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If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution licensed to deal in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your units in Fortune REIT, you should at once hand this Circular, together with the Notice of AGM and accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Singapore Exchange Securities Trading Limited, Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents, including the accuracy of any statements or opinions made, or reports contained, in this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents in this Circular.



**Fortune Real Estate Investment Trust**

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

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

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

**Managed by**



**ARA Asset Management (Fortune) Limited**

**CIRCULAR TO UNITHOLDERS IN RELATION TO**

- (1) RECEIPT AND ADOPTION OF THE TRUSTEE'S REPORT, STATEMENT BY THE MANAGER, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT**
  - (2) RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AND DELOITTE TOUCHE TOHMATSU AS AUDITORS OF FORTUNE REIT**
  - (3) GENERAL MANDATE TO ISSUE UNITS AND/OR MAKE OR GRANT CONVERTIBLE INSTRUMENTS**
  - (4) PROPOSED EXPANSION OF THE SCOPE OF FORTUNE REIT'S INVESTMENT STRATEGY**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 12 of this Circular.

A notice convening the AGM to be held at Level 3, Rooms 325-326, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 19 April 2011 at 10:30 a.m. is set out on pages N-1 to N-4 of this Circular. Whether or not you are able to attend and vote at the AGM in person, please complete and return the accompanying form of proxy to: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders), in accordance with the instructions printed thereon as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

18 March 2011

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## CORPORATE INFORMATION

<b>Fortune REIT</b>	As constituted by the Trust Deed entered into between the Trustee and the Manager, originally dated 4 July 2003 and as amended and restated from time to time.
<b>Manager</b>	ARA Asset Management (Fortune) Limited  Units 5508-5510, 55th Floor The Center 99 Queen's Road Central Hong Kong  6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
<b>Directors of the Manager</b>	CHIU Kwok Hung, Justin ( <i>Chairman and Non-Executive Director</i> ) LIM Hwee Chiang ( <i>Non-Executive Director</i> ) IP Tak Chuen, Edmond ( <i>Non-Executive Director</i> ) YEUNG, Eirene ( <i>Non-Executive Director</i> ) ANG Meng Huat, Anthony ( <i>Executive Director and Chief Executive Officer</i> ) CHIU Yu, Justina ( <i>Executive Director and Deputy Chief Executive Officer</i> ) LIM Lee Meng ( <i>Independent Non-Executive Director</i> ) SNG Sow-Mei (alias POON Sow Mei) ( <i>Independent Non-Executive Director</i> ) LAN Hong Tsung, David ( <i>Independent Non-Executive Director</i> ) MA Lai Chee, Gerald ( <i>Alternate Director to Mr. IP Tak Chuen, Edmond</i> )
<b>Trustee</b>	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
<b>Hong Kong Unit Registrar</b>	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
<b>Singapore Unit Registrar</b>	Boardroom Corporate & Advisory Services Pte. Limited 50 Raffles Place Singapore Land Tower, #32-01 Singapore 048623

## DEFINITIONS

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

<b>2010 Annual Report</b>	The annual report of Fortune REIT in respect of the financial year ended 31 December 2010.
<b>AGM</b>	The annual general meeting of Unitholders scheduled to be held at Level 3, Rooms 325-326, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday 19 April 2011 at 10:30 a.m..
<b>AGM Notice</b>	The notice to Unitholders in respect of the AGM.
<b>Applicable Rules</b>	The SFO, the REIT Code, the SFA, the CIS Code (including the Property Funds Appendix), the Singapore Listing Rules and Hong Kong Listing Rules (where applicable), and all other law, rules and regulations in Hong Kong and Singapore applicable to Fortune REIT.
<b>Auditors</b>	Deloitte & Touche LLP and Deloitte Touche Tohmatsu.
<b>Auditors' Report</b>	The auditors' report for the financial year ended 31 December 2010 prepared by the Auditors.
<b>Audited Financial Statements</b>	The audited consolidated financial statements of Fortune REIT for the financial year ended 31 December 2010.
<b>Base Fee</b>	The base fee payable to the Manager pursuant to Clause 15.1.1 of the Trust Deed.
<b>Board</b>	The board of Directors.
<b>Business Day</b>	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Hong Kong and/or Singapore (as the case may be) and the SEHK and/or the SGX-ST (as the case may be) are open for trading.
<b>CIS Code</b>	The Code on Collective Investment Schemes issued by the MAS.
<b>Directors</b>	The directors of the Manager.
<b>Extraordinary Resolution</b>	A resolution proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened under the provisions of the Trust Deed.
<b>Fortune REIT</b>	Fortune Real Estate Investment Trust.
<b>General Mandate</b>	The general mandate to allow Fortune REIT to issue Units and/or execute Instruments in accordance with the terms and conditions as set out in Ordinary Resolution 3 in the AGM Notice.

