

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 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

**(1) PROPOSED AMENDMENTS TO THE TRUST DEED;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLOSURE OF
REGISTER OF UNITHOLDERS**

The Manager wishes to announce that it has proposed Extraordinary Resolutions regarding the Trust Deed Amendments Requiring Approval, to be considered and voted on by the Unitholders at the EGM.

In addition to the Trust Deed Amendments Requiring Approval, the Manager also proposes to make the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments which do not require Unitholders' approval.

The Circular containing, among other things: (a) a letter from the Board to Unitholders in relation to the Trust Deed Amendments Requiring Approval, the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments; and (b) the EGM Notice setting out the Extraordinary Resolutions to be proposed at the EGM, will be despatched to Unitholders as soon as practicable.

The EGM will be held at 10 a.m. on Friday, 10 January 2020, or any adjournment thereof, at 24th Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong. The Register of Unitholders will be closed from Tuesday, 7 January 2020 to Friday, 10 January 2020 (both days inclusive), during which no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the EGM.

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

1 PROPOSED AMENDMENTS TO THE TRUST DEED

Reference is made to the announcements issued by the Manager dated 19 June 2019, 4 July 2019, 19 September 2019, 10 October 2019, 16 October 2019 and 24 October 2019 in relation to the SGX Delisting, the MAS De-authorisation and the Change of Trustee.

The Manager wishes to announce that, following the SGX Delisting and the MAS De-Authorisation, it is proposing to adopt the Trust Deed Amendments as summarised in this announcement, so as to: (a) remove or amend the provisions which are no longer applicable to Fortune REIT as a result of Fortune REIT ceasing to be an authorised collective investment scheme under section 286 of the Singapore SFA (a "**Singapore Property Fund**"); (b) align the Trust Deed more closely with the Hong Kong Rules; and (c) reflect the latest market developments of REITs in Hong Kong.

The following summary should be read together with the full text of the Trust Deed Amendments set out in Appendix A to the Circular.

1.1 Amendments to Provisions Applicable to Singapore Property Funds

1.1.1 Provisions Specific to Singapore Property Funds

As Fortune REIT will no longer be subject to the Singapore Rules, the Manager proposes to: (a) amend the definition of the term "Rules" to remove the references to the Singapore Rules; (b) amend the definition of the term "Competent Authority" to remove the references to Singapore regulatory authorities; and (c) delete or amend certain defined terms specific to Singapore Property Funds, including the terms "Administration Fund", "Authority", "CIS Code", "Companies Act", "CPF", "Depository" (and all other defined terms and provisions relating to the securities depository arrangements which were in place while the Units were listed on the SGX-ST), "Property Funds Appendix", "Singapore Listing Rules", "Tax Ruling" and "Trustees Act", and to remove or update the use of such defined terms throughout the Trust Deed.

The Manager also proposes to delete references and provisions throughout the Trust Deed relating to the Singapore Listed Units (as defined in the Trust Deed) which would no longer be relevant to Fortune REIT following the SGX Delisting.

As it is a condition under paragraph 3.6 of the REIT Code for SFC-Authorised REITs to be listed on the Hong Kong Stock Exchange, the Manager also proposes to delete references and provisions throughout the Trust Deed relating to Unlisted Units (as defined in the Trust Deed).

Please refer to Section 1.1 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.2 *Approved Valuer*

The current definition of the term "Approved Valuer" includes the criteria for valuers under the Singapore Rules and the Hong Kong Rules. To align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements, the Manager proposes to amend the definition of "Approved Valuer" by deleting the Singapore Rules criteria, as well as to update the Hong Kong Rules criteria to reflect the REIT Code. Please refer to Section 1.2 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.3 *Authorised Investments*

The current definition of the term "Authorised Investments" includes the permissible investments under the Singapore Property Funds Appendix, in addition to REIT Code Authorised Investments (as defined in the Trust Deed). To align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements, the Manager proposes to replace the definition of "Authorised Investments" with that of "REIT Code Authorised Investments" and consequently, to delete the definition of "REIT Code Authorised Investments". Please refer to Section 1.3 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.4 *Business Days and Business Hours*

