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## **FORTUNE REAL ESTATE INVESTMENT TRUST**

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

**(Stock Code: 778)**

**Managed by**



**ARA Asset Management (Fortune) Limited**

### **ANNOUNCEMENT AMENDMENTS TO THE TRUST DEED UPDATE REGARDING THE ISSUANCE OF THE 2020 ANNUAL REPORT**

The Board wishes to announce that amendments have been made to the Trust Deed to, *inter alia*, reflect recent REIT Code Amendments, including to: (i) incorporate in the Trust Deed the requirements under the REIT Code in respect of investments by REITs in Minority-owned Properties; (ii) incorporate in the Trust Deed the requirements applicable to non-core investments of Fortune REIT; (iii) broadly align the scope of and requirements for connected party transactions and notifiable transactions of Fortune REIT with the requirements applicable to companies listed on the SEHK under the Listing Rules; (iv) reflect in the Trust Deed the change in the borrowing limit of REITs under the REIT Code; (v) incorporate in the Trust Deed miscellaneous REIT Code Amendments; and (vi) align the publication and distribution deadlines for annual reports and interim reports and the deadline for holding annual general meetings to the requirements applicable to listed companies in Hong Kong, and to incorporate other miscellaneous amendments. The Trust Deed Amendments became effective on 31 March 2021.

The Trustee has certified pursuant to clause 28 of the Trust Deed and 9.6 of the REIT Code that, in its opinion, the Trust Deed Amendments: (i) are necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or (ii) do not materially prejudice the interests of the Unitholders, and do not operate to release to any material extent the Trustee or the Manager from any liability to the Unitholders and do not increase the costs and charges payable from the Deposited Property.

Following the Trust Deed Amendments, the 2020 Annual Report of Fortune REIT will be dispatched to Unitholders on or before 30 April 2021.

## **A. INTRODUCTION**

The Board wishes to announce that on 31 March 2021, the Manager and the Trustee entered into the Fifth Amending and Restating Deed to amend the Trust Deed. The main purpose of the Trust Deed Amendments is to reflect the REIT Code Amendments.

Under the pre-existing Trust Deed, the investment policy and objective of Fortune REIT was to invest in Real Estate as permitted under the REIT Code. Following the REIT Code Amendments to, among others, permit investments by REITs in Minority-owned Properties subject to certain conditions and restrictions, Fortune REIT is authorised to invest in Minority-owned Properties subject to such conditions and restrictions. There is no change to the investment policy and objective of Fortune REIT following the Trust Deed Amendments.

## **B. TRUST DEED AMENDMENTS**

The key Trust Deed Amendments are as follows:

- (i) incorporate in the Trust Deed the requirements under the REIT Code for investments by REITs in Minority-owned Properties. Such amendments include, among others, specifying the conditions of and restrictions on Fortune REIT's investments in Minority-owned Properties;
- (ii) reflect in the Trust Deed the relaxation of the diversification limits applicable to Relevant Investments issued by any single group of companies from 5% to 10% of the gross asset value of the Deposited Property and incorporate in the Trust Deed the requirements applicable to non-core investments (including ancillary investments) of Fortune REIT (including the Maximum Cap);
- (iii) broadly align the scope of and requirements for connected party transactions and notifiable transactions of Fortune REIT with the requirements applicable to companies listed on the SEHK under the Listing Rules. Such amendments include, among others, revising the scope of connected persons of Fortune REIT;
- (iv) reflect in the Trust Deed the change in the borrowing limit of REITs under the REIT Code from 45% to 50% of the gross asset value of the Deposited Property;
- (v) incorporate in the Trust Deed other miscellaneous REIT Code Amendments, such as:
  - (a) clarifying the basis for determining the value of the investments of Fortune REIT;
  - (b) removing the requirement to obtain a valuation report for new issues of Units; and
  - (c) removing the limitation on the use of two layers of special purpose vehicles;
- (vi) align the publication and distribution deadlines for annual reports and interim reports to the requirements under the Listing Rules, being four months and three months after the end of the relevant period respectively, and the deadline for holding annual general meetings to the requirement applicable to listed companies in Hong Kong, being six months from the end of each financial year; and
- (vii) implement miscellaneous amendments of an editorial or immaterial nature.