## DEFINITIONS

<b>Hong Kong</b>	The Hong Kong Special Administrative Region of the People's Republic of China.
<b>Hong Kong Listing Rules</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
<b>Hong Kong Unit Registrar</b>	Computershare Hong Kong Investor Services Limited.
<b>Instrument</b>	Any offers, agreements or options that might or would require Units to be issued, including but not limited to warrants, debentures or other instruments convertible into Units.
<b>Listing Document</b>	The listing document dated 31 March 2010 in connection with the listing by way of introduction of the units of Fortune REIT on the Main Board of the SEHK.
<b>Manager</b>	ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT.
<b>MAS</b>	The Monetary Authority of Singapore.
<b>Ordinary Resolution</b>	A resolution proposed and passed as such by a majority being greater than 50% 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.
<b>Performance Fees</b>	The performance fees payable to the Manager pursuant to Clause 15.1.2 of the Trust Deed.
<b>Property Funds Appendix</b>	The investment guidelines for real estate investment trusts issued by the MAS as Appendix 2 to the CIS Code.
<b>Record Date</b>	13 April 2011.
<b>REIT</b>	Real Estate Investment Trust.
<b>REIT Code</b>	The Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being.
<b>SEHK</b>	The Stock Exchange of Hong Kong Limited.
<b>SFA</b>	The Securities and Futures Act (Chapter 289 of Singapore) as amended, supplemented or otherwise modified for the time being.
<b>SFC</b>	The Securities and Futures Commission of Hong Kong.
<b>SFO</b>	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being.

## DEFINITIONS

<b>SGX-ST</b>	The Singapore Stock Exchange Securities Trading Limited.
<b>Singapore Listing Rules</b>	The listing rules for the time being applicable to the listing of Fortune REIT as an investment fund on the SGX-ST as the same may be modified, amended, supplemented, revised or replaced from time to time.
<b>Singapore Unit Registrar</b>	Boardroom Corporate & Advisory Services Pte. Limited.
<b>Statement by the Manager</b>	The statement signed by the Manager stating whether in its opinion the statement of total return and balance sheet presented at the AGM gives a true and fair view of the results of the business of Fortune REIT as at the end of 31 December 2010, and whether that at the date of the statement there are any reasonable grounds to believe that Fortune REIT will be able to pay its debts as and when they fall due.
<b>Trust Deed</b>	The deed of trust dated 4 July 2003 entered into between the Trustee and the Manager as amended by a first amending and restating trust deed dated 29 June 2005, a second supplemental trust deed dated 20 April 2006, a third supplemental trust deed dated 12 October 2009, a fourth supplemental trust deed dated 26 February 2010, a fifth supplemental trust deed dated 26 March 2010, and a sixth supplemental trust deed dated 23 July 2010, as the same may be supplemented or amended from time to time.
<b>Trustee</b>	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT.
<b>Trustee's Report</b>	The report of the Trustee as set out in the 2010 Annual Report to be issued by the Manager to Unitholders on 18 March 2011.
<b>Unit</b>	One undivided share in Fortune REIT.
<b>Unitholder</b>	Any person registered as holding a Unit.
<b>%</b>	Per centum or percentage.

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 to a time of day in this Circular shall be a reference to Hong Kong time unless otherwise stated.