The current definitions of the terms "Business Day" and "Business Hours" include Singapore business days and hours. The Manager proposes to amend their respective definitions to remove such references, so as to more accurately reflect the status of Fortune REIT as a SFC-Authorised REIT and its business and operational activities in Hong Kong. Please refer to Section 1.4 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.5 *Repurchase of Units*

The provisions in clause 7 of the Trust Deed relating to the repurchase and redemption of Units by the Manager currently reflect the Singapore Rules. To align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements, the Manager proposes to amend clause 7. Please refer to Section 1.5 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.6 *Trustee's Oversight over SPVs*

Clause 10.4.9 of the Trust Deed currently reflects the requirements under the Singapore Property Funds Appendix relating to certain matters of Fortune REIT's SPVs which require the Trustee's consent. To align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements, the Manager proposes to delete clause 10.4.9. For the avoidance of doubt, the Trustee is still required to have majority ownership and control of Fortune REIT's SPVs as required under the REIT Code, and full rights to control the objective and management of such SPVs as set out in the Trust Deed. Please refer to Section 1.6 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.7 Stocklending

As clause 10.6 of the Trust Deed currently permits Fortune REIT to enter into stocklending transactions subject to certain restrictions, in order to align Fortune REIT with other REITs in Hong Kong, the Manager proposes to delete clause 10.6. Please refer to Section 1.7 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.8 Limitations on Borrowing

As clause 10.11.2(i) of the Trust Deed currently sets out the borrowing limit under the Singapore Property Funds Appendix, the Manager proposes to delete clause 10.11.2(i), so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. For the avoidance of doubt, Fortune REIT will still be subject to the prescribed borrowing limit under the REIT Code. Please refer to Section 1.8 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.9 Use of Derivatives

As clause 10.16 of the Trust Deed currently sets out the requirements under the Singapore Property Funds Appendix relating to efficient portfolio management, the Manager proposes to delete clause 10.16, so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. For the avoidance of doubt, Fortune REIT will still be permitted to invest in derivative instruments for the purposes of hedging only. Please refer to Section 1.9 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.10 Distributions

Pursuant to clause 11 of the Trust Deed, the distribution policy of Fortune REIT is to distribute the higher of: (a) 100% of its tax-exempt income (except dividends paid out of interest income and gains, which are distributable at the discretion of the Manager) after deduction of applicable expenses, as required under the Singapore Tax Ruling; and (b) 90% of its audited annual net income after tax, as required under paragraph 7.12 of the REIT Code. Tax-exempt income consists of dividends received in Singapore from its subsidiaries which are paid out of income subject to profits tax in Hong Kong at a rate of not less than 15%.

Following the SGX Delisting and the MAS De-Authorisation, the distribution policy referred to in (a) in the preceding paragraph would no longer be mandatory, and the Manager therefore proposes to amend the provisions of clause 11 to align with the minimum annual distribution requirement under the REIT Code and the market practice of other REITs in Hong Kong. For the avoidance of doubt, the calculation of distributions for the financial years prior to and including the financial year ending 31 December 2019 will remain unchanged and unaffected by the proposed amendments, and adjustments to the profit and loss account of Fortune REIT for each financial year or distribution period (as the case may be), as disclosed in the Introduction Document, will remain unchanged. Please refer to Section 1.10 of Appendix A to the Circular for the full text of the proposed amendments to clause 11 of the Trust Deed relating to distributions.

1.1.11 *Related Party Transactions*

As clauses 16, 17.1 and 17.4 of the Trust Deed currently set out the Singapore Rules governing Fortune REIT's transactions with interested parties, connected persons and related corporations (each as defined under the Singapore Rules and/or the Trust Deed), the Manager proposes to amend clause 16 and delete clauses 17.1 and 17.4, so as to align Fortune REIT with other REITs in Hong Kong and remove the requirements under the Singapore Rules. Consequential amendments will also be made to the rest of the Trust Deed to delete the definition of the term "Related Party" and remove or update the use of such defined term throughout the Trust Deed. For the avoidance of doubt, Fortune REIT will still be subject to the Hong Kong Rules governing Fortune REIT's transactions with connected parties (as defined under the REIT Code and the Trust Deed). Please refer to Section 1.11 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.12 *Directors' Disclosure Obligations*

