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**Fortune Real Estate Investment Trust**  
*(a collective investment scheme authorised under section 104  
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

(Stock Code: 778)

Managed by



ARA Asset Management (Fortune) Limited

## **CHANGES IN BOARD COMPOSITION**

Reference is made to the announcement made by Fortune REIT dated 30 December 2016 in relation to the changes in board composition (the “**December Announcement**”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the December Announcement.

In order to comply with the proposed amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations as described in the December Announcement, the Board wishes to announce the following changes to the composition of the Board and the Audit Committee with effect from 1 February 2017:

- (a) Ms Yeo Annie (alias Yeo May Ann) will be appointed as an Independent Non-Executive Director and a member of the Audit Committee; and
- (b) Mr Lim Lee Meng will resign as an Independent Non-Executive Director and cease to be a member of the Audit Committee.

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- (b) Mr Lim Lee Meng will resign as an Independent Non-Executive Director and cease to be a member of the Audit Committee.

Mr Lim Lee Meng has confirmed that he has no disagreement with the Board and there are no other matters regarding his resignation that need to be brought to the attention of the unitholders of Fortune REIT.

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

### Board

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

### Audit Committee

- Ms Cheng Ai Phing (Chairman)
- Mr Chui Sing Loi (alias Tsui Sing Loi)
- Ms Yeo Annie (alias Yeo May Ann)

### Disclosures Committee

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

### Designated Committee

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

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

### **Ms Yeo Annie (alias Yeo May Ann) (“Ms Yeo”)**

Ms Yeo, aged 70, is/was (as the case may be) a non-executive director of the following private subsidiaries of Cheung Kong Property Holdings Limited, CK Hutchison Holdings Limited, Cheung Kong Infrastructure Holdings Limited, CK Life Sciences Int’l (Holdings) Inc. and Cheung Kong (Holdings) Limited and private companies owned or may be considered as controlled by Mr Li Ka Shing (collectively, the “**Relevant Companies**”, see below).

Ms Yeo was previously engaged as a consultant from 2009 to 2011 for Joonghak PFV in respect of its mixed office/commercial property development in Seoul, Korea, and the director and chief executive officer of Property Enterprises Development Pte Ltd and its associated companies from 1995 to 2005. Ms Yeo was also a director of Hunwin Enterprises (S) Pte Ltd., a supplier of hotel amenities in Asia, from 1983 to 2015.

Ms Yeo currently holds various positions with governmental and religious bodies in Singapore. She is the treasurer of the Women Executive Committee of the People’s Association, Cairnhill Community Club and a member of the Finance Ministry of the Covenant Community Methodist Church.

Ms Yeo has extensive professional experience in property development and investment management.

Ms Yeo holds a Bachelor Degree of Economics (Honours) from the National University of Singapore and had completed the Advanced Management Programme at the Harvard Graduate School of Business.

The Relevant Companies are as follows: Goldcent Investments Limited, Bamco Investment Limited, The Center (Holdings) Limited, The Center International Limited, World Trump Limited, Cheung Kong Prime Properties Limited, Midro Limited, Advent Investments Pte Ltd, Hutchison Ports Jakarta Pte Limited, Hutchison Water International Holdings Pte. Limited, Botany Limited, Centerlin Investments Limited, Conroy Assets Limited, E-Capital Profits Limited, Rigo Enterprises Limited, Gonet Venture Limited, Campina Enterprises Limited, Panford Investment Limited, Castmaster Limited, Golarge Limited, Fumark Investment Limited, Great Expert Limited, Greater Invest Limited, Joynote Ltd., Bopson Limited, Hutchison Biofilm Solutions Pte. Limited, Armdale Profits Limited, Samwell Limited, Violet Overseas Limited, Cheung Kong Infrastructure (BVI) Limited, Himfield Limited, Nasco Venture Limited, Asset System International Limited, Daredon Assets Limited, Richjade Limited, Robas Limited, Bioedit Developments Limited, Bicycle Resources Limited, Great Affluent Limited, Genero International Limited, Lincore Limited, Panform Limited, Shinna Limited, Dimac Limited, Praying Mantis Limited, Juno Gold Profits Limited (dissolved on 7 May 2015), Lion Cosmos Limited, Lankford Profits Limited, New Stride Investment Limited (dissolved on 2 July 2015), Niceway Profits Limited (dissolved on 2 July 2015), Sambo Property Limited, Lexford Limited, Manufact Holdings S.A., Giga Investment Limited, Honmark Investment Limited, Auckland Profits Limited and Podar Investment Limited . Each of the Relevant Companies is regarded as a connected person of Fortune REIT for the purpose of the Hong Kong Code on Real Estate Investment Trusts by virtue of being an associate or associated company of Focus Eagle Investments Limited, a significant holder of Fortune REIT.

