

*The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 of this announcement.*



**FORTUNE REAL ESTATE INVESTMENT TRUST**

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

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

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

**Managed by**



**ARA Asset Management (Fortune) Limited**

- (1) EXTENSION OF WAIVER IN RESPECT OF CERTAIN  
CONTINUING CONNECTED PARTY TRANSACTIONS**
- (2) PROPOSED EXPANSION OF THE SCOPE OF THE INVESTMENT POLICY  
OF FORTUNE REIT AND RELATED AMENDMENTS TO THE TRUST DEED AND  
MISCELLANEOUS AMENDMENTS**
- (3) ENDORSEMENT OF RELEVANT DIRECTORS' APPOINTMENTS**
- (4) PROPOSED UNIT BUY-BACK MANDATE**
- (5) NOTICE OF ANNUAL GENERAL MEETING  
AND**
- (6) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee, the  
Independent Unitholders and the Trustee**

**Independent Financial Adviser**



**Ballas Capital Limited**

The Board is pleased to announce that the Manager has proposed Ordinary Resolutions regarding: (a) the receipt and adoption of the Trustee's Report, Statement by the Manager and Audited Financial Statements together with the auditors' report thereon; (b) the re-appointment of Auditors; (c) the endorsement of relevant Directors' appointments; and (d) the Unit Buy-back Mandate, to be considered and voted on by the Unitholders at the AGM.

The Manager has further proposed (a) Ordinary Resolution regarding the Waiver Extension (including the proposed New Annual Caps); and (b) Extraordinary Resolutions regarding: (i) the Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments; (ii) Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments; and (iii) Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments, to be considered and voted on by the Unitholders at the EGM.

In addition to the proposed consequential amendments mentioned above which require Unitholders' approval, the Manager also proposes to make Miscellaneous Amendments which do not require Unitholders' approval.

The above proposals are more particularly set out below and more fully described in the Circular which is expected to be despatched to the Unitholders on 21 March 2018. The Circular will also be available for reference on the websites of Fortune REIT and the SEHK from the date of its despatch on 21 March 2018.

The Circular contains, among other things: (a) a letter from the Board to Unitholders containing, among other things, the 2018 Extended Waiver, Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments, Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments, Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments, Miscellaneous Amendments, endorsement of relevant Directors' appointments and Unit Buy-back Mandate; (b) a letter from the Independent Board Committee in relation to the 2018 Extended Waiver; (c) a letter from the Independent Financial Adviser in relation to the 2018 Extended Waiver; (d) AGM Notice setting out the Ordinary Resolutions to be proposed at the AGM; and (e) EGM Notice setting out the Ordinary Resolution and Extraordinary Resolutions to be proposed at the EGM, together with the relevant forms of proxy.

The AGM will be held at 2:30 p.m. on Friday, 27 April 2018, or any adjournment thereof, at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong and the EGM will be held as soon thereafter following the conclusion/adjournment of the AGM on the same day and at the same place.

**1. RECEIPT AND ADOPTION OF THE TRUSTEE’S REPORT, STATEMENT BY THE MANAGER AND AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE AUDITORS’ REPORT THEREON**

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 and Audited Financial Statements together with the auditors’ report thereon. Accordingly, the Manager proposes to seek Unitholders’ approval by way of an Ordinary Resolution at the AGM to receive and adopt the Trustee’s Report, Statement by the Manager and Audited Financial Statements together with the auditors’ report thereon. These reports and statements are contained in the 2017 Annual Report, to be issued by the Manager to Unitholders on 21 March 2018.

**2. RE-APPOINTMENT OF AUDITORS**

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 Unitholders’ 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 authorise the Manager to fix their remuneration.

**3. ENDORSEMENT OF RELEVANT DIRECTORS’ APPOINTMENTS**

A Deed of Undertaking (“**Undertaking**”) has been entered into between ARA Asset Management Limited, the sole shareholder of the Manager (“**ARA**”) and the Trustee which will give the Unitholders the right to endorse the appointment of the relevant Directors as prescribed in the Undertaking by way of an Ordinary Resolution at the relevant general meeting.

The appointment of Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Mr. Ma Lai Chee, Gerald and Ms. Koh Poh Wah will be put forth for endorsement and/or re-endorsement by the Unitholders at the AGM. Detailed information on these Directors are set out in the Circular.

In addition to the Directors who are not subject to endorsement by Unitholders at the coming AGM, upon endorsement, Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Mr. Ma Lai Chee, Gerald and Ms. Koh Poh Wah will continue to serve on the Board. Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang and Mr. Ma Lai Chee, Gerald will continue to serve as Non-Executive Director; Ms. Koh Poh Wah will continue to serve as INED.

#### **4. UNIT BUY-BACK MANDATE**

##### *4.1 Unit Buy-back Mandate*

The Manager wishes to seek the approval of the Unitholders by way of Ordinary Resolution at the AGM to grant the Unit Buy-back Mandate to the Manager for the buy-back of Units for and on behalf of Fortune REIT effected on the SEHK and/or SGX-ST.

The Unit Buy-back Mandate, if approved by Unitholders, will be in force for the period commencing from the date of the AGM and expiring on the earliest of the following dates:

- (a) the date on which the next annual general meeting of Fortune REIT is held (unless by Ordinary Resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation, the Trust Deed or the REIT Code to be held;
- (b) the date on which the authority conferred by the Unit Buy-back Mandate is revoked or varied by Unitholders by way of Ordinary Resolution in a general meeting; and
- (c) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated.

Subject to the passing of the proposed Ordinary Resolution for approving the Unit Buy-back Mandate, the number of Units which may be bought back pursuant to the Unit Buy-back Mandate is up to 10% of the total number of Units in issue as at the date of the passing of the resolution approving the Unit Buy-back Mandate.

