be) the Depositors, by a resolution passed by a simple majority of Holders or (as the case may be) Depositors present and voting (with no Holders or (as the case may be) Depositors being disenfranchised) at a meeting of Holders or (as the case may be) Depositors held in accordance with the provisions contained in ~~the Schedule hereto~~¹ and of which not less than 21 days' notice has been given to the Manager and the Trustee shall so decide;

- 24.1.5** without prejudice to Clause 24.1.4, if the Holders representing at least 75 per cent. in value of the Units outstanding (excluding those held or deemed to be held by the Manager, as well as by any Holders who may have an interest in retaining the Manager) deliver to the Trustee a written request to dismiss the Manager;
- 24.1.6** ~~24.1.5~~ if for good and sufficient reason the Trustee is of the opinion, and so states in writing such reason and opinion, that a change of Manager is desirable in the interests of the Holders PROVIDED THAT if the Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the Manager, the second of whom shall be appointed by the Trustee and the third of whom shall be appointed by the Chairman for the time being of the SGX-ST (failing which appointment, the third arbitrator shall be jointly appointed by the Manager and the Trustee) and any decision made pursuant hereto shall be binding upon the Manager, the Trustee and the Holders; and
- 24.1.7** ~~24.1.6~~ if the Authority directs the Trustee to remove the Manager; or
- 24.1.8** if any Competent Authority withdraws its approval of the Manager to act as manager of the Trust.

In any of the cases aforesaid, the Manager shall upon notice by the Trustee as aforesaid *ipso facto* cease to be the Manager and the Trustee shall, with the prior approval of the Competent Authorities (where applicable), by writing under its seal appoint some other corporation upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Manager, which deed shall if so required by the Manager provide that the words “**FORTUNE**” or “**FORTUNE REIT**” or any abbreviation thereof shall not thereafter form part of the name of the Trust PROVIDED THAT this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which in accordance with the provisions herein contained the right of terminating the Trust is vested in the Trustee.

24.2 Retirement of Manager

- 24.2.1** The Manager shall have the power to retire in favour of a corporation approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in Clause 24.1. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Manager to the Trustee under this Deed at the date thereof the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Trustee or of any Holder, former Holder, Depositor, former Depositor or other person in respect of any act or omission prior to such retirement.
- 24.2.2** For so long as the Trust is a SFC-Authorised REIT,
- (i) the retirement of the Manager under Clause 24.2.1 will be subject to: (a) the Manager selecting a new manager duly qualified under the applicable Rules and acceptable to the Trustee and the SFC; and (b) the requirement in the REIT Code that such retirement will not adversely affect the interests of the Holders in any material respect; and
 - (ii) the Trustee shall inform the SFC forthwith of any proposal or decision to remove the Manager. Upon the retirement or dismissal of the Manager, the Trustee shall appoint a new manager for the Trust as soon as possible whose appointment has been subject to the prior approval of the SFC.

24.3 Manager's Holding of Units

Upon any removal or retirement, the removed or retiring Manager shall (unless it has exercised its right under Clause 24.1 to require the new Manager to purchase the same) remain entitled to all Units which it holds or is deemed to hold and to be registered in the Register in respect thereof and thereafter to have and exercise all rights of a Holder of such Units.

24.4 Notice to Holders

The Trustee shall, as soon as practicable, after the appointment of the new Manager, give notice in writing to the Holders specifying the name and address of the office of the new Manager.

24.5 Costs of Removal

Any costs and expenses incurred in connection with the removal or retirement of the Manager under this Clause 24 shall be payable out of the Deposited Property.

24.6 Arbitrator

If pursuant to Clause ~~24.1.5~~24.1.6 the matter has been referred to arbitration, the removal of the Manager shall only take effect when a decision that the Manager shall be removed is made pursuant to such arbitration.

25. Advertisements

25.1 Advertisement and other Documents

No advertisement, circular or other document containing any statement with reference to the Issue Price or sale price of Units or the payments or other benefits received or likely to be received by Holders, or containing any invitation to subscribe for or purchase Units, shall be published or caused to be published by or on behalf of the Manager unless the document in question is in compliance with all applicable law, regulation and the ~~Code~~Rules with regard to advertisements and also contains a statement of the yield from the Units, except that the Manager is hereby authorised to arrange at its discretion for the publication of the current Issue Price and Repurchase Price of Units from time to time in major local newspapers circulating in Singapore and Hong Kong. The Manager may publish any advertisement which makes a forecast or projection on the financial performance of the Trust for such period and under such circumstances as may be permitted by the ~~Authority~~applicable Rules or the Competent Authorities (where applicable).

25.2 Requisite Consents

The Manager shall be responsible for obtaining all requisite consents for the issue or publication of any statement, circular or other document from the relevant authorities in any country or state in which issue or publication thereof is effected by the Manager or its agents.

26. Termination or Merger of the Trust

26.1 Duration

The duration of the Trust constituted by this Deed is of indeterminate duration and subject to Clause 26.4, may be terminated as follows:

26.1.1 by the Manager under Clause 26.2; or

26.1.2 by the Trustee under Clause 26.3;

- 26.1.3** if the Trust is wound up by a court order or is otherwise terminated by the operation of law;
- 26.1.4** with the specific prior approval by Extraordinary Resolution under Clause 26.4; or
- 26.1.5** for any reason, there is no manager under the Trust for a period of more than 60 calendar days or such longer period as the Trustee considers appropriate.

The Manager shall inform Holders as soon as reasonably practicable of the intention to terminate the Trust by way of announcement. The Manager shall serve on the Holders, within 21 days of such announcement, a circular containing the following information: (i) the rationale for the termination of the Trust; (ii) the effective date of the termination; (iii) the manner in which the Deposited Property is to be dealt with; (iv) the procedures and timing for the distribution of the proceeds of the termination; (v) a valuation report of the Trust prepared by an Approved Valuer which is dated not more than three months before the date of the circular; (vi) the estimated costs of the termination and who is expected to bear such costs; and (vii) such other material information that the Manager determines that the Holders should be informed of.

