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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))*

(Stock Code: 778)

Managed by



ARA Asset Management (Fortune) Limited

ACQUISITION OF ARA ASSET MANAGEMENT LIMITED BY ESR CAYMAN LIMITED

Reference is made to the announcements published by ESR Cayman Limited (“**ESR**”), a company incorporated in the Cayman Islands the shares of which are listed on the Stock Exchange of Hong Kong Limited (Stock Code: 1821), dated 4 August 2021, 24 August 2021, 26 August 2021, 30 September 2021, 12 October 2021, 15 October 2021, 18 October 2021, 3 November 2021 and 20 January 2022 and the circular issued by ESR on 18 October 2021 in relation to the acquisition of ARA Asset Management Limited (“**ARA**”) by ESR (the “**Acquisition**”).

ARA Asset Management (Fortune) Limited (the “**Manager**”) is the manager of Fortune Real Estate Investment Trust (“**Fortune REIT**”) and a subsidiary of ARA.

The board of directors of the Manager understands that:

1. The Acquisition was completed on 20 January 2022.
2. To the best of the Manager’s knowledge:
 - (a) there is no current intention for any major change in the business of the Manager or Fortune REIT in connection with the Acquisition;
 - (b) there is no current intention for any change to the directors and senior management of the Manager as a result of the Acquisition; and

- (c) there will not be any material operational or financial impact on Fortune REIT as a result of the change of control of the Manager as a result of the Acquisition.
3. ARA and its subsidiaries (the “**ARA Group**”) and ESR and its subsidiaries (the “**ESR Group**”) do not foresee any conflicts of interests between ESR’s current ownership of managers of real estate investment trusts (the “**ESR REIT Managers**”) and ESR’s ownership of the Manager as a result of the Acquisition as Fortune REIT currently primarily invests in retail properties in Hong Kong, which does not overlap with the investment scope of the ESR REITs.

To the extent any conflicts of interest were to arise in the future, these will be managed through a compliance framework which includes internal deal allocation policies designed to address any potential overlap of investment mandates. ESR will put in place appropriate policy to deal with such conflicts, taking into account fiduciary duties, good corporate governance principles and industry best practices.

4. As a result of the Acquisition, ESR will indirectly own 100% of the Manager and will therefore become an associate of the Manager and a connected person of Fortune REIT under Chapter 8 of the Code on Real Estate Investment Trusts published by the Securities and Futures Commission (the “**REIT Code**”). Accordingly, ESR and its associates (as defined under the REIT Code) will become connected persons of Fortune REIT and to the best of the Manager’s knowledge, there is no current subsisting transaction with such persons.

To the best of the Manager’s knowledge, the Acquisition will not cause any change to the existing connected party transactions of Fortune REIT.

This announcement is made pursuant to Chapter 10.3 of the REIT Code.

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, 20 January 2022

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.