LETTER FROM THE BOARD



**Fortune Real Estate Investment Trust**

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

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

**Managed by**



**ARA Asset Management (Fortune) Limited**

***Directors of the Manager:***

*Non-Executive Directors*

CHIU Kwok Hung, Justin (*Chairman*)  
LIM Hwee Chiang  
IP Tak Chuen, Edmond  
YEUNG, Eirene

*Executive Directors*

ANG Meng Huat, Anthony  
CHIU Yu, Justina

*Independent Non-Executive Directors*

LIM Lee Meng  
SNG Sow-Mei (alias POON Sow Mei)  
LAN Hong Tsung, David

*Alternate Director*

MA Lai Chee, Gerald  
*(Alternate Director to Mr. IP Tak Chuen, Edmond)*

***Registered Office:***

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

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

18 March 2011

## LETTER FROM THE BOARD

*To: Unitholders of Fortune REIT*

Dear Sir/ Madam,

### **CIRCULAR TO UNITHOLDERS IN RELATION TO**

**(1) RECEIPT AND ADOPTION OF THE TRUSTEE'S REPORT, STATEMENT BY THE MANAGER, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT**

**(2) RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AND DELOITTE TOUCHE TOHMATSU AS AUDITORS OF FORTUNE REIT**

**(3) GENERAL MANDATE TO ISSUE UNITS AND/OR MAKE OR GRANT CONVERTIBLE INSTRUMENTS**

**(4) PROPOSED EXPANSION OF THE SCOPE OF FORTUNE REIT'S INVESTMENT STRATEGY**

**AND**

**(5) NOTICE OF ANNUAL GENERAL MEETING**

Reference is made to the announcement dated 18 March 2011 by the Manager in relation to the following resolutions to be proposed at the AGM: (a) the receipt and adoption of the Trustee's Report, Statement by the Manager and Audited Financial Statements and Auditors' Report; (b) the re-appointment of the Auditors of Fortune REIT; (c) the granting of a general mandate to issue Units; and (d) the proposed expansion of scope of Fortune REIT's investment strategy.

The purpose of this Circular is to provide you with further information on the abovementioned resolutions to be proposed at the AGM.

#### **1. RECEIPT AND ADOPTION OF THE TRUSTEE'S REPORT, STATEMENT BY THE MANAGER, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT**

The Trustee has prepared the Trustee's Report, the Manager has prepared the Statement by the Manager and the Auditors have prepared the Audited Financial Statements and the Auditors' Report in respect of Fortune REIT. These reports and statements are contained in the 2010 Annual Report, to be issued by the Manager to Unitholders on 18 March 2011.

Pursuant to the Trust Deed and paragraph 4.1 of the Property Funds Appendix, Unitholders' approval by Ordinary Resolution is required to receive and adopt the Trustee's Report, Statement by the Manager, Audited Financial Statements and Auditors' Report.

Accordingly, the Manager proposes to seek Unitholder approval by way of an Ordinary Resolution at the AGM to receive and adopt the Trustee's Report, the Statement by the Manager, the Audited Financial Statements and the Auditors' Report.



## LETTER FROM THE BOARD

The Directors consider that the adoption of the Trustee's Report, Statement by the Manager, Audited Financial Statements and Auditors' Report is in the best interests of Fortune REIT and the Unitholders as a whole, and accordingly, recommend all Unitholders to vote in favour of the corresponding Ordinary Resolution to be proposed at the AGM.

*(See Ordinary Resolution 1 in the AGM notice)*

### **2. RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AND DELOITTE TOUCHE TOHMATSU AS AUDITORS OF FORTUNE REIT**

Deloitte & Touche LLP and Deloitte Touche Tohmatsu are the current auditors of Fortune REIT.

Pursuant to Clause 22.1 of the Trust Deed, the auditors of Fortune REIT shall be appointed by an Ordinary Resolution at each annual general meeting of Fortune REIT, and the appointed auditors shall hold office until the conclusion of the next annual general meeting of Fortune REIT.

Accordingly, the Manager proposes to seek Unitholder approval by way of an Ordinary Resolution at the AGM to re-appoint Deloitte & Touche LLP and Deloitte Touche Tohmatsu as the auditors of Fortune REIT until the conclusion of the next annual general meeting of Fortune REIT, and to also fix their remuneration.