26.2 Termination By Manager

The Manager may, ~~subject to Clause 26.4, in its absolute discretion~~ terminate the Trust by giving notice in writing thereof to all Holders ~~or (as the case may be) the Depository, in respect of the Depositors, and the Trustee~~ not less than three months in advance and to the Authority not less than seven days before the termination in any of the following circumstances:

- 26.2.1** if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust;
- 26.2.2** if the Net Asset Value of the Deposited Property shall be less than HK\$200,000,000 after the end of the first anniversary of the date of this Deed or any time thereafter; and
- 26.2.3** if at any time the Trust becomes Unlisted after it has been Listed.

26.3 Termination By Trustee

Subject to Clause 26.4, the Securities and Futures Act and any other applicable law or regulation, the Trust may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:

- 26.3.1** if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a Receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Trustee fails to appoint a successor Manager pursuant to Clause 24.1;
- 26.3.2** if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust; and
- 26.3.3** if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire, the Manager shall have failed to appoint a new Trustee within the terms of Clause 23.2.

The decision of the Trustee in any of the events specified in this Clause 26.3 shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Trust pursuant to this Clause 26 or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

26.4 Termination by Extraordinary Resolution

26.4.1 Save as set out in Clauses 26.1.3 and 26.1.5, the termination of the Trust shall require specific prior approval by Extraordinary Resolution at a meeting of Holders to be convened by the Manager in accordance with Schedule 1. Where the proposal to terminate the Trust is recommended by the Manager, the Manager and any Related Party of the Manager shall abstain from voting if they hold interests in the Units and if their interest (at the sole determination of the Trustee) in terminating the Trust is different from that of all other Holders. The Trustee shall have no liability for any consequence arising out of such termination recommended by the Manager and approved by Extraordinary Resolution in the absence of fraud, bad faith, wilful default or negligence.

26.4.2 Upon the Holders' approval of the termination of the Trust, (i) no further Units shall be created, issued, cancelled or sold, and (ii) no transfer of Units may be registered and no other change to the Register may be made without the sanction of the Trustee.

26.5 26.4-Manner of Liquidation

Upon the Trust being terminated the Trustee shall, subject to authorisations or directions (if any) given to it by the Manager, the Holders or (as the case may be) the Depositors, pursuant to their powers contained in the Schedule hereto, and subject to compliance with the applicable Rules, proceed as follows:

26.5.1 ~~26.4.1~~ the Trustee shall sell all Investments then remaining in its hands as part of the Deposited Property and shall repay any borrowing effected by the Trust under Clause 10.11 (together with any interest accrued but remaining unpaid) for the time being outstanding and all other debts and Liabilities in respect of the Trust before applying the balance to the Holders. Accordingly, all secured creditors will be repaid before unsecured creditors. Secured creditors will be repaid in the order of priority of their respective rights of security. On a winding up, the Trustee may retain from any distribution to be made to Holders an amount equal to any contingent liability to the IRAS under such indemnity. Such sale by the Trustee shall be carried out and completed in such manner and within such period after the termination of the Trust as soon as practicable. Any amount payable in respect of fees, costs and expenses charged by the Depository under the Depository Agreement or under any indemnity given to the Depository shall be ranked together with unsecured creditors and the Depository will rank equally with all other unsecured creditors in respect of any claim against the Trust under the indemnity given to the Depository. On a winding up, the Trustee may retain from any distribution to be made to Holders an amount equal to any contingent liability to the Depository under such indemnity or in respect of such fees, costs and expenses due to the Depository. Such sale by the Trustee shall be carried out and completed in such manner and within such period after the termination of the Trust as soon as practicable;

26.5.2 ~~26.4.2~~ the Trustee shall from time to time distribute to the Holders and the Depository in respect of the Depositors in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property

and available for the purposes of such distribution PROVIDED THAT the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay in respect of each undivided share in the Deposited Property the amount of the actual Issue Price of Units specified for the initial public offering of the Trust and PROVIDED ALSO THAT the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of this Clause 26 full provision for all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of this Trust and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution shall be made to the Holders and the Depository in respect of the Depositors in accordance with the provisions of Clause ~~12.1.11.1~~. Any unclaimed proceeds or other cash held by the Trustee under the provisions of this Clause 26 may at the expiration of 12 months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment;

26.5.3 ~~26.4.3~~ the Trustee may not distribute any Investment to any Holder or Depositor *in specie*; and

26.5.4 the Trustee may, but subject to the applicable Rules, at the direction of the Manager postpone the realisation of any Investment for so long as the Manager thinks fit and neither the Trustee nor the Manager shall be liable for any loss or damage attributable to postponement.

26.6 Merger of the Trust

26.6.1 The merger of the Trust shall require specific prior approval by Extraordinary Resolution at a meeting to be convened by the Manager in accordance with Schedule 1. Where the proposal to merge the Trust is recommended by the Manager, the Manager and any Related Party of the Manager shall abstain from voting if they hold interests in the Units and if their interest (at the sole determination of the Trustee) in merging the Trust is different from that of all other Holders. Where upon such merger the Trustee retires, any deed effecting the merger by which the Deposited Property and liabilities of the Trust are so merged shall include indemnification of the Trustee to its satisfaction. The Trustee shall cease to be liable for obligations and Liabilities of the Trust subsisting at the time of merger to the extent such obligations and Liabilities are subsequently discharged from and out of the merged entity, and shall have no other liability for the consequences arising out of any merger of the Trust recommended by the Manager and approved by Extraordinary Resolution other than any liability arising from the fraud, wilful default, bad faith or negligence of the Trustee.

26.6.2 The Manager shall inform Holders as soon as reasonably practicable of the intention to merge the Trust by way of announcement. The Manager shall serve on the Holders within 21 days of the announcement, a circular containing the following information (i) the rationale for the merger of the Trust; (ii) the effective date of the merger; (iii) the manner in which the Deposited Property is to be dealt with; (iv) the procedures and timing for the issuance or exchange of new Units arising from the merger; (v) a valuation report of the Trust prepared by an Approved Valuer which is dated not more than three months before the date of the circular; (vi) the estimated costs of the merger and the bearer of such costs; and (vii) such other material information that the Manager determines that the Holders should be informed of.

26.6.3 Upon the Holders' approval of the merger of the Trust, (i) no further Units shall be created, issued, cancelled or sold, and (ii) no transfer of Units may be registered and no other change to the Register may be made without the sanction of the Trustee.

26.6.4 Any merger pursuant to this Clause 26.6 may only take effect upon the successor entity assuming responsibility for the performance and discharge of all obligations and Liabilities of the Trust subsisting at the time of merger.

