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## **Fortune Real Estate Investment Trust**

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

*(a 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**

## **POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 19 JANUARY 2012**

Reference is made to (i) the circular of Fortune REIT dated 28 December 2011 (the “**Circular**”) and (ii) the notice of extraordinary general meeting of Fortune REIT dated 28 December 2011 (the “**Notice of EGM**”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

At the EGM, the resolution (as set out in the Notice of EGM) to approve: (a) the Transaction (including the Acquisition and the other transactions contemplated under, associated with and/or related to the Transaction) and the takeover of the Related Tenancy and Licence Agreements in relation to the New Properties at Completion; and (b) the 2011 Continuing Connected Party Transactions together with the proposed new annual monetary limits for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 (the “**EGM Resolution**”) was proposed and decided on by way of poll as an ordinary resolution.

As at the date of the EGM, the number of Units in issue was 1,684,017,665. Pursuant to the REIT Code, the Singapore Listing Manual and the Trust Deed, the CKH Group and their respective associates, the HWL Group and their respective associates and the Manager Group and their respective associates were prohibited from voting at the EGM to approve the EGM Resolution.

Cheung Kong, HWL and ARA (being the holding company of the Manager) abstained, and procured that each member of the CKH Group, the HWL Group and the Manager Group respectively and their respective associates abstained, from voting on the EGM Resolution. To the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, no other Unitholder is required to abstain from voting at the EGM.

Accordingly, the total number of Units entitling the independent Unitholders to vote for or against the EGM Resolution was 1,151,665,612 (representing approximately 68.39% of the 1,684,017,665 Units in issue).

The poll at the EGM was scrutinised by the auditor of Fortune REIT, Deloitte & Touché LLP. The proposed EGM Resolution was duly passed as an ordinary resolution based on the voting details set out below.

No.	Resolution	Percentage of Votes (%)	
		For	Against
1.	<p>(a) The Transaction (including the Acquisition and the other transactions contemplated under, associated with and/or related to the Transaction) and the takeover of the Related Tenancy and Licence Agreements in relation to the New Properties at Completion; and</p> <p>(b) The 2011 Continuing Connected Party Transactions together with the proposed new annual monetary limits for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014.</p>	100	0

In connection with the EGM Resolution, the Manager applied for a waiver from strict compliance with the requirements under Chapter 8 of the REIT Code in respect of the 2011 Continuing Connected Party Transactions. On 19 January 2012, the SFC granted the 2011 CKH/Manager CPT Waiver, the details of which (including the conditions thereto) are described below.

### **Waiver in relation to certain continuing connected party transactions with the CKH Group and the Manager Group under Chapter 8 of the REIT Code**

#### ***Existing CKH/Manager CPT Waiver***

The SFC has granted a waiver from strict compliance with the disclosure and unitholders' approval requirements (the "**Existing CKH/Manager CPT Waiver**") under Chapter 8 of the REIT Code in respect of certain continuing connected party transactions between the Fortune REIT Group and (a) the CKH Group and/or (b) the Manager Group as set out in SFC's letter of authorization dated 30 March 2010 for a period to expire on 31 December 2012.

### ***2011 CKH/Manager CPT Waiver***

Upon Completion, more continuing connected party transactions are assumed to arise and the scale of continuing connected party transactions with the CKH Group and/or the Manager Group will increase. In this regard, the Board has proposed a 2011 Continuing Connected Party Transactions waiver package (the “**2011 CKH/Manager CPT Waiver**”) to:

- (i) take into account the new and/or additional continuing connected party transactions that will arise as a result of the Acquisition; and
- (ii) replace the Existing CKH/Manager CPT Waiver so that the waiver period will commence afresh as from the date of Completion and continue until 31 December 2014.

The Manager has confirmed that the categories of continuing connected party transactions with respect to which the 2011 CKH/Manager CPT Waiver is sought are the same as the Existing Continuing Connected Party Transactions in respect of which the Existing CKH/Manager CPT Waiver was granted.

Based on the waiver applications and submission made to the SFC, the SFC has granted (subject to the conditions further described below) the 2011 CKH/Manager CPT Waiver on 19 January 2012 for the 2011 Continuing Connected Party Transactions.

### ***Conditions of the 2011 CKH/Manager CPT Waiver***

Pursuant to the 2011 CKH/Manager CPT Waiver, the 2011 Continuing Connected Party Transactions are exempt from strict compliance with the disclosure and Unitholders’ approval requirements under Chapter 8 of the REIT Code, subject to the following terms and conditions:

- (a) The due approval by Unitholders and adoption of the EGM Resolution as set out in the Notice of Extraordinary General Meeting dated 28 December 2011, without material amendments thereto and Completion.
- (b) The 2011 CKH/Manager CPT Waiver will supersede the Existing CKH/Manager CPT Waiver and will commence as from the date of Completion and continues until 31 December 2014 (“**Initial CPT Waiver Period**”).
- (c) The 2011 CKH/Manager CPT Waiver may be extended beyond the Initial CPT Waiver Period, and/or the conditions of the 2011 CKH/Manager CPT Waiver may be modified from time to time, provided that:
  - (i) the due approval of Unitholders other than those who have a material interest in the relevant transactions, within the meaning of paragraph 8.11 of the REIT Code (the “**Independent Unitholders**”) is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;
  - (ii) disclosure of details of the proposed extension and/or amendment (as the case may be) will be made by way of an announcement by the Manager of such proposal, and a circular and notice will be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and

- (iii) any extension of the period of the 2011 CKH/Manager CPT Waiver shall, on each occasion of such extension, be for a period which will expire not later than the third full financial year-end date of Fortune REIT after the date on which the approval referred to in (i) above is obtained.