The Directors consider that the proposed re-appointment of Deloitte & Touche LLP and Deloitte Touche Tohmatsu as the auditors of Fortune REIT, and the fixing of their remuneration, is in the best interests of Fortune REIT and the Unitholders as a whole, and accordingly, recommend all Unitholders to vote in favour of the corresponding Ordinary Resolution to be proposed at the AGM.

*(See Ordinary Resolution 2 in the AGM notice)*

### **3. GENERAL MANDATE TO ISSUE UNITS AND/OR MAKE OR GRANT CONVERTIBLE INSTRUMENTS**

#### **3.1 Proposed General Mandate to issue Units and/or make or grant convertible instruments**

In accordance with the Singapore Listing Rules, the Manager need not obtain the prior approval of Unitholders in a general meeting for the issue of new Units whether by way of rights, bonus or otherwise and/or make or grant Instruments that might or would require Units to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Units if the Unitholders had by Ordinary Resolution in a general meeting, given a general mandate to issue the new Units (including Units to be issued in pursuance of Instruments made or granted).

## LETTER FROM THE BOARD

The General Mandate, if granted, will (subject to the provisions contained in the Trust Deed, including those described in paragraph 3.2 below) empower the Manager from the date of the AGM until (i) the conclusion of the next annual general meeting of Fortune REIT or (ii) the date by which the next annual general meeting of Fortune REIT is required by the Applicable Rules to be held, whichever is earlier, to:

- (a) issue Units and to make or grant Instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which 20% may be issued other than on a *pro rata* basis to Unitholders; and
- (b) issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the General Mandate is granted, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time the General Mandate is granted and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Applicable Rules and the Trust Deed, the Manager will then obtain the approval of Unitholders accordingly.

### **3.2 General Mandate is subject to other provisions contained in the Trust Deed**

Pursuant to the Trust Deed, for so long as Fortune REIT is an SFC-authorised REIT, the following restrictions (among others) shall apply in relation to the issue of Units (including the issue of Units by way of bonus issues and/or capitalisation issues):

- (a) Units may be offered on a *pro rata* basis to all existing Unitholders without the prior approval of Unitholders, other than where any such issue increases the market capitalisation of Fortune REIT by more than 50%, in which case such issue shall require the prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager;
- (b) Units may be offered otherwise than on a *pro rata* basis to all existing Unitholders, without the approval of Unitholders, if the issue of new Units during any financial year does not increase the total number of Units from the number of Units that were outstanding at the end of the previous financial year by more than 20% (or such other percentage of outstanding Units as may, from time to time, be prescribed by the SFC). An issue of new Units exceeding this threshold will require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager in accordance with the provisions of the Trust Deed; and

## LETTER FROM THE BOARD

- (c) any issue, grant or offer of Units to a connected person (as such term is defined in the REIT Code) will require specific prior approval of Unitholders by Ordinary Resolution at a meeting to be convened by the Manager, subject to certain specific exemptions (for example, Units issued towards the satisfaction of the Manager's Base Fee or Performance Fee).

### 3.3 Approvals Required

The Manager wishes to seek the approval of the Unitholders at the AGM by way of Ordinary Resolution to grant the General Mandate to the Manager for the issuance of Units.

### 3.4 Recommendation

The Directors consider that the proposed General Mandate is in the best interests of Fortune REIT and the Unitholders as a whole, and accordingly, recommend all Unitholders to vote in favour of the corresponding Ordinary Resolution to be proposed at the AGM.

*(See Ordinary Resolution 3 in the AGM notice)*

## 4. PROPOSED EXPANSION OF THE SCOPE OF FORTUNE REIT'S INVESTMENT STRATEGY

### 4.1 Existing Investment Strategy of Fortune REIT

The existing principal investment strategy of the Manager is to invest primarily in retail malls located in Hong Kong through the ownership of property companies (or other companies whose primary purpose is to hold or own properties) or directly in properties that Fortune REIT may acquire from time to time. At the time of the initial authorisation of Fortune REIT under section 104 of the SFO and at present, Fortune REIT, through its property companies holds 14 retail malls and parking facilities in Hong Kong, spread across Kowloon and the New Territories, which were worth HK\$13.3 billion as at 31 December 2010.