27. Documents and Notices

27.1 Announcements, Circulars and Notices while Trust is a SFC-Authorised REIT

For so long as the trust is a SFC-Authorised REIT, the following provisions shall apply.

27.1.1 The Manager shall keep Holders informed of any material information pertaining to the Trust in a timely and transparent manner as required by the applicable Rules.

27.1.2 All announcements, circulars and notices relating to the Trust shall, to the extent required by the REIT Code, be submitted to the SFC for prior approval. Upon such approval, they shall be disseminated to Holders as soon as reasonably practicable.

27.1.3 The Manager shall inform Holders by way of announcement as soon as reasonably practicable of any information concerning the Trust which:

- (i) is necessary to enable Holders to appraise the position of the Trust;
- (ii) is necessary to avoid a false market in the Units;
- (iii) might be reasonably expected to materially affect market activity in, and the price of, the Units; or
- (iv) requires Holders' approval.

For the purposes of this Deed, in the case of any references to an announcement in relation to matters concerning the Trust, the method of publication of such announcement shall be such method as may be required or permitted by the applicable Rules from time to time.

27.1.4 The Manager shall issue a circular to Holders in respect of transactions that, pursuant to the REIT Code (or in the reasonable opinion of the Trustee or the Manager), require Holders' approval, including:

- (i) the issuance of new Units pursuant to Clause 5;
- (ii) entering into a merger or acquisition;
- (iii) entering into a disposal of Real Estate within a period of less than two years from the Acquisition Date;
- (iv) changing the Manager or Trustee of the Trust;
- (v) changing the general nature or character of the Trust, such as the investment objective and/or policy of the Trust;
- (vi) changing the level of fees and charges of the Trust only if such alteration requires the approval of Holders;

(vii) entering into a Connected Party Transaction which requires Holders' approval pursuant to Clause 16.2; and

(viii) requesting the de-authorisation or de-listing of the Trust.

27.1.5 The Manager shall issue a circular to Holders in respect of material information in relation to the Trust, including:

(i) a transaction (other than a Connected Party Transaction) the value of which exceeds 15% of the gross asset value of the Trust;

(ii) a transaction (other than a Connected Party Transaction) for services performed in relation to the Real Estate of the Trust the value of which exceeds 15% of the aggregate value that the Trust committed to spend or has spent on services relating to Real Estate of the Trust during the twelve months preceding the relevant transaction;

(iii) a material change in the Trust's financial forecast made in any Offering Circular previously issued by the Trust;

(iv) an issue of new Units (other than Units issued pursuant to a dividend reinvestment plan) that does not require Holders' approval under the Code; and

(v) a valuation of the Real Estate of the Trust, conducted upon request by the Trustee under Clause 18.16.2(vi).

27.1.6 The Manager shall send out a circular to Holders within 21 days after the issuance of an announcement (or such longer or shorter period as the SFC may permit or require from time to time). Where a general meeting is to be held, the relevant circular shall be sent to Holders:

(i) 21 days prior to the day of such meeting (or such longer or shorter period as the SFC may permit or require from time to time) for a Extraordinary Resolution; and

(ii) 14 days prior to the day of such meeting (or such longer or shorter period as the SFC may permit or require from time to time) for an Ordinary Resolution.

27.1.7 The Manager shall inform Holders of the results of any Holders' voting at a general meeting by way of a notice.

27.1.8 An announcement on a termination or merger of the Trust shall be made as soon as reasonably practicable in accordance with the REIT Code. The Manager shall serve on the Holders, within 21 days of the announcement referred to in this Clause, a circular convening a general meeting in accordance with the REIT Code. Upon the completion of the liquidation of the assets or merger of the Trust, the Manager and the Trustee shall procure the preparation and delivery of such reports and statements as may be required by the REIT Code.

27.2 **27.1-Notices to Holders and Depositors**

Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left, in the case of Units not credited into a Securities Account, at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register and, in the case of Units credited into a Securities Account, at his address on record with the Depository, or in the case of Joint Depositors, to the Joint Depositor whose

name stands first in the record of the Depository Register. Any notice so served by post shall be deemed to have been served three days after posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted. Any charges payable to the Depository for serving notices or other documents to Holders shall be borne by the Deposited Property. For the avoidance of doubt, the Manager is not prohibited under this Deed to give notices to Holders whose registered address is outside Singapore or Hong Kong.

27.3 ~~27.2~~ Joint Holders

Service of a notice or document on any one of the Joint Holders shall be deemed effective service on the other Joint Holders. Service of a notice or document on any one of the Joint Depositors shall be deemed effective service on the other Joint Depositors.

27.4 ~~27.3~~ Sufficiency of Service

Any notice or document sent by post to or left at the registered address of a Holder in pursuance of this Deed shall, notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Manager has notice of his death or bankruptcy, be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

27.5 ~~27.4~~ Notices to Trustee and Manager

Any notice by the Trustee to the Manager or by the Manager to the Trustee shall be addressed to the Manager or the Trustee (as the case may be) at its specified office and shall be delivered by hand or sent by facsimile transmission, telex or prepaid post (airmail if overseas). Any such notice sent by facsimile transmission or telex shall be deemed to be served at the time of despatch and any such notice sent by post shall, in the absence of industrial action affecting any relevant part of the postal services, be deemed to have been served three days after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.

27.6 ~~27.5~~ Risk of Service

Any notice or document sent by post by the Trustee or the Manager shall be sent at the risk of the person entitled thereto.

27.7 ~~27.6~~ Substituted Service

Notwithstanding the preceding sub-Clauses of this Clause 27 but subject to paragraph 4.2 of the Schedule 1 relating to a meeting convened under Section 295 of the Securities and Futures Act and subject to the applicable Rules, any notice or other document required to be served upon or sent to all the Holders or (as the case may be) the Depositors for the time being shall be deemed to have been duly served or sent if published in any one leading English-language daily newspaper in Singapore and any one leading Chinese-language daily newspaper in Singapore and, if and for so long as the Trust is a SFC-Authorised REIT, one leading English-language daily newspaper in Hong Kong and any one leading Chinese-language daily newspaper in Hong Kong. Any notice or document so served or sent shall be deemed to have been so served or sent on the date of such publication and, if the publication in the two newspapers does not appear on the same day, on the date of the later publication.