##### *4.2 Directors' Recommendations*

The Directors have considered the relevant factors, including the rationale for the proposed Unit Buy-back Mandate as set out above, and considers the proposed Unit Buy-back Mandate to be in the best interests of Fortune REIT and the Unitholders as a whole and accordingly recommend that Unitholders vote at the AGM in favour of the proposed Unit Buy-back Mandate.

##### *4.3 Explanatory Statement*

The Explanatory Statement in connection with the Unit Buy-back Mandate is set out in the Circular, which contains further information on the Unit Buy-back Mandate and sets out the terms and conditions on which the Manager may exercise its power under the Unit Buy-back Mandate, if granted, to effect on-market buy-back(s) of Units on the SEHK on behalf of Fortune REIT.

## **5. WAIVER EXTENSION (INCLUDING THE PROPOSED NEW ANNUAL CAPS)**

### *5.1 2015 Waiver in respect of Chapter 8 of the REIT Code*

At the time of authorization of Fortune REIT before the first listing of the Units on SEHK under section 104 of the SFO in 2010, the Manager applied for, and the SFC granted waivers on 30 March 2010, subject to certain terms and conditions, from strict compliance with the requirements of Chapter 8 of the REIT Code in relation to certain connected party transactions of the Fortune REIT Group as disclosed in the Introduction Listing Document.

As disclosed in subsequent circulars and announcements, the Manager applied for, and the SFC granted, subsequent modifications and/or extensions (as the case may be) of the aforesaid connected party transactions waivers on 19 January 2012, 16 September 2013 and 17 April 2015 respectively. The 2015 Waiver was granted for a period of up to and including 31 December 2018. Details of the 2015 Waiver are more particularly set out in section 3 headed “*Modification and extension of waiver in respect of certain continuing connected party transactions*” in the Letter to the Unitholders contained in the 2015 Circular.

### *5.2 Expiration of the 2015 Waiver*

The 2015 Waiver will expire on 31 December 2018. In accordance with the terms and conditions of the 2015 Waiver, it may be extended beyond 31 December 2018 provided that:

- (a) the due approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension shall be made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the 2015 Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Fortune REIT after the date on which the approval referred to in (a) above is obtained.

### *5.3 Extension of the 2015 Waiver and Proposed New Annual Caps*

The Manager expects that the Fortune REIT Group will continue to enter into Continuing Connected Party Transactions with the CK Asset Connected Persons Group and the Manager Group beyond the expiry of the 2015 Waiver.

Given the regular, ordinary and ongoing nature of the Continuing Connected Party Transactions, the Manager is of the view that it will be unduly burdensome and not in the interests of the Unitholders to be subject to strict compliance with the requirements under Chapter 8 of the REIT Code with respect to the Continuing Connected Party Transactions on each and every occasion they arise, and accordingly, the Manager has applied to the SFC for an extension of the 2015 Waiver (expiry date being 31 December 2018) (“**Waiver Extension**”) for three financial years ending 31 December 2021 (“**New CPT Waiver Period**”). The Manager has also applied to the SFC for the proposed New Annual Caps for the New CPT Waiver Period, which are more particularly described in the Circular.

The Manager has made a submission to SFC to apply for approval of the Waiver Extension (including the proposed New Annual Caps). In the event that the Ordinary Resolution regarding the Waiver Extension (including the proposed New Annual Caps) is not approved by the Independent Unitholders, the 2015 Waiver will continue to apply for the remainder of its duration.

The categories of Continuing Connected Party Transactions (including scope and nature) with respect to the 2018 Extended Waiver remain the same as the Continuing Connected Party Transactions in respect of which the 2015 Waiver was granted. The categories of Continuing Connected Party Transactions are:

(a) *Revenue Transactions: leasing/licensing transactions*

As part of the Fortune REIT Group’s ordinary and usual course of business, leasing/licensing transactions have been, or will from time to time be, conducted between the Fortune REIT Group on the one hand, and the CK Asset Connected Persons Group and/or the Manager Group (as the case may be) on the other hand, in relation to any properties or companies in which Fortune REIT may directly or indirectly be interested.

(b) *Expenditure transactions: property management arrangements, third party services and other operational transactions*

Also as part of the Fortune REIT Group’s ordinary and usual course of business, various categories of continuing connected party transactions have been, or will from time to time be, conducted with members of the CK Asset Connected Persons Group, and such transactions comprise the following:

- (i) Property management – the Manager has, pursuant to the Property Management Agreement, delegated the property and lease management and marketing functions in respect of Fortune REIT’s real estate assets to the Property Manager, which is currently an indirect wholly-owned subsidiary and connected person of CK Asset. Under the Property Management Agreement, the Property Manager is entitled to a fee of 3.0% per annum of the gross property revenue for the provision of property and lease management services, and a commission for the provision of marketing services.

- (ii) Third party services – the Property Manager, as agent for the relevant owners of the properties held by Fortune REIT, had entered into, and will continue to enter into, contracts with third party service providers for the provision of, among other things, cleaning, maintenance, security, car park management and other ancillary services for the relevant property. Some of these third party service providers are members of the CK Asset Connected Persons Group.
- (iii) Other operational transactions – each owner of the properties held by Fortune REIT would, where applicable, be bound by the terms of the deed of mutual covenant applicable to the property owned by it. The deed of mutual covenant binds the manager under the deed of mutual covenant (the “**DMC Manager**”) and all the owners of a development and their successors-in-title, irrespective of whether they are original parties to the deed of mutual covenant. Some of the DMC Managers in respect of properties held by Fortune REIT are currently members of the CK Asset Connected Persons Group. Furthermore, there may also be situations arising where one or more members of the CK Asset Connected Persons Group may own other parts of the development of which the property held by members of the Fortune REIT Group forms part, and therefore technically the deed of mutual covenant constitutes a contract between members of the CK Asset Connected Persons Group and members of the Fortune REIT Group.