### 4.2 Proposed Expansion of the Scope of Fortune REIT's Investment Strategy

The Manager proposes to expand the scope of Fortune REIT's investment strategy so that Fortune REIT may invest in commercial properties including retail, office and industrial properties. The reasons for doing so are as follows:

- (a) **Investor expectations.** The Manager has received feedback from many investors that REITs with segment diversified portfolios are preferred. The reason for this is that REITs need to have the flexibility to expand beyond their existing investment scope in order to stay competitive.

## LETTER FROM THE BOARD

- (b) **The trend for diversified investments.** Many REITs listed in Hong Kong and Singapore have diversified investment scopes. The Manager notes that it is also a growing market trend in other regional REIT markets for REITs to have such segmental diversification.
- (c) **Greater investment opportunities.** A segment diversified investment scope will allow the Manager to seize greater investment opportunities.
- (d) **Flexibility to maximize returns.** A diversified investment scope allows the Manager to select appropriate sectors to maximize returns.
- (e) **Enhancement of Unitholder base.** By enabling the Manager to capitalize on investment opportunities available in different property sectors, Fortune REIT may also have greater opportunity to attract different types of investors.
- (f) **Enhancement of stability in rental revenue level and ability to make stable distributions.** As each property sector may experience different vacancy rates and rental growth cycles, a diversified portfolio will have a more stable rental revenue level and this, in turn, enhances Fortune REIT's ability to make stable and sustainable distributions to the Unitholders. A diversified portfolio will also be less susceptible to any adverse changes which may occur due to the political and economic conditions of any particular sector.

### 4.3 Other Aspects of Fortune REIT's Investment Strategy to Remain Unchanged

The investment strategy of the Manager includes an acquisition strategy that seeks to explore acquisition opportunities that will add value to Fortune REIT's portfolio and improve returns to Unitholders. The Manager intends to retain the same acquisition strategy while expanding the scope of its investment strategy. In doing so, the Manager will continue to focus on the following investment criteria in its evaluation of acquisition opportunities:

- (a) Ability to provide attractive long-term cash flows and yields, as well as the potential for net asset growth.
- (b) Strength of existing, and the potential to improve in the future, occupancy and tenant retention rates relative to competing properties in the respective markets.
- (c) Potential to increase investment returns and create value through active property management such as selective renovations or other enhancements.
- (d) Geographical diversification or expansion that would enable Fortune REIT to access tenants (and in respect of retail properties, shoppers) in new areas, and to decrease dependency and risk exposure to particular areas.

## LETTER FROM THE BOARD

### 4.4 Approvals Required

The authorisation of Fortune REIT under section 104 of the SFO was granted on the condition that, among other things, Fortune REIT must comply with the strategy of investing in a diverse portfolio of retail malls as disclosed in the Listing Document. The Manager notes that in its circular to management companies of SFC-authorised REITs dated 12 October 2007, the SFC has (among other things) clarified that in acquiring overseas and/or new types of properties, REIT managers do not have to seek re-approval of their licences or re-authorisation of the relevant REIT by the SFC before proceeding to make such acquisitions. Nevertheless, in making acquisition decisions, it is the Manager's obligation to satisfy themselves that they have sufficient and appropriate skills and processes in place to manage the new properties, and more generally, to have regard to their fiduciary duties to Unitholders.

Under Paragraph 10.7(a)(v) of the REIT Code, a circular is required to be issued where there is a change in the general character or nature of a REIT, such as its investment objectives and/or policy.

Under Clause 10.2.4 of the Trust Deed, in order for the Manager to change its investment policies or strategy for Fortune REIT as stated in the Listing Document, it is required to: (a) give not less than 30 days' prior notice of the change to the Trustee and to Unitholders by way of an announcement to the SGX-ST; and (b) for so long as Fortune REIT is an SFC-authorised REIT: (i) notify Unitholders of the change by way of circular in accordance with the requirements of any applicable rules; and (ii) obtain the prior approval of the Unitholders for the change by way of an Extraordinary Resolution.

Accordingly, the Manager proposes to seek the necessary Unitholders' approval required to expand the scope of Fortune REIT's investment strategy by way of an Extraordinary Resolution.