28. Modification of Trust Deed

The Trustee and the Manager shall be entitled by deed supplemental hereto and with the prior approval of the ~~relevant authorities~~ Competent Authorities (where required under the applicable Rules) to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose PROVIDED THAT unless the Trustee shall certify in writing that in its opinion such modification, alteration or addition (i) does not materially prejudice the interests of the Holders or (as the case may be) the Depositors, and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Holders or (as the case may be) the Depositors and does not increase the costs and charges payable from the Deposited Property, (ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under ~~the Securities and Futures Act, the Code, the Property Funds Appendix, the Listing Rules of the SGX-ST and any other~~ any applicable rules of any other relevant Recognised Stock Exchange on which the Trust may be Listed Rules or (iii) is made to correct a manifest error, no such modification, alteration or addition shall be made without the sanction of an Extraordinary Resolution of a meeting of Holders or (as the case may be) the Depositors, duly convened and held in accordance with the provisions contained in ~~the~~ Schedule 1; PROVIDED ALSO THAT no such modification, alteration or addition shall impose upon any Holder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof. The Manager shall as soon as practicable after any modification, alteration or addition to the provisions of this Deed (in this Clause 28, the “**Amendment**”) give notice of the Amendment to the Holders, unless the Amendment is not in the opinion of the Manager (with the consent of the Trustee) of material significance. All fees, costs and expenses incurred by the Trustee or the Manager in connection with any such document supplemental to this Deed (including expenses incurred in the holding of a meeting of Holders or, as the case may be, Depositors, if necessary) shall be charged against the Deposited Property.

29. Provision of Information

The Manager and the Trustee shall, if requested to do so by any competent department or authority of the government or administration of Singapore and any other relevant jurisdiction (and whether or not required by law so to do), provide such department or authority with such facilities as it may require to inspect the Register and with such information regarding the Deposited Property or this Deed as may be requested by such department or authority. Neither the Manager nor the Trustee shall incur any liability to any Holder or (as the case may be) any Depositor as a result of the provision of such facilities or information.

30. Meetings of Holders

The provisions set out in ~~the~~ Schedule 1 relating to meetings of Holders shall have effect as if the same were included herein.

31. Property Funds Appendix Codes and Listing Rules

31.1 The Manager and the Trustee shall in the performance of their respective duties under this Deed with respect to the Trust at all times comply with applicable provisions of the Property Funds Appendix, subject to compliance with any applicable waiver or exemption given by the Authority in respect of the Property Funds Appendix. In the event of any conflict or inconsistency between the provisions of the Property Funds Appendix and any such waivers or exemptions, and the provisions of this Deed in relation to the Trust, then to the extent of such conflict or inconsistency, the provisions of the Property Funds Appendix and any such waivers or exemptions shall prevail.

31.2 For so long as the Trust is a SFC-Authorised REIT:

31.2.1 The Manager and the Trustee shall in the performance of their respective duties under this Deed with respect to the Trust at all times comply with applicable provisions of the REIT Code as if the same were set out in this Deed, subject to compliance with any applicable waiver or exemption given by the SFC in respect of the REIT Code. In the event of any conflict or inconsistency between the provisions of the REIT Code and any such waivers or exemptions, and the provisions of this Deed in relation to the Trust, then to the extent of such conflict or inconsistency, the provisions of the REIT Code and any such waivers or exemptions shall prevail.

31.2.2 In the event that the Units are listed on the SEHK, the Manager shall at all times comply with applicable provisions of the Hong Kong Listing Rules or any relevant regulations required by the SEHK, except to the extent a waiver from strict compliance with which has been obtained from the SEHK. The Trustee shall use its reasonable endeavours to assist the Manager, as appropriate and upon the request of the Manager, to comply with the Hong Kong Listing Rules.

32. Disclosure of Interests

For so long as the Trust is a SFC-Authorised REIT, the provisions of this Clause 32 shall apply.

32.1 Duty of Disclosure

32.1.1 Subject to Clause 32.2, the provisions of Divisions 2 to 4 of Part XV of the SFO (other than Section 328) shall apply to a person who:

- (a) is interested in Units, or who acquires an interest in or who ceases to be interested in Units; or
- (b) has a short position in Units, or who comes to have or ceases to have a short position in Units,

and, accordingly, a duty of disclosure shall arise hereunder in relation to that person on the occurrence of the relevant events described in Section 310 of the SFO in the circumstances specified in Section 313 of the SFO.

32.1.2 Subject to Clause 32.2, the provisions of Divisions 7 to 9 of Part XV of the SFO (other than Section 351) shall also apply to each of the Manager itself and a director or chief executive of the Manager who:

- (a) is interested in Units, or who acquires an interest in or who ceases to be interested in Units; or
- (b) has a short position in Units, or who comes to have or ceases to have a short position in Units,

and, accordingly, a duty of disclosure shall also arise hereunder in relation to the Manager and a director or chief executive of the Manager (as the case may be) on the occurrence of the relevant events described in Section 341 of the SFO in the circumstances specified in that Section.

32.1.3 Where a duty of disclosure arises hereunder on the occurrence of the relevant events described under Section 310 or 341 of the SFO by virtue of the provisions of this Clause 32, the relevant person shall give notice to the Manager and the SEHK in accordance with the provisions of Part XV of the SFO.

32.1.4 The Manager shall promptly send a copy of any notification received by it to the Trustee.

32.2 Manner of Disclosure

32.2.1 Subject to Clauses 32.3 to 32.5, the provisions of Part XV of the SFO (other than Sections 328 and 351) shall have effect, *mutatis mutandis*, as if:

- (a) the Trust is a “listed corporation” for the purposes of Part XV of the SFO;
- (b) the “relevant share capital” of such listed corporation are references to: (i) the Units which are issued and outstanding from time to time; and (ii) the Units which the Manager has agreed to issue, either conditionally or unconditionally, from time to time;
- (c) a Unit is a share comprised in the relevant share capital of such listed corporation;
- (d) a person who is interested in a Unit is interested in a share in the relevant share capital of such listed corporation;
- (e) the Manager itself is a director of such listed corporation;
- (f) the directors and chief executive of the Manager are the directors and chief executive respectively of such listed corporation;
- (g) “percentage level”, in relation to a notifiable interest, means the percentage figure found by expressing the aggregate number of Units in which the person is interested immediately before or (as the case may be) immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the Manager and rounding that figure down (if it is not a whole number) to the next whole number; and
- (h) “percentage level”, in relation to a short position, means the percentage figure found by expressing the aggregate number of Units in which the person has a short position immediately before or (as the case may be) immediately after the relevant time as a percentage of all the Units in issue at the relevant time as published by the Manager and rounding that figure down (if it is not a whole number) to the next whole number.