The scope of the CK Asset Connected Persons Group and the Manager Group with respect to the 2018 Extended Waiver remains the same as that of the 2015 Waiver.

#### *5.4 Opinion of the Board, Independent Board Committee, Independent Financial Adviser and the Trustee*

The Board (including all the INEDs) confirms that for purposes of the REIT Code:

- (a) in its opinion, the Waiver Extension and the basis for the Waiver Extension, (including the proposed New Annual Caps and the basis of arriving at the same), are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (b) in its opinion, each of the Continuing Connected Party Transactions subsisting as at, or to be entered into after, the Latest Practicable Date has been/will be: (i) entered into in the ordinary and usual course of business of Fortune REIT; (ii) entered into at arm’s length and on normal commercial terms; and (iii) fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the Waiver Extension (including the proposed New Annual Caps). The Independent Board Committee concurs with the opinion of the Independent Financial Adviser and are satisfied for purposes of the REIT Code:

- (a) the Waiver Extension, and the basis for the Waiver Extension (including the proposed New Annual Caps and the basis of arriving at the same) is fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (b) the Continuing Connected Party Transactions subsisting as at, or to be entered into after, the Latest Practicable Date has been/will be: (i) conducted in the ordinary and usual course of business of Fortune REIT; (ii) on terms which are and will be at arm's length and on normal commercial terms; and (iii) fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Ballas Capital Limited, being the Independent Financial Adviser, has been appointed by the Board and the Trustee to advise the Independent Board Committee, the Independent Unitholders and the Trustee as to whether the Continuing Connected Party Transactions under the 2018 Extended Waiver are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of Fortune REIT and the Unitholders as a whole. The Independent Financial Adviser has confirmed that they are of the view that for the purposes of the REIT Code:

- (a) the Waiver Extension, and the basis for the Waiver Extension (including the proposed New Annual Caps and the basis of arriving at the same) are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (b) each of the Continuing Connected Party Transactions subsisting as at, or to be entered into after, the Latest Practicable Date has been/will be: (i) conducted in the ordinary and usual course of business of Fortune REIT; (ii) on terms which are and will be at arm's length and on normal commercial terms; and (iii) fair and reasonable and in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Based and in sole reliance on: (1) the opinion of the Board in the Letter to the Unitholders contained in the Circular and the information and assurances provided by the Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code: (a) is of the view that the 2018 Extended Waiver (including the proposed New Annual Caps) and the Continuing Connected Party Transactions are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole; and (b) has no objection to the Manager proceeding with the Waiver Extension (including the proposed New Annual Caps), subject to the approval of the Independent Unitholders.



The Trustee has not made any assessment of the merits or impact of the Waiver Extension (including the proposed New Annual Caps), other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Independent Unitholders, including those who are in any doubt as to the merits or impact of the Waiver Extension and the proposed New Annual Caps, to consider the “Letter from the Independent Financial Adviser in relation to the 2018 Extended Waiver” to the Circular and to seek their own additional financial or other professional advice.

Unitholders’ attention is drawn to the “Letter from the Independent Board Committee in relation to the 2018 Extended Waiver” as set out in the Circular, which contains the Independent Board Committee’s recommendation to the Independent Unitholders in respect of the Waiver Extension (including the proposed New Annual Caps) and the “Letter from the Independent Financial Adviser in relation to the 2018 Extended Waiver” as set out in the Circular, which contains the Independent Financial Adviser’s opinion to the Independent Board Committee, the Independent Unitholders and the Trustee as to whether the Waiver Extension (including the proposed New Annual Caps) are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Fortune REIT, the Independent Unitholders, as well as the Unitholders as a whole, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion.

The Manager proposes to seek Unitholders’ approval by way of Ordinary Resolution at the EGM approving the Waiver Extension (including the proposed New Annual Caps). Details of the Waiver Extension (including the proposed New Annual Caps) are more fully described in the Circular.

## **6. PROPOSED EXPANSION OF THE SCOPE OF THE INVESTMENT POLICY OF FORTUNE REIT AND RELATED AMENDMENTS TO THE TRUST DEED AND MISCELLANEOUS AMENDMENTS**

### **A. Proposed Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments**

Under Clause 10.2.2 of the Trust Deed, the principal investment policy in respect of Fortune REIT is to invest in Real Estate in Hong Kong and such Real Estate shall generally be income-producing.

The Manager proposes to expand the scope of the investment policy of Fortune REIT such that its investment policy will no longer be geographically restricted to Hong Kong and Fortune REIT may invest in Real Estate in any part of the world (including but not limited to stand-alone assets and comprehensive mixed-use developments).

The reasons for the proposed Expanded Investment Scope regarding Geographical Scope are to increase investment opportunities and flexibility to maximize returns, to enhance stability in rental revenue level and ability to make stable distributions, to enhance Unitholder base of Fortune REIT, and to respond to the trends for mixed-use developments and cross-border investments.

Fortune REIT's existing investment strategy remains in investing in commercial properties, including without limitation stand-alone assets and comprehensive mixed-use developments such as retail, shopping mall, office, hotels, service apartments and industrial properties. Pursuant to Clause 10.2.2 of the Trust Deed, the Manager may determine Fortune REIT's investment strategy from time to time at its absolute discretion so far as it is consistent with Fortune REIT's investment policy. In connection with the aforementioned, the Manager proposes amendments to Clause 10.2.5 of the Trust Deed such that it is consistent with Clause 10.2.2 to make clear that the Manager may determine Fortune REIT's investment strategy from time to time at its absolute discretion provided that such strategy must always be consistent with the investment policy of Fortune REIT and must comply with the REIT Code, whereby such change would not require Unitholders' approval. The full text of such amendments is set out in Section I of Appendix A to the Circular.