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

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

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

- (a) Advent Investments Pte Ltd, Hutchison Biofilm Solutions Pte. Limited, Hutchison Ports Jakarta Pte Limited, Hutchison Water International Holdings Pte. Limited and Joynote Ltd. are incorporated in Singapore, while the other Relevant Companies are incorporated in other jurisdictions outside Hong Kong. Under the Singapore Companies Act, Singapore-incorporated companies must have at least one director who is ordinarily resident in Singapore. It is also the general practice of the Relevant Companies to appoint at least one director resident outside Hong Kong. Ms Yeo is the Singapore/overseas resident director of the Relevant Companies, and has not held any management or executive function in the Relevant Companies during the past two years;
- (b) the Relevant Companies have not entered into any transactions with Fortune REIT, and also do not compete with Fortune REIT since their core business is different to Fortune REIT's. Prior to Ms Yeo's appointment as an Independent Non-Executive Director becoming effective, she will also resign as a director of each of the Relevant Companies and cease to have any positions or other interest in such companies;
- (c) Ms Yeo does not have any relationship with any directors or senior management of the Manager, the trustee of Fortune REIT or the significant holders (as defined in the Hong Kong Code on Real Estate Investment Trusts) of Fortune REIT, that could interfere or be reasonably perceived to interfere with the exercise of her independent business judgment with a view to the best interests of Fortune REIT;
- (d) Ms Yeo does not have any interest in the units of Fortune REIT within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (e) to the best of the Manager's knowledge, Ms Yeo will not be financially dependent on her annual emolument as an Independent Non-Executive Director;
- (f) in addition to her directorship at the Relevant Companies, Ms Yeo was also engaged as a consultant from 2009 to 2011 for a property development company that is independent of and unrelated to Fortune REIT from 2009 to 2011;
- (g) the Manager believes that Ms Yeo is able to exercise her professional judgment and draw upon her extensive knowledge in property development and investment management for the benefit of Fortune REIT and its unitholders as a whole, in particular, the independent unitholders;

- (h) Ms Yeo has confirmed her independence to the Manager with reference to the criteria affecting independence, as set out in the Compliance Manual, and has undertaken to inform the Securities and Futures Commission as soon as practicable if there is any subsequent change of circumstance which may affect her independence in acting as an Independent Non-Executive Director during the term of her directorship; and
- (i) save for her directorship in the Relevant Companies in the past two years (as noted above, prior to Ms Yeo's appointment as an Independent Non-Executive Director becoming effective, she will resign as a director of each of the Relevant Companies and cease to have any positions or other interest in such companies), none of the other factors set out in Rule 3.13 of the Listing Rules and the Compliance Manual applies to Ms Yeo.

Ms Yeo has confirmed to the Manager that she satisfies the independence criteria contained in the Compliance Manual and she is also independent for the purpose of the Code on Corporate Governance 2005 of Singapore.

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

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

Save as disclosed above, Ms Yeo does not have other relationship with any directors, senior management or substantial or controlling shareholders of the Manager and Fortune REIT.

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

The Board would like to take this opportunity to express its gratitude to Mr Lim Lee Meng for his valuable contribution to the Manager and Fortune REIT and welcome Ms Yeo to join the Board.

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

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

Hong Kong, 27 January 2017

*The Directors of the Manager as at the date of this announcement are Mr. Chui Sing Loi (alias Tsui Sing Loi) as Chairman and Independent Non-executive Director; Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Ms. Yeung, Eirene and Mr. Ma Lai Chee, Gerald as Non-executive Directors; Ms. Chiu Yu, Justina as Executive Director; Mr. Lim Lee Meng and Ms. Cheng Ai Phing as Independent Non-executive Directors.*