32.2.2 A reference to:

- (a) an interest in Units of a person shall be construed in the same manner as an interest in shares under Section 322 of the SFO;
- (b) a short position in Units of a person shall be construed in the same manner as a short position in shares under Sections 308 and 322 of the SFO;
- (c) an interest in Units of the Manager or a director or chief executive of the Manager (as the case may be) shall be construed in the same manner as an interest in shares under Section 346 of the SFO;
- (d) a short position in Units of the Manager or a director or chief executive of the Manager (as the case may be) shall be construed in the same manner as a short position in shares under Sections 308 and 346 of the SFO; and

- (e) the Manager shall not be construed as a controlled corporation of the Trustee for the purposes of Section 316 of the SFO solely to the extent and for so long as the Trustee's interests in the Manager arise in its capacity as trustee of the Trust.

32.3 Failure to Notify

32.3.1 If a person who has a duty of disclosure under this Clause 32 fails to make notification in accordance with the provisions of this Clause 32, irrespective of whether that person is a Holder or not, the Units in which that person is (or is deemed to be) interested in (the "Affected Units") shall be subject to the provisions in this Clause 32.3.

32.3.2 When the person interested in the Affected Units is a person other than the Manager, the Manager may, in its absolute discretion, take any or all of the following actions in respect of any or all of the Affected Units:

- (a) declare that the voting rights attached to any or all of the Affected Units to be suspended (and, upon such declaration, such voting rights shall be suspended for all purposes in connection with the Trust);
- (b) suspend the payment of any distributions in respect of any or all of the Affected Units (and, upon such suspension, any such distributions shall be retained in a trust account in the name of the Manager pending the application of such distributions);
- (c) impose an administrative fee of up to HK\$0.10 per Affected Unit for each day of non-compliance from the date on which disclosure is due to be made by the person;
- (d) suspend registration and/or decline to register any transfer of part or all of the Affected Units,

until the provisions of this Clause 32 are fully complied with to the satisfaction of the Manager.

32.3.3 Subject to Clause 32.3.5, the administrative fee referred to in Clause 32.3.2(c) shall be retained by the Manager for its use as it sees fit. If such fee is not paid by the relevant Holder or any other person, the Manager may (in its absolute discretion) withhold and deduct such fee from any distributions to be made in respect of the relevant Affected Units (and, pending the recovery of such fee, the Manager may (in its absolute discretion) exercise any of its rights set out in Clause 32.3.2). To the extent that any money is held in the trust account referred to in Clause 32.3.2(b), the Manager may apply such money against any such fee imposed in respect of the relevant Affected Units.

32.3.4 Subject to Clause 32.3.5, irrespective of whether any Holder is in default of the provisions of this Clause 32, each Holder shall be bound by the decision of the Manager under this Clause 32.3 and each Holder's Units shall be bound by such decision if the Manager declares (in its absolute discretion) that any or all of such Units are (or are deemed to be) Affected Units.

32.3.5 Where the person interested in the Affected Units is the Manager:

- (a) the Trustee may exercise the powers of the Manager under Clause 32.3.2 in respect of any or all of the Affected Units (and for the avoidance of doubt, any

suspension of payment of distribution under paragraph 32.3.2(b) shall be retained in a trust account in the name of the Trustee);

- (b) the Trustee may exercise the powers of the Manager under Clause 32.3.3 to retain the administrative fee for the benefit of the Trust and to take action if the fee is not paid; and
- (c) irrespective of whether the Manager is in default of the provisions of this Clause 32, the Manager shall be bound by the decision of the Trustee under this Clause 32.3.5 and its Units shall be bound by such decision if the Trustee declares (in its absolute discretion) that any or all of such Units are (or are deemed to be) Affected Units.

32.4 Register of Interests

32.4.1 The Manager shall keep a register for the purposes of this Clause 32 and it is under a duty to inscribe in the register, against a person's name, the particulars provided pursuant to this Clause 32 and the date of the inscription. Upon the request of the Trustee, the Manager shall make available the contents of the register for inspection by the Trustee and Holders.

32.4.2 Unless the register is in such form as to constitute an index in itself, the Manager shall keep an index of the names entered in the register which shall (in respect of each name) contain a sufficient indication to enable the information entered against it to be readily found.

32.4.3 The register and any associated index:

- (a) shall be kept at the places which the registers are kept; and
- (b) shall be available for inspection, during such hours as the registers are available for inspection, by Holders without charge.

Any such person may require a copy of any such register on payment of such fee as may be prescribed by the Manager from time to time.

32.5 Investigation of Interests

32.5.1 The Trustee and the Manager shall have the same powers and duties to investigate ownership of interests in Units as are conferred on a listed corporation under Division 5 of Part XV of the SFO to investigate ownership of interests in shares.

32.5.2 The powers and duties referred to in Clause 32.5.1 shall be exercised by or performed solely by the Manager except where the interest or short position (or deemed interested or deemed short position) relates to Units held by or in which the Manager is interested or has a short position, in which case the power shall be exercised by or the duty shall be performed solely by the Trustee.

32.5.3 Neither the Trustee nor the Manager shall have any liability for any action taken by it pursuant to this Clause 32 in good faith and each Holder shall be bound by the decision taken under Clause 32.3, including as to whether any or all of such Units are Affected Units.

32.5.4 Without prejudice to Clause 2.4, each Holder and all persons claiming through or under him (including without limitation, each participant of CCASS to whose account

any Units are for the time being credited by Hong Kong Securities Clearing Company Limited) expressly acknowledge and agree to the grant of the rights and powers set forth in this Clause 32 and agree to be bound by any action taken hereunder in good faith.