As clause 19.10 of the Trust Deed currently sets out the requirements under the Singapore Rules relating to disclosure of a director's interests or deemed interests in Units, the Manager proposes to delete clause 19.10, so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. For the avoidance of doubt, the provisions in clause 32 relating to disclosure of interest in Units under the Hong Kong Rules will continue to apply. Please refer to Section 1.12 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.13 *Covenants by Manager and Trustee*

As clause 20 of the Trust Deed currently sets out the requirements under the Singapore Rules relating to covenants by the Manager and the Trustee respectively, the Manager proposes to delete clause 20, so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. Please refer to Section 1.13 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.14 *Preparation and Laying of Accounts*

As clause 21.1 of the Trust Deed currently sets out the requirements under the Singapore Property Funds Appendix relating to the preparation and laying of the accounts of Fortune REIT, the Manager proposes to amend clause 21.1, so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. Please refer to Section 1.14 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.15 Appointment and Removal of Auditors

As clause 22 of the Trust Deed currently sets out the requirements under the Singapore Rules relating to the appointment and removal of the auditors of Fortune REIT, the Manager proposes to amend clause 22, so as to align Fortune REIT with other REITs in Hong Kong and remove the Singapore Rules requirements. The main effects of the proposed amendments are that the auditors of Fortune REIT would no longer be required to be appointed by way of Ordinary Resolution duly passed at each annual general meeting of Fortune REIT and their fees would no longer be required to be fixed at each such annual general meeting. Please refer to Section 1.15 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.16 Duration of Fortune REIT

Under clause 26.1 of the Trust Deed, the duration of Fortune REIT is currently of an indeterminate period.

As Fortune REIT was initially constituted under the laws of Singapore, it was not subject to the rule of perpetuity under the laws of Hong Kong which limits the duration of trusts constituted before 1 December 2013 under the laws of Hong Kong to 80 years.

In view of the SGX Delisting and the MAS De-Authorisation, and the Manager's proposal to amend the governing law of the Trust Deed, and hence Fortune REIT, to the laws of Hong Kong (as described in Section 1.1.18 below), the Manager proposes to amend the duration of Fortune REIT to 80 years less one day from the date of commencement of Fortune REIT (being 4 July 2003), so as to comply with the laws of Hong Kong and so as to align Fortune REIT with other REITs in Hong Kong. Please refer to Section 1.16 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to the duration of Fortune REIT.

1.1.17 Requisition of General Meeting by Unitholders

Paragraph 2 of schedule 1 of the Trust Deed currently sets out the requirements under the Singapore Property Funds Appendix relating to the requirements for requisitioning a general meeting of Unitholders. The Manager proposes to amend paragraph 2 of schedule 1, so as to align Fortune REIT with other REITs in Hong Kong and to reflect the requirements under the REIT Code. The effect of the proposed amendments is that a general meeting may be requisitioned by not less than two Unitholders (instead of 50 Unitholders) representing not less than 10% of the issued Units. Please refer to Section 1.17 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.1.18 Governing Law

Under paragraph 9.5 of, and paragraph 3 of Appendix D to, the REIT Code, a SFC-Authorised REIT must be subject to and governed by the laws of Hong Kong.

As Fortune REIT was initially constituted under the laws of Singapore and was first listed in Singapore on the Main Board of the SGX-ST on 12 August 2003, prior to its Introduction in Hong Kong on 20 April 2010, the Trust Deed was and continues to be governed by the laws of Singapore. As disclosed in the Introduction Document, the Manager had applied to the SFC for, and was granted, a waiver from strict compliance with the REIT Code requirements such that the Trust Deed, and hence Fortune REIT, was allowed to remain governed by the laws of Singapore following the Introduction (the "**Governing Law Waiver**").

In view of the SGX Delisting and the MAS De-Authorisation, the Manager proposes to amend the governing law of the Trust Deed, and hence Fortune REIT, to the laws of Hong Kong, so as to comply with the REIT Code. Please refer to Section 1.18 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to the governing law of the Trust Deed.