The Manager will ensure that before engaging in any investment in other jurisdictions, it will have competent and adequate staff with sufficient and appropriate skills, resources and expertise in place, either as part of its in-house skills or by way of outsourcing to a competent external party under its oversight, to manage the investment in other jurisdictions.

The full text of details including considerations to be taken into account by the Manager, risks relating to overseas investments and measures to mitigate such risks, and relevant compliance with the REIT Code and the Compliance Manual are more fully described in the Circular.

There is no current plan as to which geographical areas Fortune REIT will expand into, but the Manager may consider to explore opportunities in the proposed Expanded Investment Scope regarding Geographical Scope should it be approved by the Unitholders.

**B. Proposed Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments**

As a result of the amendments to the REIT Code in August 2014, greater flexibility has been introduced to REITs with respect to their investment in properties under development or engagement in property development activities, subject to, among other things, obtaining the approval of Unitholders for the necessary trust deed amendments. These amendments to the REIT Code include the following:

- (a) REITs are required to primarily invest in real estate. At least 75% of the gross asset value of the REIT shall be invested in real estate that generates recurrent rental income at all times.

- (b) Flexibility to invest in properties under development or engage in property development activities (including both new development projects and re-development of existing properties) and to invest in vacant land, subject to certain requirements and limitations, are introduced for REITs. In the case of investments in properties under property developments undertaken by a REIT, such properties shall be held by the REIT for a period of at least two years from the completion of the properties.

In view of the investment relaxation and flexibility introduced by the amendments to the REIT Code, the Manager proposes to reflect such changes in the Trust Deed so that Fortune REIT may engage in or undertake Property Development and Related Activities.

The reasons for the Expanded Investment Scope regarding Property Development and Related Activities are: (i) to lower entry cost by investing at an early stage; (ii) for better control over designing and building; and (iii) for financial benefit of re-development of aging properties with substantial maintenance cost.

The Manager will update its Compliance Manual to ensure that the Manager has competent and adequate staff with sufficient and appropriate skills, resources and expertise in place, either as part of their in-house skills or by way of outsourcing to a competent external party (e.g. engaging a reputable, suitably qualified and financially sound developer or contractor to undertake the development or construction activities) under its oversight, to manage the Property Development and Related Activities.

The full text of details including background, reasons for such expansion, risks relating to Property Development and Related Activities and measures to mitigate such risks, and relevant compliance with the REIT Code and the Compliance Manual are more fully described in the Circular.

### **C. Proposed Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments**

In addition to the above amendments to the REIT Code regarding Property Development and Related Activities, the amendments to the REIT Code in August 2014 have also introduced flexibility for REITs to invest in listed securities, unlisted debt securities, government and other public securities and property funds, subject to certain limitations.

In view of the investment relaxation and flexibility introduced by the amendments to the REIT Code, the Manager proposes to reflect such changes in the Trust Deed so that Fortune REIT may expand the investment scope of Fortune REIT's investment policy to include investments in Relevant Investments.

The reasons for the Expanded Investment Scope regarding Relevant Investments are to provide Fortune REIT with more flexibility to manage its cash position with a view to enhancing returns to Unitholders, especially in times of low cash deposit rates or when there are limited suitable property investment opportunities.

The Manager will ensure that before engaging in any Relevant Investments, it will have competent and adequate staff with sufficient and appropriate skills, resources and expertise in place either as part of its in-house skills or by way of outsourcing to a competent external party under its oversight, to manage the Relevant Investments.

The full text of details including background, reasons for such expansion, risks relating to Relevant Investments and measures to mitigate such risks, and relevant compliance with the REIT Code and the Compliance Manual are more fully described in the Circular.

#### **D. Proposed Amendments to the Trust Deed**

In connection with the proposed Expanded Investment Scope regarding Geographical Scope, Expanded Investment Scope regarding Property Development and Related Activities and Expanded Investment Scope regarding Relevant Investments, the Manager proposes consequential amendments to the Trust Deed, being the Geographical Scope Amendments, Property Development Amendments and Relevant Investments Amendments, respectively, relating to investments by Fortune REIT. The full text of the consequential amendments are set out in the Circular.

#### **E. Unitholders' Approval Required**

The Manager notes that in a circular to management companies of SFC-authorized REITs dated 12 October 2007, the SFC has, among other things, clarified that in acquiring overseas or new types of properties, REIT managers do not have to seek re-approval of their licences or re-authorization of the relevant REIT by the SFC before proceeding to make such acquisitions.

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 of the scheme.

Under Clause 10.2.4 of the Trust Deed, in order for the Manager to change the investment policies of Fortune REIT, 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-authorized 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 as required for (a) Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments; (b) Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments; and (c) Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments, by way of Extraordinary Resolutions to be proposed at the EGM.

Clause 28 of the Trust Deed provides that no modification, alteration or addition to the Trust Deed shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof and, save for certain limited exceptions as certified by the Trustee in writing, must be made with the sanction of an Extraordinary Resolution. It is also a condition of the authorisation of Fortune REIT by the SFC under section 104 of the SFO that the Manager must ensure that no material changes will be made to the Trust Deed except with the prior approval of the SFC.

#### **F. Restrictions on Voting**

Paragraph 9.9(f) of the REIT Code provides that where a Unitholder has a material interest in the business to be contracted at a general meeting of the Unitholders, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting.

Further, under paragraph 2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the resolution tabled for approval at a general meeting of the Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units or being counted in the quorum for the general meeting.

As at the Latest Practicable Date, to the best of the Manager's knowledge, information and belief, with respect to the proposed Extraordinary Resolutions relating to (a) Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments; (b) Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments; and (c) Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments, the Manager is unaware of any Unitholders that are required to abstain from voting at the EGM on such Extraordinary Resolutions.