33. ~~32.~~ Substantial Holders

33.1 ~~32.1~~ Substantial Unit Holdings

33.1.1 ~~32.1.1~~—The provisions of Sections 81(1) to (3) and 82 to 87 (inclusive) of the Companies Act (and any regulations made and forms prescribed in relation thereto) apply with the necessary changes as if specifically incorporated in this Clause ~~32.33.~~

33.1.2 ~~32.1.2~~—Neither the Manager nor the Trustee shall, by reason of anything done under this Clause ~~32.33~~:

(i) be taken for any purpose to have notice of; or

(ii) be put on enquiry as to,

a right of any person to or in relation to a Unit.

33.2 ~~32.2~~ Beneficial Ownership

The Manager may by notice in writing require any Holder or (as the case may be) any Depositor, within such reasonable time as is specified in the notice to inform it:

33.2.1 ~~32.2.1~~—whether it holds any Units as beneficial owner or as trustee, and if any Units is held by it as trustee, as far as it can, the person for whom it holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of the interest; and

33.2.2 ~~32.2.2~~—whether any of the voting rights carried by any Units held by it is the subject of an agreement or arrangement under which another person is entitled to control the exercise of those rights and if so, to give particulars of the agreement or arrangement and the parties to it.

33.3 ~~32.3~~ Announcement to SGX-ST

The Manager upon receiving relevant notification from relevant persons will comply with requirements set out by the SGX-ST for announcements to be made to the SGX-ST in connection with substantial unit holdings and the interest of directors of the Manager in Units.

33.4 Public Float Requirement

For so long as the Trust is a SFC-Authorised REIT, the Manager shall use best efforts to ensure that a minimum of 25% (or any other percentage as may be specified or permitted by the SFC from time to time) (the “Public Float Percentage”) of the outstanding Units are held in public hands at all times. In the event that the Manager becomes aware that the percentage of the outstanding Units in the public hands has fallen below the Public Float Percentage, the Manager shall use its best efforts to restore the percentage of Units held in public hands to at least the Public Float Percentage. The Manager shall adopt proper internal procedures for monitoring the public float and shall notify the Trustee and the SFC promptly if such percentage falls below the Public Float Percentage.

34. ~~33.~~ Third Party Rights

A person who is not a party to this Deed may not enforce its terms under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, except that each Holder or (as the case may be) each Depositor may enjoy the benefit of or enforce the terms of this Deed in accordance with the provisions of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and subject to the provisions of this Deed.

35. ~~34.~~ Proper Law

This Deed shall in all respects be governed by, and construed in accordance with, the laws of Singapore. The Manager, the Trustee and each Holder and each Depositor hereby submit to the non-exclusive jurisdiction of the courts of Singapore and Hong Kong.

Schedule 1
Meetings of Holders

1. A general meeting to be called the "Annual General Meeting" shall, in addition to any other meeting, be held once in every calendar year, commencing from the year 2010, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Manager. All other general meetings shall be called Extraordinary General Meetings.

In respect of an Annual General Meeting, at least 20 Business Days' notice (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Holders in the manner provided in this Deed.

2. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Holders or Holder(s) representing not less than 10 per cent of the issued Units of the Trust) at any time convene a meeting of Holders at such time and place (subject as hereinafter provided) as the party convening the meeting may think fit and propose resolutions for consideration at such meeting as may be thought fit, and the following provisions of this Schedule shall apply thereto. The Manager or (being a Holder) any of its Related Parties and connected persons (as defined in the Singapore Listing Rules) thereof shall be entitled to receive notice of and attend at any such meeting but shall, subject to Clause 24.1.4 of this Deed, not be entitled to vote or be counted in the quorum thereof at a meeting convened to consider a matter in respect of which the Manager or any of its Related Parties and connected persons has a material interest (including, for the avoidance of doubt, interested person transactions (as defined in the Singapore Listing Rules) and interested party transactions (as defined in the Property Funds Appendix) and accordingly for the purposes of the following provisions of this Schedule, Units held or deemed to be held by the Manager or any of its Related Parties and connected persons (as defined in the Singapore Listing Rules) shall not be regarded as being in issue under such circumstances. Any director, the secretary and any solicitor of the Manager, the Trustee and directors and any authorised official and any solicitor of the Trustee shall be entitled to attend and be heard at any such meeting. Any such meeting shall be held in Singapore or Hong Kong (as may be determined by the Manager). Without limiting the foregoing, Holders shall be prohibited from voting their own Units at, or being counted in the quorum for, a meeting at which they have a material interest in the business to be conducted and that interest is different from the interests of other Holders (as determined by the Manager (where the Holder(s) concerned is (are) not Connected Persons related to the Manager) or the Trustee (where the Holder(s) concerned is (are) not Connected Persons related to the Trustee), if appropriate, in its absolute opinion) including an issue of new Units where a Holder may increase his holdings of Units by more than his pro rata share.
3. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent by Extraordinary Resolution:
 - (i) to sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 28 of this Deed;
 - (ii) to sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Management Fee (including the Base Fee and the Performance Fee), the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 15 of this Deed;
 - (iii) to sanction any issue of Units by the Manager pursuant to Clause ~~5-1.45.1~~ 5.1.45.1 of this Deed;

- (iv) to remove the Auditors as provided in Clause 22.3 of this Deed;
- (v) to remove the Trustee as provided in Clause 23.3.4 of this Deed; and
- (vi) to direct the Trustee to take any action pursuant to Section 295 of the Securities and Futures Act; and
- (vii) to change the investment policy of the Trust,

and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 3(i) to (viii) shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by ~~the Securities and Futures Act, the Code or the Listing~~any applicable Rules.