(d) Annual caps

The annual value of the 2011 Continuing Connected Party Transactions shall not exceed the respective annual limits set out below:

<b>Categories of 2011 Continuing Connected Party Transactions</b>	<b>For the year ending 31 December 2012</b>	<b>For the year ending 31 December 2013</b>	<b>For the year ending 31 December 2014</b>
(a) Revenue transactions - Leasing/licensing transactions with the CKH Group	HK\$275,000,000	HK\$344,000,000	HK\$430,000,000
(b) Revenue transactions - Leasing/licensing transactions with the Manager Group	HK\$11,500,000	HK\$13,200,000	HK\$15,200,000
(c) Expenditure transactions – Property management arrangements, third party services and other operational transactions with the CKH Group	HK\$101,000,000	HK\$136,000,000	HK\$183,000,000

In respect of leasing/licensing transactions, an independent valuation will be conducted for each of such leasing/licensing transactions except where they are conducted on standard or published rates.

(e) Disclosure in interim and annual reports

Details of the 2011 Continuing Connected Party Transactions will be disclosed in Fortune REIT's interim and annual reports, as required under paragraph 8.14 of the REIT Code.

(f) Auditors' review procedures

In respect of each relevant financial year, the Manager will engage and agree with the auditors of Fortune REIT to perform certain review procedures on the 2011 Continuing Connected Party Transactions. The auditors will then report to the Manager on the factual findings based on the work performed by them (and a copy of such report will be provided to the SFC), confirming whether all such 2011 Continuing Connected Party Transactions:

- (i) have received the approval of the board of Directors of the Manager (including its independent non-executive Directors);

- (ii) are in accordance with the pricing policies of Fortune REIT;
  - (iii) have been entered into in accordance with the terms of the agreements (if any) governing the transactions; and
  - (iv) the total value in respect of which has not exceeded the respective annual cap amount (where applicable).
- (g) Review by the independent non-executive Directors of the Manager

The independent non-executive Directors of the Manager will review the 2011 Continuing Connected Party Transactions annually, and confirm in Fortune REIT's annual report for the relevant financial year that such transactions have been entered into:

- (i) in the ordinary and usual course of business of Fortune REIT;
  - (ii) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to Fortune REIT than terms available to or from (as appropriate) independent third parties; and
  - (iii) in accordance with the relevant agreement and the Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of the independent Unitholders, as well as the Unitholders, as a whole.
- (h) Auditors' access to books and records

The Manager shall allow, and shall procure the counterparty to the relevant continuing connected party transactions to allow, the auditors of Fortune REIT sufficient access to their records for the purpose of reporting on the transactions.

- (i) Notification to the SFC

The Manager will promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the independent non-executive Directors will not be able to confirm the matters set out in paragraph (f) and (g) above.

- (j) Subsequent increases in annual caps with independent Unitholders' approval

It may become necessary from time to time in the future for the Manager to seek to increase one or more of the annual cap amounts. This may be due to, for example, further asset acquisitions by Fortune REIT thereby increasing the scale of its operations generally, or changes in market or operating conditions. An increase in any or all of such annual cap amounts is permitted, provided that:

- (i) the approval of independent Unitholders is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;

- (ii) disclosure of details of the proposal to increase the relevant cap amount(s) will be made by way of an announcement by the Manager of such proposal, and a circular and notice will be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (iii) all the waiver terms and conditions described above shall continue to apply to the relevant transactions, save that the relevant increased annual cap amount(s) will apply.

(k) Paragraph 8.14 of the REIT Code

The Manager will comply with all requirements under paragraph 8.14 of the REIT Code where there is any material change to the terms of the relevant connected party transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval.

Details of the 2011 Continuing Connected Party Transactions will be disclosed in the interim and annual report of Fortune REIT in the relevant financial year as required under paragraph 8.14 of the REIT Code. The independent non-executive directors will review the 2011 Continuing Connected Party Transactions annually and confirm whether such transactions are carried out in the ordinary and usual course of business of Fortune REIT based on normal commercial terms and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Unitholders.

***Submission in relation to the use of special purposes vehicles under paragraph 7.5(d) of the REIT Code***

For the purposes of acquiring the Belvedere Garden (Substantial Portion) Property in the manner that it has historically been held, and for facilitating future group reorganisation and disposal of property interests through ultimate or intermediate holding companies to achieve savings in transaction costs, submission has been made to the SFC for the use of four layers of special purpose vehicles by Fortune REIT in respect of the Belvedere Garden (Substantial Portion) Property post-Completion. The SFC has allowed the use of four layers of special purpose vehicles by Fortune REIT pursuant to the Note to paragraph 7.5(d) of the REIT Code subject to the condition that there will be no change to the maximum number of layers of special purpose vehicles used by Fortune REIT without further approval of the SFC.

***Additional information***

The Manager will release further announcement(s) as soon as practicable following Completion and the issuance of Acquisition Fee Units.

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*

Singapore, Hong Kong 19 January 2012

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