In view of the above, the Manager has applied to the SFC for a withdrawal of the Governing Law Waiver. Such withdrawal is expected to be conditional upon due approval by Unitholders of Extraordinary Resolution No. 1 at the EGM and execution of the Supplemental Deed to effect the change in the governing law of the Trust Deed to the laws of Hong Kong.

1.2 Calculation of Threshold for Non-Pro Rata Issue of Units

Clause 5.1.5(ii) of the Trust Deed allows Units to be issued to all existing Unitholders on a non-pro rata basis without Unitholders' approval if the total number of new Units issued or agreed to be issued in a financial year does not increase the number of Units that were outstanding at the end of the previous financial year by more than 20% (the "**General Mandate Threshold**").

For clarity and to align Fortune REIT with the market practice of other REITs in Hong Kong, the Manager proposes to amend clause 5.1.5(ii) of the Trust Deed: (a) to specify certain circumstances under which an issuance of new Units may be excluded for the purpose of calculating the General Mandate Threshold for that financial year, namely: (i) the issuance of new Units in that financial year pursuant to an agreement or instrument for such issuance, to the extent such Units were previously taken into account (whether in that or a previous financial year); (ii) the issuance of new Units on a non-pro rata basis to existing Unitholders and in respect of which specific prior approval of the Unitholders had been obtained; and/or (iii) the issuance of new Units in that financial year pursuant to a pro rata offer made in that financial year in accordance with the Trust Deed; and (b) such that the General Mandate Threshold shall be proportionally adjusted in the event of, and to give effect to, a consolidation, sub-division or re-designation of Units. Please refer to Section 2 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.3 Insurance of Investments

Clause 10.15 of the Trust Deed currently provides that Investments (as defined in the Trust Deed) shall be insured with such reputable insurance company as may be determined by the Manager and approved by the Trustee. It is proposed that clause 10.15 be amended such that the Manager shall only be required to consult with the Trustee when making such determination as to the choice of insurance company, so as to simplify operational matters and align Fortune REIT with other REITs in Hong Kong. Please refer to Section 3 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.4 Remuneration of Trustee

The Trust Deed currently does not expressly permit the Trustee to charge additional fees where the Trustee is required by the Manager to undertake duties of an exceptional nature or which are otherwise outside the scope of the Trustee's normal duties in the ordinary and normal course of business of Fortune REIT (the "**Trustee's Additional Fee**"). As it is the standard practice of the Trustee to charge other REITs in Hong Kong of which it is the trustee such Trustee's Additional Fee, the Manager is proposing to include a new clause 15.3.2, so as to allow the Trustee to receive such Trustee's Additional Fee as part of the Trustee's remuneration. The amount of the Trustee's Additional Fee shall be as agreed between the Manager and the Trustee from time to time, provided that the aggregate amount of the Trustee's Additional Fee that may be charged by the Trustee: (a) in relation to each transaction to be entered into by Fortune REIT shall not exceed 0.05% of: (i) the acquisition price (in the case of an acquisition of any real estate); or (ii) the sale price (in the case of a sale or disposal of any real estate); and (b) for each financial year shall not exceed an amount equal to 20% of the Trustee's remuneration for that financial year. Please refer to Section 4 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.5 Manager's Duties

As both clauses 19.1 and 19.12 of the Trust Deed set out the Manager's duties and there is some overlap, the Manager proposes to delete clause 19.1 for the purposes of simplification, concision and clarity. The main effect of the proposed amendments is that those duties which are set out in clause 19.1 and which may, *prima facie*, not fall within the scope of clause 19.12 may no longer be required under the Trust Deed. Please refer to Section 5 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.6 Removal of Manager

Clause 24.1 of the Trust Deed sets out the events under which the Manager may be subject to removal by notice in writing given by the Trustee. Under clause 24.1.4, the Manager may be subject to removal if the Unitholders, by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders held in accordance with the provisions of the Trust Deed and of which not less than 21 days' notice has been given to the Manager and the Trustee shall so decide. Under clause 24.1.5, the Manager may be subject to removal if an Ordinary Resolution is passed to dismiss the Manager. As the event under clause 24.1.4 is covered under clause 24.1.5, the Manager proposes to delete clause 24.1.4 to remove the repetition. Please refer to Section 6 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.7 Advertisements