- 4.1 Subject to paragraph 1 above and paragraph 4.2 below, 14 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting for an Ordinary Resolution shall be given to the Holders in manner provided in this Deed; and 21 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting for an Extraordinary Resolution shall be given to the Holders in manner provided in this Deed. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.
- 4.2 Notwithstanding the provisions of paragraph 4.1 above, a meeting of Holders convened by the Trustee under Section 295 of the Securities and Futures Act shall be summoned (i) by 21 days' notice at least (inclusive of the day on which the notice is given) of such meeting given to the Holders in the manner provided in this Deed and (ii) by publishing, at least 21 days before the proposed meeting, an advertisement giving notice of the meeting in at least four local daily newspapers, one each published in the English, Malay, Chinese and Tamil languages.
5. The quorum shall be not less than two Holders present in person or by proxy ~~of one-tenth in value of all the Units for the time being in issue registered as holding together not less than~~ (a) 10% of the Units for the time being in issue and outstanding in the case of an Ordinary Resolution, or (b) 25% of the Units for the time being in issue and outstanding in the case of an Extraordinary Resolution. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
6. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to such day and time being not less than 15 days thereafter and to such place as shall be determined for the purpose by the Chairman of the meeting. Notice of the adjourned meeting shall be given in the same manner as for an original meeting. Such notice shall state that the Holders present at the adjourned meeting whatever their number and the value of the Units held by them will form a quorum thereat. At any such adjourned meeting the Holders present in person or by proxy thereat shall be a quorum.
7. A person nominated in writing by the Trustee shall preside at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting, the Holders present shall choose one of their number to be Chairman.
8. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

9. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Holders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. Notwithstanding the foregoing, for so long as the Trust 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. For so long as the Trust is a SFC-Authorised REIT, where any Holder is under the REIT Code required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Holder in contravention of such requirement or restriction shall not be counted. Also, without limiting the above, votes passed by a Holder in contravention of the applicable Rules shall not be counted.
10. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
11. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs. A demand for a poll may be withdrawn at any time.
12. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
13. On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Holder who is present in person or by proxy shall have one vote for every Unit of which he is the Holder, provided such Units are fully paid up. A person entitled to more than one vote need not use all his votes or cast them the same way.
14. In the case of Joint Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the vote of the other Joint Holders and for this purpose seniority shall be determined by the order in which the names stand in the Register, the first being the senior.
15. On a poll votes may be given either personally or by proxy.
16. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee or the Manager with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. A person appointed to act as a proxy need not be a Holder.

18. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve, including for the avoidance of doubt, a two-way form.
19. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Units in respect of which the proxy is given PROVIDED THAT no intimation in writing of such death, insanity, revocation or transfer shall have been received at the place appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.
20. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Manager at the expense of the Manager and any such minute as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
21. A resolution in writing signed by or on behalf of all the Holders for the time being entitled to receive notice of any meeting of Holders shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of those Holders duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by or on behalf of one or more of the Holders concerned.
22. For the purpose of this Deed, an Extraordinary Resolution means a resolution proposed and passed as such by a majority consisting of 75 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager and an Ordinary Resolution means a resolution proposed and passed as such by a majority being greater than 50 per cent. or more of the total number of votes cast for and against such resolution at a meeting of Holders or (as the case may be) Depositors named in the Depository Register as at 48 hours before the time of such meeting as certified by the Depository to the Manager.

An Extraordinary Resolution or an Ordinary Resolution, as the case may be, shall be binding on all Holders whether or not present at the relevant meeting and each of the Holders and the Trustee and the Manager shall, subject to the provision relating to indemnity in this Deed, be bound to give effect thereto accordingly.

23. A corporation, being a Holder, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of Holders and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
24. For the purposes of determining the number of Units held in respect of Units registered in the name of the Depository and the number of votes which a particular Holder may cast in respect of such Units, each of the Trustee and the Manager shall be entitled and bound to accept as accurate the number of Units credited into the Securities Account(s) of the relevant depositor as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant meeting, supplied by the Depository to the Trustee, and to accept as the maximum number of votes which in aggregate that depositor and his proxy(ies) (if any) are able to cast on a poll a number which is the number of Units credited into the Securities Account(s) of the relevant depositor, as shown in the aforementioned records of the Depository, whether that number is

greater or smaller than that specified by the depositor or in the instrument of proxy. Neither the Trustee nor the Manager shall under any circumstances be responsible for, or liable to any person as a result of it, acting upon or relying on the aforementioned records of the Depository.

25. HKSCC Nominees Limited (or any successor thereto) may appoint more than one proxy or corporate representative to attend and vote at Holders' meetings as if they were individual Holders and such representatives shall not be required to produce any documents of title or notarized authorisation in respect of such appointment. Where a Holder is a recognised clearing house (within the meaning of the SFO) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Holders' meeting or any class of Holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Units in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual Holder.

Schedule 2

Certificates

1. Form and Execution of Certificates

Certificates shall be prepared by or on behalf of the Trustee or a Registrar (if appointed) in such form and manner as may be authorised by the Trustee or a Registrar (if appointed), and the signature of the Trustee or a Registrar (if appointed) to be inserted on each Certificate shall either be autographic, facsimile or affixed by some mechanical means under the control of the Trustee or a Registrar (if appointed) or its duly authorised agent. No Certificate shall be of any force or effect until so signed. Certificates so signed shall be valid and binding notwithstanding that the person whose signature appears thereon as a duly authorised signatory of the Trustee or a Registrar (if appointed) may have ceased to be so authorised.

2. Delivery of Certificates

The Trustee or a Registrar (if appointed) shall sign and deliver Certificates in such denominations as may be required for Units which have been agreed to be issued and for which one or more Certificates have been requested by the relevant Holder and for such purpose shall be entitled to rely on a declaration in writing by or on behalf of the Manager as to the Units from time to time agreed to be issued and the request for Certificates (if appropriate). Notwithstanding this, the Trustee or a Registrar (if appointed) shall deliver any such Certificates only against payment or transfer to the Trustee or a Registrar (if appointed) of the cash received by the Trust in respect of the issue of the Units concerned. The Trustee or a Registrar (if appointed) shall also from time to time sign and deliver Certificates required to be issued pursuant to any provision of this Deed upon due compliance with the conditions applicable thereto.

3. Issue, Exchange, Cancellation and Replacement of Certificates

3.1 The Trustee or a Registrar (if appointed) shall not be obliged to issue more than one Certificate to each Holder. Nevertheless, and upon paying such fee as the Trustee or a Registrar (if appointed) may from time to time determine, any Holder may apply to the Trustee or a Registrar (if appointed) to exchange his Certificate (if any) or all of his Certificates for one or more Certificates of such authorised denominations as he may require representing the same aggregate number of Units. Before any such exchange as aforesaid is carried out, the Holder shall surrender to the Trustee or a Registrar (if appointed) for cancellation the Certificate or Certificates to be exchanged and shall pay to or to the order of the Trustee or a Registrar (if appointed) all moneys (if any) payable hereunder in respect of the issue of the new Certificate or Certificates.

