

GENERAL ANNOUNCEMENT::VOLUNTARY DELISTING OF THE UNITS OF FORTUNE REIT FROM THE MAIN BOARD OF THE SGX-ST

Issuer & Securities

Issuer/ Manager

ARA ASSET MANAGEMENT (FORTUNE) LIMITED

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Submitted By (Co./ Ind. Name)

Justina Chiu

Designation

Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[E_SGX%20Delisting%20Announcement.pdf](#)

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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))

(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

VOLUNTARY DELISTING OF THE UNITS OF FORTUNE REAL ESTATE INVESTMENT TRUST FROM THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

1. Introduction

ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune Real Estate Investment Trust ("**Fortune REIT**") and the manager of Fortune REIT, the "**Manager**") wishes to announce that it intends to voluntarily delist the units in Fortune REIT (the "**Units**") from the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**SGX Delisting**").

2. Rationale for the SGX Delisting

The reasons for the SGX Delisting are as follows:

- (a) Fortune REIT is presently primary listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**HKSE**") and secondary listed on the Main Board of the SGX-ST following a conversion exercise of Fortune REIT's listing status on the SGX-ST from a primary listing to a secondary listing which became effective on 21 December 2015 (the "**Conversion**"). By virtue of having a secondary listing on the SGX-ST, Fortune REIT is only required to comply with the requirements set out in Rules 210(1)(b)(i), 217, 220 and 751 and Chapter 8 of the listing manual of the SGX-ST (the "**Listing Manual**") (including such other listing requirements that the SGX-ST may impose from time to time) in addition to the Rules Governing the Listing of Securities on the HKSE. Fortune REIT is an authorised collective investment scheme under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "**Singapore SFA**"). Fortune REIT is also an authorised collective investment scheme

under Section 104 of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**Hong Kong SFO**”). Fortune REIT is thus obliged to comply with all applicable laws, regulations and rules pertaining to authorised collective investment schemes in both Singapore and Hong Kong, including the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**MAS**”) and the Code on Real Estate Investment Trusts issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”). The board of directors of the Manager (the “**Board**”) believes that the SGX Delisting will eliminate the additional administrative overhead and costs of compliance associated with Singapore regulatory requirements and allow Fortune REIT to streamline its compliance obligations, reduce its legal and compliance costs which ultimately has to be borne by unitholders of Fortune REIT (the “**Unitholders**”), and focus its resources on its business operations.

- (b) While Fortune REIT is constituted in Singapore, its principal place of business is in Hong Kong given that all of Fortune REIT’s properties are located in Hong Kong and the Unit price is also quoted in Hong Kong dollars on both the HKSE and the SGX-ST. Fortune REIT now has a closer nexus to Hong Kong since the Conversion and the SGX Delisting will better reflect the investor profile and geographical asset profile of Fortune REIT.
- (c) Fortune REIT has seen a continuous migration of Unitholders from Singapore to Hong Kong since the Conversion, given the flexibility in the transfer of Units between the HKSE and the SGX-ST. As at the date of this announcement, the number of Units listed on the SGX-ST is approximately 374.9 million, which comprises about 19.4% of Fortune REIT’s total Units in issue.
- (d) The trading volume of the Units on the SGX-ST has been generally thin. The trading volume of the Units on the HKSE significantly exceeds the trading volume on the SGX-ST. For illustration purposes, the average daily trading volume of the Units for the 12 months from June 2018 to May 2019 was approximately 2,443,000 Units on the HKSE and approximately 62,000 Units on the SGX-ST. The Manager believes that the consolidated trading of the Units on the HKSE arising from the SGX Delisting will increase the liquidity of such Units on the HKSE, thereby improving the effectiveness of any future capital raising activities to be undertaken by Fortune REIT and enhancing unitholder value in the long term.
- (e) The Manager believes that Fortune REIT’s primary listing on the HKSE is sufficient to meet its future debt and equity fund raising requirements to meet its operations needs and future development.

For the reasons set out above, the Board is of the view that the SGX Delisting is in the interests of Fortune REIT and its Unitholders as a whole.