Clause 25.1 of the Trust Deed currently: (a) requires any advertisement, circular or other document containing any statement with reference to the issue price or sale price of Units or payments or other benefits received or likely to be received by Unitholders, or containing any invitation to subscribe for or purchase Units, to also contain a statement of the yield from the Units; and (b) authorises the Manager to arrange at its discretion for the publication of the current issue price of Units from time to time in major local newspapers circulating in Singapore and Hong Kong. In order to give the Manager more flexibility and so as to align Fortune REIT with other REITs in Hong Kong, the Manager proposes to amend clause 25.1 to remove the requirement to contain a statement of the yield from the Units as described in the foregoing (a) and the reference to Singapore described in the foregoing (b). Please refer to Section 7 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.8 Termination of Fortune REIT

Currently, clause 26 of the Trust Deed includes certain circumstances under which Fortune REIT may be terminated but which are not set out in the REIT Code. Such circumstances include where the net asset value of the deposited property of Fortune REIT is less than HK\$200,000,000, where any law shall be passed which renders it illegal, impracticable or inadvisable for Fortune REIT to continue or where Fortune REIT becomes unlisted. To align the Trust Deed more closely with the REIT Code and so as to align Fortune REIT with other REITs in Hong Kong, the Manager is proposing to amend clause 26. The main effect of the proposed amendments is that the circumstances under which Fortune REIT may be terminated and the manner of the liquidation of Fortune REIT upon such termination will be as set out in the REIT Code. Please refer to Section 8 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

The Manager is also proposing to amend clause 26.1 of the Trust Deed in respect of the duration of Fortune REIT. Please refer to Section 1.1.16 above for a description of such proposed amendments to the Trust Deed.

1.9 Voting at General Meetings

Paragraph 9 of schedule 1 of the Trust Deed currently provides that a resolution put to a vote of a meeting of Unitholders shall be decided on a show of hands unless a poll is demanded, but for so long as Fortune REIT is a SFC-Authorised REIT, such resolution shall be decided on a poll.

As paragraphs 2.16, 2.23 and 9.9(h) of the REIT Code contemplate that votes taken at general meetings of Unitholders shall be by way of poll, the Manager proposes to delete references in paragraph 9 of schedule 1 of the Trust Deed that permit votes to be taken by show of hands.

Nonetheless, in line with the market practice of other REITs in Hong Kong and to provide the chairman of the meeting with flexibility to cater for any exceptional circumstances that may arise during the meeting, the Manager proposes to further amend paragraph 9 of schedule 1 of the Trust Deed such that the chairman of the meeting may, in good faith, decide to allow a resolution which relates purely to a procedural or administrative matter to be decided by way of a show of hands. For such purposes, “procedural or administrative matters” are those that: (a) are not on the agenda of the meeting or in any supplementary circular to Unitholders; and (b) relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Unitholders a reasonable opportunity to express their views. This is in line with the provisions of the Hong Kong Listing Rules in relation to voting by a show of hands by listed companies in Hong Kong. Please refer to Section 9 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to voting at general meetings.

The Manager has applied to the SFC for a waiver from strict compliance with paragraphs 2.16, 2.23 and 9.9(h) of the REIT Code so as to permit the chairman of a meeting of Unitholders to decide in good faith to allow a resolution which relates purely to the abovementioned procedural or administrative matters to be decided by a show of hands. Such waiver is expected to be conditional upon: (i) due approval by Unitholders of Extraordinary Resolution No. 9 at the EGM; (ii) the resolutions to be determined by a show of hands being only in respect of the “procedural or administrative matters” referred to in (a) and (b) in the preceding paragraph; and (iii) an announcement being issued by the Manager on the results of the voting in accordance with paragraph 10.11 of the REIT Code.

1.10 Maximum Number of Proxies

Currently, the Trust Deed does not set out the maximum number of proxies which may be appointed by a Unitholder. For meeting administrative reasons, the Manager proposes to insert a new paragraph 16A into schedule 1 of the Trust Deed such that a Unitholder may have the right to appoint separate proxies to represent respectively such number of the Units held by such Unitholder as may be specified in an instrument(s) of proxy, provided that the number of proxies appointed by a Unitholder shall not exceed two. Where the Unitholder is a recognised clearing house (within the meaning of the SFO) or its nominee, the limitation on the number of proxies shall not apply. Please refer to Section 10 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to the maximum number of proxies.