3.2 In case any Certificate shall become mutilated or defaced, the Trustee or a Registrar (if appointed) may in its discretion issue to the person entitled thereto in exchange for and upon surrendering for cancellation the mutilated or defaced Certificate a new Certificate. In case any Certificate shall be lost, stolen or destroyed, the Trustee or the Registrar (if appointed), may in its discretion issue to the person entitled thereto a new Certificate in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:

- (i) (in the case of loss, theft or destruction) furnished to the Trustee or a Registrar (if appointed) evidence satisfactory to the Trustee or a Registrar (if appointed) of the loss, theft or destruction of the original Certificate;
- (ii) paid all expenses incurred in connection with the investigation of the facts by the Trustee or a Registrar (if appointed);

- (iii) (in the case of defacement or mutilation) produced and surrendered to the Trustee or a Registrar (if appointed) for cancellation the defaced or mutilated Certificate; and
- (iv) (if required by the Trustee or a Registrar (if appointed) so to do) furnished to the Trustee or a Registrar (if appointed) such indemnity or bond as the Trustee or a Registrar (if appointed) may require.

The Trustee or a Registrar (if appointed) shall not incur any liability for any action by the Trustee or a Registrar (if appointed) which is taken under this Schedule (other than any liability resulting from the fraud, wilful default, bad faith or negligence of the Trustee or a Registrar (if appointed)).

- 3.3 Every Certificate issued under the provisions of this paragraph 3 shall be in the name of the Holder of the Units represented by the Certificate surrendered, lost, stolen or destroyed.
- 3.4 All mutilated or defaced Certificates surrendered pursuant to this paragraph 3 shall be cancelled forthwith by the Trustee or a Registrar (if appointed).
- 3.5 Upon a transfer of Units or upon exchange or upon a distribution in respect of any Unit, the Trustee or a Registrar (if appointed) may (in its absolute discretion) dispense with production of any Certificate which has been lost, stolen or destroyed upon compliance by the Holder with the like requirements as are set out in paragraph 3.2 above.

4. Stamp Duty, Tax and Other Charges

Before procuring the issue of any Certificate under the provisions of this Schedule, the Trustee or a Registrar (if appointed) may require from the applicant for the Certificate the payment to it of a sum sufficient in its opinion to cover any stamp duty or other governmental taxes or charges that may be payable in connection with the issue of such Certificate.

5. Registrars

The Trustee may delegate any or all of its duties and powers under this Schedule to one or more Registrars.

In witness whereof this Deed has been entered into the day and year first above written.

The Manager

The Common Seal of

**ARA ASSET MANAGEMENT
(FORTUNE) LIMITED**

was hereunto affixed
in the presence of:

Director

Director/Secretary

The Trustee

The Common Seal of

**HSBC INSTITUTIONAL TRUST
SERVICES (SINGAPORE) LIMITED**

was hereunto affixed
in the presence of:

Director

Director/Secretary”

This page has been intentionally left blank.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Fortune Real Estate Investment Trust (“**Fortune REIT**”) will be held at Level 2, Room 208, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 26 March 2010 at 11:00 a.m. or immediately after the conclusion/adjournment of the Annual General Meeting of Fortune REIT to be held at 10:00 a.m. on the same day and at the same place for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE DUAL PRIMARY LISTING OF UNITS OF FORTUNE REIT IN ISSUE (“UNITS”) ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “SEHK”) BY WAY OF INTRODUCTION (THE “INTRODUCTION”)

That:

- (a) subject to and contingent upon the passing of Resolution 2, approval be and is hereby given for the listing of all Units on the SEHK by way of Introduction and all matters relating thereto; and
- (b) ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT (the “**Manager**”), any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Fortune REIT to give effect to the Introduction.

EXTRAORDINARY RESOLUTION

2. AMENDING THE TRUST DEED WITH THE TRUST DEED AMENDMENT

That:

- (a) subject to and contingent upon the passing of Resolution 1, approval be and is hereby given to amend the Trust Deed for the purposes of allowing Fortune REIT to comply with the relevant Hong Kong regulatory requirements including the Hong Kong REIT Code, as well as the Hong Kong real estate investment trust regime in general and to provide for the dual primary listing on the SEHK, in the manner described in the unitholder’s circular dated 1 March 2010 issued by the Manager to holders of units in Fortune REIT (the “**Trust Deed Amendment**”); and
- (b) the Manager, any director of the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Fortune REIT to give effect to the Trust Deed Amendment.

BY ORDER OF THE BOARD
ARA ASSET MANAGEMENT (FORTUNE) LIMITED
(as manager of Fortune Real Estate Investment Trust)

Yvonne Choo
Sharon Lim Siew Choo
Company Secretaries
Singapore
1 March 2010

Notes:

1. A holder of Units (“**Unitholder**”) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.
2. The instrument appointing a proxy must be lodged at the Manager’s registered office at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

Notes to Proxy Form

1. A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. 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.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by CDP, he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Fortune REIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies must be deposited at the Manager's registered office at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986, not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be 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.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. 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 Extraordinary General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

FORTUNE REAL ESTATE INVESTMENT TRUST

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

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	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

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

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of Fortune REIT to be held at Level 2, Room 208, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 26 March 2010 at 11:00 a.m. or immediately after the conclusion/adjournment of the Annual General Meeting of Fortune REIT held 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 Extraordinary General Meeting 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 Extraordinary General Meeting.

No.	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For *	Against *	No. of Votes For **	No. of Votes Against **
	ORDINARY RESOLUTION				
1.	To approve the dual primary listing of Fortune REIT units in issue on the Stock Exchange of Hong Kong Limited by way of Introduction				
	EXTRAORDINARY RESOLUTION				
2.	To approve the Trust Deed Amendment				

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.

** 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.

Dated this _____ day of _____ 2010

Total number of Units held_____
Signature(s) of Unitholder(s)/Common Seal

1st fold here

2nd fold here

The Company Secretary
ARA Asset Management (Fortune) Limited
(as manager of Fortune Real Estate Investment Trust)
6 Temasek Boulevard
#16-02 Suntec Tower Four
Singapore 038986

Affix
Postage
Stamp

3rd fold here

This page has been intentionally left blank.

This page has been intentionally left blank.

FORTUNE
置富產業信託 **REIT**

FORTUNE REAL ESTATE INVESTMENT TRUST

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