### 4.5 Recommendation

The Directors consider that the proposed expansion of the scope of Fortune REIT's investment strategy is in the best interests of Fortune REIT and the Unitholders as a whole, and accordingly, recommend all Unitholders to vote in favour of the Extraordinary Resolution relating to the expansion of the scope of Fortune REIT's investment strategy to be proposed at the AGM.

*(See Extraordinary Resolution 4 in the AGM notice)*

## 5. ANNUAL GENERAL MEETING

The AGM will be held at Level 3, Rooms 325-326, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 19 April 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions and Extraordinary Resolution set out in the AGM Notice on pages N-1 to N-4 of this Circular.

## LETTER FROM THE BOARD

The Register of Unitholders will be closed from Thursday, 14 April 2011 to Tuesday, 19 April 2011, both days inclusive, to determine which Unitholders will qualify to attend and vote at the AGM during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the AGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders) not later than 4:30 p.m. on Wednesday, 13 April 2011, or to the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Unitholders) not later than 5:00 p.m. on Wednesday, 13 April 2011. You can vote at the AGM if you are a Unitholder as at the close of business on Wednesday, 13 April 2011, which is referred to in this Circular as the Record Date. You will find enclosed with this Circular the AGM Notice (see pages N-1 to N-4 of this Circular) and a form of proxy for use for the AGM.

Your vote is very important. Accordingly, please complete, sign and date the enclosed form of proxy, whether or not you plan to attend the AGM in person, in accordance with the instructions printed on the form of proxy, and return it to: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders). The form of proxy should be completed and returned as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

A Depositor shall not be regarded as a Unitholder entitled to attend the AGM 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 as at 48 hours before the AGM.

### 6. RESPONSIBILITY STATEMENT

The Manager and the Directors, collectively and individually, accept full 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: (a) 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 (b) there are no other facts the omission of which would make any statement in this Circular misleading.

By order of the board of directors of  
**ARA Asset Management (Fortune) Limited**  
(in its capacity as manager of Fortune Real Estate Investment Trust)  
**ANG Meng Huat, Anthony**  
*Executive Director and Chief Executive Officer*

# NOTICE OF ANNUAL GENERAL MEETING



## Fortune Real Estate Investment Trust

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

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

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

**Managed by**



**ARA Asset Management (Fortune) Limited**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of the unitholders (“Unitholders”) of Fortune Real Estate Investment Trust (“Fortune REIT”) will be held at Level 3, Rooms 325-326, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 19 April 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

### AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of Fortune REIT (the “Trustee”), the Statement by ARA Asset Management (Fortune) Limited, as manager of Fortune REIT (the “Manager”) and the Audited Financial Statements of Fortune REIT for the year ended 31 December 2010 together with the Auditors’ Report thereon.

**(Ordinary Resolution 1)**

2. To re-appoint Deloitte & Touche LLP and Deloitte Touche Tohmatsu as the Auditors of Fortune REIT and to hold office until the conclusion of the next annual general meeting of Fortune REIT and to authorise the Manager to fix their remuneration.

**(Ordinary Resolution 2)**

### AS SPECIAL BUSINESS

3. That authority be given to the Manager to:
  - (a) (i) issue units in Fortune REIT (“Units”) whether by way of rights, bonus or otherwise; and/or

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(ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Units, at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may, in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

(A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below) at the time of the passing of this Resolution, of which the aggregate number of Units and Instruments to be issued other than on a *pro rata* basis to all Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) as at the time this Resolution is passed, after adjusting for:

(i) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the authority conferred by this Resolution, the Manager shall comply with, among other things, the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the applicable laws and regulations including without limitation the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the Code on Real Estate Investment Trusts published by the Securities and Futures Commission of Hong Kong (the “**SFC**”), and where applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the “**Applicable Rules**”) and the



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trust deed constituting Fortune REIT dated 4 July 2003 (as amended) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

- (D) (unless revoked or varied by Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of Fortune REIT or (ii) the date by which the next annual general meeting of Fortune REIT is required by the Applicable Rules to be held, whichever is earlier;
- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (F) the Manager and 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 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 authority conferred by this Resolution.