3. Regulatory Matters Pertaining to the SGX Delisting

As stated in the circular to Unitholders dated 27 November 2015, upon its conversion to a secondary listing on the Main Board of the SGX-ST, Fortune REIT would not be required to comply with the Listing Manual save for Rules 210(1)(b)(i), 217, 220 and 751 and Chapter 8 of the Listing Manual. Accordingly, Rules 1307 and 1309 of the Listing Manual are not applicable to the SGX Delisting and (i) no general meeting will need to be convened to obtain the approval of the Unitholders for the SGX Delisting, and (ii) no exit alternative will need to be offered to Unitholders in connection with the SGX Delisting.

In connection with the SGX Delisting, an application was made by the Manager to the SGX-ST to seek its confirmation that it has no objection to the SGX Delisting. The SGX-ST has advised that it has no objection to the SGX Delisting, subject to the following conditions:

- (a) An immediate announcement of the SGX Delisting to be disseminated via SGXNet promptly;
- (b) A notice to Unitholders (the “**Notice**”) to be sent and mailed to Unitholders at least three months before the delisting date (the “**SGX Delisting Date**”); and
- (c) Clear disclosure in the Notice on the actions required by Unitholders including any costs to be incurred by them for the transition. In this respect, Fortune REIT will bear the transfer fees with respect to the unit transfer process from Central Depository (Pte) Limited (“**CDP**”) to the Hong Kong Unit Register, as well as the cost in connection with the deposit of the Units into Central Clearing and Settlement System (“**CCASS**”) for persons holding such Units through CDP (the “**CDP Depositors**”) and who request for their Units to be transferred, within a certain time frame prior to the SGX Delisting Date (the “**Unit Transfer Period**”), from their individual holdings in CDP to a sub account of a CCASS participant designated by the Manager (a “**Designated Broker Transfer**”). Fortune REIT will also give Unitholders at least a three month notice period prior to the delisting of Fortune REIT from the SGX-ST. Fortune REIT should also mention that CDP Depositors who do not request for a Designated Broker Transfer within the Unit Transfer Period, and/or CDP Depositors who do not take any action during the Unit Transfer Period, and who have Units held with CDP as at the SGX Delisting Date (the “**Remaining Depositors**”) will have to make their own arrangements to lodge their Units with CCASS at their own cost or with any securities broker (i) from a member firm of the HKSE duly authorised to buy or sell stocks listed on the HKSE, or (ii) licensed in Singapore and who is able to trade on, or offer a trading facility for, the HKSE, if they wish to sell or trade their Units on the HKSE.

The SGX-ST’s decision is not an indication of the merits of the SGX Delisting.

In connection with the SGX Delisting, the Manager has also applied for and obtained in-principle approval from the MAS for the withdrawal of authorisation of Fortune REIT as an authorised collective investment scheme under Section 286 of the Singapore SFA (the “**MAS De-authorisation**”). The Manager will cease to hold its capital markets services licence for real estate investment trust management granted by the MAS with effect from the MAS De-authorisation and the delisting of the Units from the SGX-ST on the SGX Delisting Date. For the avoidance of doubt, Fortune REIT will remain an authorised collective investment scheme under Section 104 of the Hong Kong SFO, remain listed on the Main Board of the HKSE and the Manager will continue to hold its licence to conduct the regulated activity of asset management (Type 9) granted by the SFC.

4. Implications of the SGX Delisting for Unitholders

The SGX Delisting will result in the Units being removed from the Official List of the Main Board of the SGX-ST. After the SGX Delisting takes effect, Units will only be traded on the HKSE, and the Remaining Depositors will have their Units withdrawn from CDP and be issued physical unit certificates representing the relevant Units, and their names will be entered into Fortune REIT’s Hong Kong Unit Register as the respective holders of the relevant Units. There will be no change to the total number of Units in issue, and Unitholders’ voting rights and entitlement to distributions attached to the Units in issue (including Units traded on the SGX-ST and the HKSE) will not be affected by the transition arising from the SGX Delisting.

5. Further Announcements

Fortune REIT will issue further announcements to inform Unitholders of, *inter alia*, the timetable for the SGX Delisting and the actions to be taken by CDP Depositors in connection with the SGX Delisting.

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

Singapore, Hong Kong, 19 June 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.