#### **G. Recommendation**

The Board considers that (a) Expanded Investment Scope Regarding Geographical Scope together with Geographical Scope Amendments; (b) Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments; and (c) Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments set out in the section headed "Proposed Expansion of the Scope of the Investment Policy of Fortune REIT and Related Amendments to the Trust Deed and Miscellaneous Amendments" in the Letter to the Unitholders of the Circular are in the interests of Fortune REIT and the Unitholders as a whole. Accordingly, the Board recommends all Unitholders to vote in favour of Extraordinary Resolutions nos. 1 to 3 relating to, among other things, such investment scope expansion and amendments to the Trust Deed to be proposed at the EGM.

Based and in sole reliance on the information provided by, and assurances from, the Manager, and the opinion of the Board, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, has no objection to the Manager submitting (a) the Expanded Investment Scope regarding Geographical Scope together with Geographical Scope Amendments; (b) the Expanded Investment Scope regarding Property Development and Related Activities together with Property Development Amendments; and (c) the Expanded Investment Scope regarding Relevant Investments together with Relevant Investments Amendments for Unitholders' approval (collectively, the "**Proposed Expanded Investment Scope**" and/or "**Corresponding Trust Deed Amendments**") as set out in the Circular. The Trustee confirms that the Proposed Expanded Investment Scope and/or Corresponding Trust Deed Amendments comply with the REIT Code (including the Practice Note on Overseas Investments by SFC-authorized REITs).

The Trustee's view is not to be taken as a recommendation or representation by the Trustee of the commercial merits of the Proposed Expanded Investment Scope nor the Corresponding Trust Deed Amendments. The Trustee has not made any assessment of the commercial merits of the Proposed Expanded Investment Scope and/or Corresponding Trust Deed Amendments, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the Proposed Expanded Investment Scope and/or Corresponding Trust Deed Amendments, to seek their own financial or other professional advice.

#### **H. Miscellaneous Amendments to the Trust Deed**

To enhance the clarity and consistency of the provisions in the Trust Deed, the Manager proposes to effect the Miscellaneous Amendments, which include some minor corrections and amendments to the Trust Deed and do not require Unitholders' approval under Clause 28 of the Trust Deed and paragraph 9.6 of the REIT Code.

Pursuant to Clause 28 of the Trust Deed and paragraph 9.6 of the REIT Code, no specific approval from Unitholders is required for the Miscellaneous Amendments, provided that the Trustee certifies that in its opinion such amendments does not materially prejudice the interests of the Unitholders, and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and does not increase the costs and charges payable from the property of Fortune REIT. The Trustee has provided the relevant certification to effect such amendments.

Full text of the Miscellaneous Amendments are set out in the Circular.

## **7. NOTICE OF AGM AND EGM**

The AGM will be held at 2:30 p.m. on Friday, 27 April 2018, or any adjournment thereof, at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong, for the purpose of considering and, if thought fit, the Ordinary Resolutions set out in the AGM Notice. The EGM will be held as soon thereafter following the conclusion/adjournment of the AGM on the same day and at the same place, for the purpose of considering and, if thought fit, the Ordinary Resolution and Extraordinary Resolutions set out in the EGM Notice. Any Unitholder or depositor or proxy who wishes to take part in the said meetings from Singapore, may attend via video conference which shall be held at Crescent 2, Level 2 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593.

## **8. CLOSURE OF REGISTER OF UNITHOLDERS**

The Register of Unitholders will be closed from Friday, 20 April 2018 to Friday, 27 April 2018 (both days inclusive), during which period no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the said meetings. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the said meetings, all duly completed transfers forms accompanied by the relevant Unit certificates must be lodged with the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Unitholders), or to the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders) not later than 4:30 p.m. on Thursday, 19 April 2018.

## **9. TEXT OF AGM NOTICE**

**NOTICE IS HEREBY GIVEN** that the AGM will be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Friday, 27 April 2018 at 2:30 p.m. or any adjournment thereof. Any Unitholder or depositor or proxy who wishes to take part in the AGM from Singapore, may attend via video conference which shall be held at Crescent 2, Level 2 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. The persons attending the said video conference will be able to pose questions to the management and to comment on matters to be transacted at the AGM. Please be punctual to avoid disrupting the AGM which will commence at 2:30 p.m. sharp on Friday, 27 April 2018 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary 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 2017 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)**

3. To endorse the appointment of each of the following persons who is a director of the Manager (the “**Director**”, together the “**Directors**”), pursuant to the Deed of Undertaking (“**Undertaking**”) entered into between ARA Asset Management Limited and the Trustee:

(a) Dr. Chiu Kwok Hung, Justin; **(Ordinary Resolution 3)**

(b) Mr. Lim Hwee Chiang; **(Ordinary Resolution 4)**

(c) Mr. Ma Lai Chee, Gerald; and **(Ordinary Resolution 5)**

(d) Ms. Koh Poh Wah. **(Ordinary Resolution 6)**

*[See Explanatory Note 1]*

#### **AS SPECIAL BUSINESS**

4. (a) To exercise all the powers of the Manager to repurchase issued units in Fortune REIT (“**Units**”) for and on behalf of Fortune REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined) by way of on-market repurchase(s) on the main boards of SEHK and/or SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed, and otherwise in accordance with all applicable laws and regulations, including of such stock exchange for the time being on which the Units may be listed and quoted (the “**Unit Buy-back Mandate**”);



- (b) To exercise the authority conferred on the Manager pursuant to the Unit Buy-back Mandate at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of Fortune REIT is held (unless by ordinary resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation or the Trust Deed or the Code on Real Estate Investment Trusts published by the Securities and Futures Commission of Hong Kong to be held;
  - (ii) the date on which the authority conferred by the Unit Buy-back Mandate is revoked or varied by Unitholders by way of ordinary resolution in a general meeting; and
  - (iii) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated,

where in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of a Unit over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the on-market repurchase and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

**“Market Day”** means 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 SEHK and/or the SGX-ST (as the case may be) are open for trading;

**“Maximum Limit”** means that number of Units representing 10% of the total number of issued Units as at the date of the passing of this Resolution; and

**“Maximum Price”** in relation to a Unit to be repurchased on-market, means the repurchase price (excluding brokerage, commission, stamp duty, applicable goods and services tax and other related expenses) which shall not exceed 105% of the Average Closing Price of the Units.