**(Ordinary Resolution 3)**

4. That:

- (a) pursuant to Clause 10.2.4 of the Trust Deed, approval be and is hereby given to expand the scope of Fortune REIT’s investment strategy so that Fortune REIT may invest in commercial properties including retail, office and industrial properties; and
- (b) the Manager, any director of the Manager and the Trustee each be and are hereby severally authorised to complete and do or cause to be done 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 matter resolved upon in sub-paragraph (a) above of this resolution.

**(Extraordinary Resolution 4)**

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### AS OTHER BUSINESS

5. To transact such other business as may be transacted at the AGM.

By order of the board of directors of  
**ARA Asset Management (Fortune) Limited**  
(Company registration no. 200303151G)  
(in its capacity as manager of Fortune Real Estate Investment Trust)  
**Yvonne Choo**  
**Busarakham Kohsikaporn**  
*Company Secretaries of the Manager*

18 March 2011

*Notes -*

1. A Unitholder entitled to attend and vote at the AGM 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 or proxies must be lodged at: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders), not less than forty-eight (48) hours before the time appointed for AGM.
3. **Unitholders are advised to refer to the circular dated 18 March 2011, which provides further information on the abovementioned resolutions.**

# PROXY FORM – ANNUAL GENERAL MEETING

## FORTUNE REAL ESTATE INVESTMENT TRUST

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

**IMPORTANT**

PLEASE READ THE NOTES TO THE  
PROXY FORM.

### PROXY FORM ANNUAL GENERAL MEETING

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

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

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

and/or (delete as appropriate)

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

or, both of whom failing, the Chairman of the Annual General Meeting (“**AGM**”) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of Fortune REIT to be held at Level 3, Rooms 325-326, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 19 April 2011 at 10:30 a.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM 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 AGM.

No.	Resolutions	To be used in the event of a poll	
		No. of Votes For*	No. of Votes Against*
<b>ORDINARY BUSINESS</b>			
1.	To receive and adopt the Trustee’s Report, Statement by the Manager, Audited Financial Statements of Fortune REIT for the year ended 31 December 2010 and the Auditor’s Report thereon.		
2.	To re-appoint Deloitte & Touche LLP and Deloitte Touche Tohmatsu as Auditors of Fortune REIT and authorise the Manager to fix the Auditors’ remuneration.		
<b>SPECIAL BUSINESS</b>			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments.		
4.	To expand the scope of Fortune REIT’s investment strategy so that Fortune REIT may invest in commercial properties including retail, office and industrial properties.		
<b>OTHER BUSINESS</b>			
5.	To transact such other business as may be transacted at the AGM.		

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

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Total number of Units held

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

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to Proxy Form**

1. Full name(s) and address(es) are to be inserted in **BLOCK CAPITALS**.
2. A Unitholder entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his stead.
3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. A proxy needs not be a Unitholder but must attend the AGM to represent the Unitholder.
5. A Unitholder should insert the total number of Units held. If the Unitholder has Units registered in his name in the principal register of Unitholders (the “**Singapore Unit Register**”) or the Hong Kong register of Unitholders (the “**Hong Kong Unit Register**” and together with the Singapore Unit Register, the “**Unit Registers**”), he should insert the aggregate number of Units registered in his name on the Unit Registers. If the Unitholder has Units entered against his name in the Depository Register maintained by the Central Depository (Pte) Limited (“**CDP**”), he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register, as well as registered in his name in the Unit Registers, he should insert the aggregate number of Units entered against his name in the Depository Register and Unit Registers. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by Unitholder.
6. In the case of joint Unitholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Unitholder(s), and for this purpose seniority will be determined by the order in which the names stand on the Depository Register and/or the Register of Unitholders in respect of the relevant joint holding.
7. Any alteration made to this form of proxy must be initialled by the person who signs it.
8. The instrument appointing a proxy or proxies must be lodged at: (a) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 (for Singapore Unitholders); or (b) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders), not less than forty-eight (48) hours before the time appointed for AGM.
9. 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.
10. 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.
11. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
12. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
13. For so long as Fortune REIT is a SFC-authorized 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.