The Trustee has certified pursuant to clause 28 of the Trust Deed and 9.6 of the REIT Code that, in its opinion, the Trust Deed Amendments: (i) are necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or (ii) do not materially prejudice the interests of the Unitholders, and do not operate to release to any material extent the Trustee or the Manager from any liability to the Unitholders and do not increase the costs and charges payable from the Deposited Property.

The Manager hereby gives notice of the Trust Deed Amendments to the Unitholders. In compliance with the Trust Deed and the REIT Code, the Trust Deed Amendments do not require specific approval from the Unitholders.

Pursuant to the REIT Code, a copy of the Trust Deed (including the Fifth Amending and Restating Deed) is available for inspection by the public with prior appointment during Business Hours at the Manager's place of business in Hong Kong situated at Unit 901, Level 9, Fortune Metropolis, 6 Metropolis Drive, Hung Hom, Hong Kong.

### **C. UPDATE REGARDING THE ISSUANCE OF THE 2020 ANNUAL REPORT**

Reference is made to the Final Results Announcement for the Year Ended 31 December 2020 and Record Date for Distribution Entitlement of Fortune REIT dated 4 February 2021, where it was stated that the 2020 Annual Report of Fortune REIT will be dispatched to Unitholders on or before 31 March 2021. Following the Trust Deed Amendments, the 2020 Annual Report of Fortune REIT will be dispatched to Unitholders on or before 30 April 2021.

### **D. DEFINITIONS**

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

<b>Board</b>	the board of directors of the Manager.
<b>Business Hours</b>	bears the meaning as defined in the Trust Deed.
<b>Deposited Property</b>	bears the meaning as defined in the Trust Deed.
<b>Fifth Amending and Restating Deed</b>	the Fifth Amending and Restating Deed dated 31 March 2021 amending and restating the Trust Deed between the Trustee and the Manager.
<b>Fortune REIT</b>	Fortune Real Estate Investment Trust.
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People's Republic of China.
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the SEHK published by the SEHK (modified as appropriate pursuant to 2.26 of the REIT Code).
<b>Manager</b>	ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT.
<b>Maximum Cap</b>	bears the meaning as defined in the REIT Code.

<b>Minority-owned Properties</b>	means jointly owned properties in which Fortune REIT will not have majority ownership and control, including both Qualified Minority-owned Properties and Non-qualified Minority-owned Properties.
<b>Non-qualified Minority-owned Properties</b>	bears the meaning as defined in the REIT Code.
<b>Qualified Minority-owned Properties</b>	bears the meaning as defined in the REIT Code.
<b>Real Estate</b>	bears the meaning as defined in the Trust Deed.
<b>REIT</b>	real estate investment trust.
<b>REIT Code</b>	the Code on Real Estate Investment Trusts published by the SFC.
<b>REIT Code Amendments</b>	the amendments to the REIT Code gazetted and announced by the SFC on 4 December 2020.
<b>Relevant Investments</b>	bears the meaning as defined in the REIT Code.
<b>SEHK</b>	The Stock Exchange of Hong Kong Limited.
<b>SFC</b>	the Securities and Futures Commission of Hong Kong.
<b>Trust Deed</b>	the trust deed constituting Fortune REIT dated 4 July 2003, as amended, supplemented or otherwise modified from time to time.
<b>Trust Deed Amendments</b>	the amendments to the Trust Deed pursuant to the Fifth Amending and Restating Deed.
<b>Trustee</b>	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Fortune REIT.
<b>Unit(s)</b>	unit(s) of Fortune REIT.
<b>Unitholder(s)</b>	the person for the time being entered in the register of holders of Units as the holder of a Unit and (where the context so admits) persons jointly so entered.
<b>%</b>	per cent.

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, 31 March 2021

*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.*