1.11 Conflicting Provision

Paragraph 3 of schedule 1 of the Trust Deed sets out the matters requiring the sanction of an Extraordinary Resolution, including paragraph 3(iii) of schedule 1 of the Trust Deed which refers to the issue of Units pursuant to clause 5.1 of the Trust Deed. However, clause 5.1 of the Trust Deed contemplates that, for issues of Units which require Unitholders’ approval, such issues of Units will only require Unitholders’ approval to be given by way of Ordinary Resolution. As such, the Manager proposes to delete paragraph 3(iii) of schedule 1 of the Trust Deed to resolve the inconsistency. Please refer to Section 11 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed described in this section.

1.12 Trustee Ordinance Clarification Amendments

The Trustee Ordinance was revised with effect from 1 December 2013, which, among other things, provides that a trustee of a trust is not liable for any act or omission of an agent, nominee or custodian acting for the trust if the trustee has discharged the statutory duty of care applicable to the trustee imposed under the revised Trustee Ordinance, but if such provision is inconsistent with the terms of the instrument creating the trust (in the case of Fortune REIT, the Trust Deed), then such provision in the Trustee Ordinance will not apply. In compliance with the 2014 SFC Circular, the Manager proposes to adopt the Trustee Ordinance Clarification Amendments, which do not require Unitholders' approval under clause 28 of the Trust Deed and paragraph 9.6 of the REIT Code. Please refer to Section 12 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to the Trustee Ordinance Clarification Amendments.

1.13 Miscellaneous Amendments

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 amendments and corrections 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. Please refer to Section 13 of Appendix A to the Circular for the full text of the proposed amendments to the Trust Deed relating to the Miscellaneous Amendments.

2 VOTING AT THE EGM

2.1 Approvals Required

Under paragraph 9.6 of the REIT Code and clause 28 and paragraph 3(i) of schedule 1 of the Trust Deed, the modification of the Trust Deed generally requires the sanction of an Extraordinary Resolution (i.e. 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).

Further, under clause 15.3 and paragraph 3(ii) of schedule 1 of the Trust Deed, any change in the structure of the remuneration of the Trustee, as set out in Section 1.4 above, shall be approved by an Extraordinary Resolution.

2.2 Abstention from 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 Unitholders, and that interest is different from that of all other Unitholders, such Unitholder shall be prohibited from voting its own Units at, or being counted in the quorum for, the general meeting.

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

With respect to Extraordinary Resolution No. 4 to approve the Trustee's Additional Fee and the proposed Trust Deed Amendments relating to the Trustee's Additional Fee, the Trustee will procure that each member of the Trustee Group will abstain from voting on such resolution, except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting is given.

With respect to Extraordinary Resolution No. 5 to approve the proposed Trust Deed Amendments relating to the Manager's duties, the Manager will abstain, and will procure that each member of the Manager Group will abstain, from voting on such resolution, except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting is given.

Save as disclosed above, as at the Latest Practicable Date, to the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, the Manager is unaware of any other Unitholder that is required to abstain from voting in respect of the Extraordinary Resolutions to be proposed at the EGM relating to the Trust Deed Amendments Requiring Approval.

2.3 Trust Deed Amendments Not Requiring Approval

Under paragraph 9.6 of the REIT Code and clause 28 of the Trust Deed, the Trust Deed may be altered by the Manager and the Trustee without consulting Unitholders, provided that the Trustee certifies in writing that in its opinion the proposed alteration: (a) is necessary to comply with fiscal or other statutory or official requirement; (b) does not materially prejudice Unitholders' interests, does not to any material extent release the Trustee, the Manager or any other person from any liability to Unitholders and does not increase the costs and charges payable from the deposited property of Fortune REIT; or (c) is necessary to correct a manifest error.

3 RECOMMENDATIONS

3.1 Board

The Board considers that each of the Trust Deed Amendments Requiring Approval is in the interests of Fortune REIT, the Independent Unitholders and the Unitholders as a whole, and accordingly, recommends the Independent Unitholders to vote in favour of Extraordinary Resolutions No. 1 to 11 relating to the Trust Deed Amendments Requiring Approval.