- (c) 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 and/or the Trustee may consider expedient or necessary or in the interest of Fortune REIT to give effect to the transactions contemplated and/or authorised by this Resolution.

*[See Explanatory Note 2]*

**(Ordinary Resolution 7)**

## AS OTHER BUSINESS

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

### ***Explanatory Notes:***

1. *Ordinary Resolutions 3 to 6 to be passed:*

- (a) *The Undertaking which is entered into between ARA Asset Management Limited and the Trustee will give the Unitholders the right to endorse the appointment of Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Mr. Ma Lai Chee, Gerald and Ms. Koh Poh Wah in the annual general meeting of Unitholders to be held in 2018. Details of the Undertaking are set out in section 4 and Appendix B to the Circular.*
- (b) *Detailed information on Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Mr. Ma Lai Chee, Gerald and Ms. Koh Poh Wah (including their current directorships in other listed companies and details of other principal commitments) can be found in Appendix B to the Circular.*
- (c) *In addition to the Directors who are not subject to endorsement by Unitholders at the coming AGM, upon endorsement, Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang, Mr. Ma Lai Chee, Gerald and Ms. Koh Poh Wah will continue to serve on the board of directors of the Manager. Dr. Chiu Kwok Hung, Justin, Mr. Lim Hwee Chiang and Mr. Ma Lai Chee, Gerald will continue to serve as Non-Executive Directors; Ms. Koh Poh Wah will continue to serve as INED.*

2. *Ordinary Resolution 7 to be passed:*

*Ordinary Resolution 7 above, if passed, will empower the Manager, from the date of this AGM until the earliest of the following dates: (i) the date on which the next AGM of Fortune REIT is held (unless by ordinary resolution passed at that meeting the Unit Buy-back Mandate is renewed, either unconditionally or subject to conditions) or required by applicable law and regulation, the Trust Deed or the REIT Code to be held, or (ii) the date on which such authority is revoked or varied by the Unitholders by way of ordinary resolution in a general meeting, (iii) the date on which repurchase of Units pursuant to the Unit Buy-back Mandate is carried out to the full extent mandated, to exercise all the powers to repurchase issued Units for and on behalf of Fortune REIT not exceeding in aggregate 10% of the total number of Units as at the date of the passing of Ordinary Resolution 7 by way of on-market repurchase(s) on the terms of the Unit Buy-back Mandate set out in the Circular.*

*The Manager intends to use internal sources of funds of Fortune REIT or its external borrowings or a combination of both to finance the repurchases of the Units. The impact on the financial position of Fortune REIT cannot be ascertained as at the date of this notice of AGM as these will depend on, inter alia, the aggregate number of Units repurchased, and the consideration paid at the relevant time.*

**Notes:**

1. The Register of Unitholders of Fortune REIT will be closed from Friday, 20 April 2018 to Friday, 27 April 2018, both days inclusive, to determine which Unitholders will qualify to attend and vote at 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 Shops 1712–1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders) or to the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders) not later than 4:30 p.m. on Thursday, 19 April 2018. You can vote at the AGM if you are a Unitholder as at the close of business on Thursday, 19 April 2018.
2. A Unitholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint not more than two proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as a proxy need not to be a Unitholder.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of: (a) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders); and (b) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore unitholders), not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
4. Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders of Fortune REIT in respect of such Unit shall alone be entitled to vote in respect thereof.
5. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder’s proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder’s breach of warranty.

## **10. TEXT OF EGM NOTICE**

**NOTICE IS HEREBY GIVEN** that the EGM will be held at Level 5, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Friday, 27 April 2018 as soon thereafter following the conclusion/adjournment of the AGM to be held at 2:30 p.m. on the same day and at the same place. Any Unitholder or depositor or proxy who wishes to take part in the EGM from Singapore, may attend via video conference which shall be held at Crescent 2, Level 2 Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. The persons attending the said video conference will be able to pose questions to the management and to comment on matters to be transacted at the EGM. The EGM will be held for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

### **AS ORDINARY BUSINESS**

- 1) (a) To approve the Waiver Extension (including the proposed New Annual Caps) as more fully described in the Circular; and
  - (b) the Manager, any director of the Manager, the Trustee and any authorized signatory of 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, the Trustee and/or such authorized signatory of the Trustee, as the case may be, may consider desirable, expedient or necessary or in the interest of Fortune REIT to implement or give effect to all matters contemplated and/or authorised in sub-paragraph (a) of this Resolution.

**(Ordinary Resolution 1)**

### **AS EXTRAORDINARY BUSINESS**

- 1) (a) Pursuant to Clauses 10.2.4 and 28 of the Trust Deed, approval be and is hereby given for (i) the Expanded Investment Scope regarding Geographical Scope, as more fully described in the Circular and (ii) the proposed Geographical Scope Amendments as set out in Section I of Appendix A to the Circular; and
  - (b) The Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such amending and restating Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution no. 1.”