3.2 Trustee

The Trustee has no objection to the Trust Deed Amendments Requiring Approval proposed by the Manager. Accordingly, subject to the Unitholders' and the SFC's prior approvals (in respect of the Trust Deed Amendments Requiring Approval) and the Trustee's certification pursuant to clause 28 of the Trust Deed and paragraph 9.6 of the REIT Code (in respect of the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments), the Trustee will enter into the Supplemental Deed. The Trustee has confirmed that it would provide the relevant certification pursuant to clause 28 of the Trust Deed and paragraph 9.6 of the REIT Code in the Supplemental Deed to effect the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments.

4 DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

The Circular containing, among other things: (a) a letter from the Board to Unitholders in relation to the Trust Deed Amendments Requiring Approval, the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments; and (b) the EGM Notice setting out the Extraordinary Resolutions to be proposed at the EGM, will be despatched to Unitholders as soon as practicable.

The EGM will be held at 10 a.m. on Friday, 10 January 2020, or any adjournment thereof, at 24th Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong, for the purpose of considering and, if thought fit, passing, with or without modifications, the Extraordinary Resolutions set out in the EGM Notice.

The Register of Unitholders will be closed from Tuesday, 7 January 2020 to Friday, 10 January 2020 (both days inclusive), during which no transfer of Units will be effected, to determine which Unitholders will qualify to attend and vote at the EGM. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all duly completed transfers of Units accompanied by the relevant Unit certificates must be lodged with the unit registrar of Fortune REIT, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration by 4:30 p.m. on Monday, 6 January 2020.

5 GENERAL

5.1 Responsibility Statement

The Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this announcement misleading.

5.2 Documents for Inspection

A copy of the Trust Deed and the draft Supplemental Deed (attaching the fourth amending and restating deed) proposed to be entered into by the Trustee and the Manager to effect the Trust Deed Amendments are available for inspection at the office of the Manager in Hong Kong at Unit 901, Fortune Metropolis, 6 Metropolis Drive, Hung Hom, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day (by prior appointment only).

6 DEFINITIONS

In this announcement, the following definitions apply throughout unless otherwise stated.

2014 SFC Circular	The "Circular to Management Companies and Trustees of SFC-authorized Hong Kong domiciled funds" issued by the SFC on 17 April 2014.
Board	The board of Directors.
Business Day	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Hong Kong and the Hong Kong Stock Exchange is open for trading.
CCASS	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
Change of Trustee	The retirement of the Former Trustee, and the appointment in its place of the Trustee, as the trustee of Fortune REIT, which took place on 24 October 2019.
Circular	The circular dated 16 December 2019 containing, among other things: (a) a letter from the Board to Unitholders in relation to the Trust Deed Amendments Requiring Approval, the Trustee Ordinance Clarification Amendments and the Miscellaneous Amendments; and (b) the EGM Notice setting out the Extraordinary Resolutions to be proposed at the EGM.
Directors	The directors of the Manager.
EGM	The extraordinary general meeting of Unitholders to be convened on Friday, 10 January 2020 at 10 a.m. at 24 th Floor, Admiralty Centre I, 18 Harcourt Road, Hong Kong, or any adjournment thereof.
EGM Notice	The notice included in the Circular in respect of the EGM to consider and, if thought fit, pass, with or without modifications, the Extraordinary Resolutions to be proposed at the EGM.
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.

Former Trustee	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the former trustee of Fortune REIT.
Fortune REIT	Fortune Real Estate Investment Trust.
General Mandate Threshold	Has the meaning ascribed to it in Section 1.2 of this announcement.
Governing Law Waiver	Has the meaning ascribed to it in Section 1.1.18 of this announcement.
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 Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time.
Hong Kong Rules	The laws, regulations and rules which are applicable to Fortune REIT as a SFC-Authorised REIT, including the REIT Code, the SFO and (where applicable to REITs) the Hong Kong Listing Rules.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited.
Independent Unitholders	Unitholders other than those who are required to abstain or prohibited from voting pursuant to paragraph 9.9(f) of the REIT Code and paragraph 2 of schedule 1 of the Trust Deed.
Introduction	The listing of the Units on the Hong Kong Stock Exchange by way of introduction.
Introduction Document	The listing document dated 31 March 2010 in connection with the Introduction.
Latest Practicable Date	6 December 2019, being the latest practicable date prior to the publication of this announcement for the purpose of ascertaining certain information contained in this announcement.
Manager	ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT.
Manager Group	The Manager and persons connected to the Manager as described in paragraph 8.1(e), (f) or (g) of the REIT Code.