**(Extraordinary Resolution 1)**

- 2) (a) Pursuant to Clauses 10.2.4 and 28 of the Trust Deed, approval be and is hereby given for (i) the Expanded Investment Scope regarding Property Development and Related Activities, as more fully described in the Circular and (ii) the Property Development Amendments as set out in Section II of Appendix A to the Circular; and

- (b) The Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such amending and restating Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution no. 2.”

**(Extraordinary Resolution 2)**

- 3) (a) Pursuant to Clauses 10.2.4 and 28 of the Trust Deed, approval be and is hereby given for (i) the Expanded Investment Scope regarding Relevant Investments, as more fully described in the Circular and (ii) the Relevant Investments Amendments as set out in Section III of Appendix A to the Circular; and
- (b) The Manager, any director of the Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including without limitation executing such amending and restating Trust Deed and all other documents as may be required) as the Manager, such director of the Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interest of Fortune REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution no. 3.”

**(Extraordinary Resolution 3)**

**Notes:**

1. The Register of Unitholders of Fortune REIT will be closed from Friday, 20 April 2018 to Friday, 27 April 2018, both days inclusive, to determine which Unitholders will qualify to attend and vote at EGM 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 EGM, 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 Shops 1712–1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders) or to the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore Unitholders) not later than 4:30 p.m. on Thursday, 19 April 2018. You can vote at the EGM if you are a Unitholder as at the close of business on Thursday, 19 April 2018.
2. A Unitholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint not more than two proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as a proxy need not to be a Unitholder.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of: (a) the Hong Kong Unit Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Unitholders); and (b) the Singapore Unit Registrar, Boardroom Corporate & Advisory Services Pte. Limited, at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 (for Singapore unitholders), not less than forty-eight (48) hours

before the time fixed for holding the meeting or any adjournment thereof. Completion and return of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.

4. Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders of Fortune REIT in respect of such Unit shall alone be entitled to vote in respect thereof.
5. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

## 11. DEFINITIONS

“10% GAV Cap”	means 10% of the gross asset value of the Deposited Property (as defined in the Trust Deed), being the limit of the Aggregate Development Costs
“2015 Circular”	the circular of Fortune REIT dated 25 March 2015
“2015 Waiver”	the waiver granted by the SFC on 17 April 2015 as described in section 3 headed “ <i>Modification and extension of waiver in respect of certain continuing connected party transactions</i> ” in the Letter to the Unitholders contained in the 2015 Circular
“2017 Annual Report”	the annual report of Fortune REIT in respect of the financial year ended 31 December 2017
“2018 Extended Waiver”	the resulting extended 2015 Waiver, if the proposed Waiver Extension (including the proposed New Annual Caps) is approved by the Independent Unitholders at the EGM
“AGM”	an annual general meeting of the Unitholders to be convened on Friday, 27 April 2018, or any adjournment thereof
“AGM Notice”	the notice included in the Circular in respect of the AGM to consider and, if thought fit, approve the Ordinary Resolutions to be proposed at the AGM
“Aggregate Development Costs”	the aggregate Property Development Costs of all subsisting Property Development and Related Activities, together with the aggregate contract value of the uncompleted units of real estate acquired by Fortune REIT (for this purpose, investment in Property Development and Related Activities shall not include refurbishment, retrofitting and renovations)
“Auditors”	Deloitte & Touche LLP and Deloitte Touche Tohmatsu

“Audited Financial Statements”	The audited consolidated financial statements of Fortune REIT for the financial year ended 31 December 2017
“Board”	the board of Directors
“Circular”	the circular of Fortune REIT to be issued and despatched to the Unitholders on 21 March 2018
“CK Asset”	CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of SEHK (Stock Code: 1113)
“CK Asset Connected Persons Group”	a group of connected persons (as defined under the REIT Code) of Fortune REIT, and these connected persons includes: Focus Eagle (a significant Unitholder for the purpose of the REIT Code), associates (as defined in the REIT Code) of Focus Eagle and entities or persons which are from time to time connected persons of Fortune REIT as a result of their connection with Focus Eagle
“Compliance Manual”	the compliance manual adopted by the Manager for governing the management and operation of Fortune REIT, as amended, supplemented and/or otherwise modified from time to time
“connected person”	has the meaning ascribed to it under the REIT Code
“Continuing Connected Party Transactions”	the continuing connected party transactions between the Fortune REIT Group on one part and the CK Asset Connected Persons Group and/or the Manager Group on the other part, the details of which are set out in the 2015 Circular and the Circular
“Director(s)”	the director(s) of the Manager



“EGM”	an extraordinary general meeting of the Unitholders to be convened on Friday, 27 April 2018, or any adjournment thereof
“EGM Notice”	the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the Ordinary Resolution and Extraordinary Resolutions to be proposed at the EGM
“Expanded Investment Scope regarding Geographical Scope”	the proposed expansion of the geographical scope of Fortune REIT’s investment policy such that its investment policy will no longer be geographically restricted to Hong Kong and Fortune REIT may invest in Real Estate in any part of the world, which is to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 1 set out in the EGM Notice
“Expanded Investment Scope regarding Property Development and Related Activities”	the proposed expansion of the scope of Fortune REIT’s investment policy so that it shall have the flexibility to engage in Property Development and Related Activities (subject to restrictions in the REIT Code), which is to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 2 set out in the EGM Notice
“Expanded Investment Scope regarding Relevant Investments”	the proposed expansion of the scope of Fortune REIT’s investment policy so that it shall have the flexibility to invest in Relevant Investments (subject to restrictions in the REIT Code), which is to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 3 set out in the EGM Notice
“Explanatory Statement”	the explanatory statement set out in Appendix C to the Circular

“Extraordinary Resolution”	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 and with a quorum of Unitholders holding 25% of Units in issue
“Focus Eagle”	Focus Eagle Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of CK Asset
“Fortune REIT”	Fortune Real Estate Investment Trust
“Fortune REIT Group”	Fortune REIT and other companies or entities held or controlled by it
“Geographical Scope Amendments”	the proposed amendments to the Trust Deed in connection with the proposed Expanded Investment Scope regarding Geographical Scope, the details of which are set out in Section I of Appendix A to the Circular, which are to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 1 set out in the EGM Notice
“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 SEHK, as amended, supplemented or modified from time to time
“Hong Kong Takeovers and Share Buy-backs Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or modified from time to time
“Independent Board Committee”	the independent committee of the Board established to advise the Independent Unitholders on the Waiver Extension and the proposed New Annual Caps

“Independent Financial Adviser”	Ballas Capital Limited, a corporation licenced to carry out type 1 (dealing in securities) relating to corporate finance and type 6 (advising in corporate finance) regulated activities as defined under the SFO, and in its capacity as the independent financial adviser for the purpose of paragraph 10.10(p) of the REIT Code
“Independent Unitholders”	Unitholders other than those who are required to abstain or prohibited from voting pursuant to paragraph 8.11 and/or 9.9(f) of the REIT Code
“INED(s)”	the independent non-executive Director(s) of the Manager
“Introduction Listing Document”	the listing document dated 31 March 2010 of Fortune REIT in connection with the listing of its Units by way of introduction on the SEHK
“Latest Practicable Date”	9 March 2018, being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining certain information contained in the Circular
“Listing Manual”	Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“Manager”	ARA Asset Management (Fortune) Limited in its capacity as manager of Fortune REIT
“Manager Group”	the Manager and persons who are connected persons of Fortune REIT as a result of their connection with the Manager as described in paragraphs 8.1(e), (f) or (g) of the REIT Code, but excluding the connected persons of Fortune REIT falling under the definition of the CK Asset Connected Persons Group
“Miscellaneous Amendments”	the proposed amendments to the Trust Deed which are not subject to the approval of Unitholders, the details of which are set out in Section IV of Appendix A to the Circular

“New Annual Caps”	the proposed new annual caps for the Continuing Connected Party Transactions for the New CPT Waiver Period, as set out in section 2.4 headed “ <i>2018 Extended Waiver and the proposed New Annual Caps</i> ” in the Letter to the Unitholders contained in the Circular
“New CPT Waiver Period”	the extended waiver period in respect of the 2015 Waiver, being three financial years ending 31 December 2021
“Ordinary Resolution”	a resolution proposed and passed as such by a majority being greater than 50% 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 and with a quorum of two or more Unitholders holding 10% of Units in issue
“Property Development and Related Activities”	the acquisition of uncompleted units in a building by Fortune REIT and property developments (including both new development projects and re-development of existing properties) undertaken in accordance with the REIT Code and the CIS Code (as defined in the Trust Deed)
“Property Development Amendments”	the proposed amendments to the Trust Deed in connection with the proposed Expanded Investment Scope regarding Property Development and Related Activities, the details of which are set out in Section II of Appendix A to the Circular, which are to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 2 set out in the EGM Notice
“Property Development Costs”	the total project costs borne and to be borne by Fortune REIT in relation to a property development project, inclusive of all costs associated with such project, including, where applicable, the costs for the acquisition of land, development or construction costs and financing costs

“Property Funds Appendix”	the investment guidelines regulating collective investment schemes that invest or propose to invest in real estate and real estate-related assets in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore
“Property Management Agreement”	the property management agreement dated 7 July 2003 entered into among the Trustee, the Manager and the Property Manager (as amended by an extension letter dated 1 August 2008, supplemented by a supplemental property management agreement dated 30 April 2010 and amended by an extension letter dated 11 August 2013)
“Property Manager”	Goodwell-Fortune Property Services Limited
“Real Estate”	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 (as defined in the Trust Deed)
“REIT”	real estate investment trust
“REIT Code”	Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented or modified from time to time
“Relevant Investments”	the following financial instruments: (i) securities listed on the SEHK or other internationally recognised stock exchanges; (ii) unlisted debt securities; (iii) government and other public securities; and (iv) local or overseas property funds

“Relevant Investments Amendments”	the proposed amendments to the Trust Deed in connection with the proposed Expanded Investment Scope regarding Relevant Investments, the details of which are set out in Section III of Appendix A to the Circular, which are to be considered, and if thought fit, approved by Unitholders as part of the proposed Extraordinary Resolution no. 3 set out in the EGM Notice
“Rules”	any laws, rules or regulations, including the REIT Code, the SFO, the Hong Kong Takeovers and Share Buy-backs Code, the Hong Kong Listing Rules (where applicable), the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (including the Property Funds Appendix), the Listing Manual (where applicable) and the Singapore Securities and Futures Act
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance of Hong Kong (Cap. 571 of the laws of Hong Kong), as amended, supplemented or modified from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Statement by the Manager”	the statement by the Manager contained in the 2017 Annual Report
“Trust Deed”	the trust deed entered into between the Trustee and the Manager constituting Fortune REIT, dated 4 July 2003 and as amended, varied and supplemented from time to time
“Trustee”	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT
“Trustee’s Report”	the Trustee’s report contained in the 2017 Annual Report

“Unit”	a unit of Fortune REIT, and “Units” will be construed accordingly
“Unit Buy-back Mandate”	the proposed general mandate to be given to the Manager to repurchase Units for and on behalf of Fortune REIT
“Unitholder(s)”	holder(s) of the Units
“Waiver Extension”	the extension of the expiry date (being 31 December 2018) of the 2015 Waiver for three years ending 31 December 2021
“%”	per cent.

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

Hong Kong, 21 March 2018

*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; Ms. Cheng Ai Phing, Ms. Yeo Annie (alias Yeo May Ann) and Ms. Koh Poh Wah as Independent Non-executive Directors.*