MAS De-authorisation	The withdrawal of the authorisation of Fortune REIT as a collective investment scheme under section 286 of the Singapore SFA, which took place on 21 October 2019.
Miscellaneous Amendments	The proposed amendments to the Trust Deed which are not subject to the approval of Unitholders, being the amendments the details of which are set out in Section 13 of Appendix A to the Circular.
Ordinary Resolution	A resolution proposed and passed as such by a majority consisting of more 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.
REIT	Real estate investment trust.
REIT Code	The Code on Real Estate Investment Trusts published by the SFC, as amended, supplemented or otherwise modified from time to time.
SFC	The Securities and Futures Commission of Hong Kong.
SFC-Authorised REIT	Has the meaning ascribed to it in the Trust Deed.
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time.
SGX Delisting	The removal of the Units from the Official List of the Main Board of the SGX-ST, which took place on 21 October 2019.
SGX-ST	Singapore Exchange Securities Trading Limited.
Singapore CIS Code	The Code on Collective Investment Schemes published by the Monetary Authority of Singapore, as amended, supplemented or otherwise modified from time to time.
Singapore Listing Manual	The Listing Manual of the SGX-ST, as amended, supplemented or otherwise modified from time to time.
Singapore Property Fund	Has the meaning ascribed to it in Section 1 of this announcement.
Singapore Property Funds Appendix	Appendix 6 of the Singapore CIS Code.

Singapore Rules	The laws, regulations and rules which were applicable to Fortune REIT as a Singapore Property Fund prior to the SGX Delisting and the MAS De-authorisation and which are no longer applicable to Fortune REIT following the SGX Delisting and the MAS De-authorisation, including the Singapore CIS Code, the Singapore Property Funds Appendix, the Singapore SFA, the Singapore Listing Manual and the Singapore Tax Ruling.
Singapore SFA	The Securities and Futures Act (Chapter 289 of the Laws of Singapore), as amended, supplemented or otherwise modified from time to time.
Singapore Tax Ruling	The tax ruling dated 10 June 2003 issued by the Singapore Ministry of Finance on the taxation of Fortune REIT and the Unitholders, as amended, supplemented or otherwise modified from time to time.
SPVs	Special purpose vehicles.
Supplemental Deed	The supplemental deed to be entered into between the Trustee and the Manager to effect the Trust Deed Amendments.
Trust Deed	The trust deed constituting Fortune REIT dated 4 July 2003 and entered into between the Trustee and the Manager, as amended, supplemented or otherwise modified from time to time.
Trust Deed Amendments	The proposed amendments to the Trust Deed, the details of which are set out in Appendix A to the Circular.
Trust Deed Amendments Requiring Approval	The proposed amendments to the Trust Deed which require the approval of Unitholders at the EGM by way of Extraordinary Resolutions, being the amendments the details of which are set out in Sections 1 to 11 of Appendix A to the Circular.
Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Fortune REIT.
Trustee Group	The Trustee and any person who is a connected person of Fortune REIT by virtue of its relationship (including but not limited to a director, holding company, subsidiary or associate company) with the Trustee.

Trustee Ordinance	The Trustee Ordinance (Chapter 29 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time.
Trustee Ordinance Clarification Amendments	The proposed amendments to the Trust Deed to align with the 2014 SFC Circular, the details of which are set out in Section 12 of Appendix A to the Circular.
Trustee's Additional Fee	Has the meaning ascribed to it in Section 1.4 of this announcement.
Unit	One undivided unit in Fortune REIT.
Unitholder	Any person registered as holding a Unit and any person holding Units through CCASS.
%	Per cent or percentage.

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, 16 December 2019

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.