



**Fortune Real Estate Investment Trust
Financial Statements
for the financial year ended 31 December 2007**

These figures have not been audited but have been reviewed by our auditors.

Fortune Real Estate Investment Trust ("Fortune REIT") is a real estate investment trust constituted by a Trust Deed entered into on 4 July 2003 (as amended by the Amending and Restating Deed dated 29 June 2005 and a 2nd Supplemental Deed dated 20 April 2006) made between ARA Asset Management (Singapore) Limited, as the Manager of Fortune REIT, and HSBC Institutional Trust Services (Singapore) Limited, as the Trustee of Fortune REIT. Fortune REIT was listed on the Singapore Exchange Securities Trading Limited on 12 August 2003.

Fortune REIT now holds a portfolio of eleven retail malls in Hong Kong, spread across Kowloon and the New Territories, through the ownership of property companies ("the Property Companies"), worth approximately HK\$9.7 billion. The retail malls are City One Shatin Property, Ma On Shan Plaza, The Metropolis Mall, Waldorf Garden Property, The Household Center, Smartland, Jubilee Court Shopping Centre, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. Together they house a total of 805 tenants as at 31 December 2007 from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers. Notable tenants include Park'N Shop, 7-Eleven, Aji Ichiban, Maxim's Chinese Restaurant, Watson's, Mannings, Modern Beauty Salon, Fortress, McDonald's, KFC, 3G Shop, GOME, Bank of China (Hong Kong), DBS Bank, Standard Chartered Bank, Citibank, HSBC, Japan Home Centre, Jumpin Gym U.S.A., International Christian School Limited and the Hong Kong Jockey Club.

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1 (a) (i) Income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	HK\$ '000		%	HK\$ '000		%
	Actual 1/10/07 to 31/12/07 ^(a)	Actual 1/10/06 to 31/12/06 ^(a)		Increase/ (Decrease)	Actual 1/1/07 to 31/12/07 ^(a)	
Revenue ^(b)	125,876	118,788	6.0%	493,853	493,160	0.1%
Charge-out collections ^(c)	32,260	31,326	3.0%	120,904	120,894	0.0%
Total revenue	158,136	150,114	5.3%	614,757	614,054	0.1%
Property management fees	(3,578)	(3,389)	5.6%	(14,039)	(13,751)	2.1%
Other property operating expenses ^(d)	(37,478)	(35,973)	4.2%	(136,752)	(149,188)	(8.3%)
Property Operating Expenses	(41,056)	(39,362)	4.3%	(150,791)	(162,939)	(7.5%)
Net Property Income (before manager's performance fee)	117,080	110,752	5.7%	463,966	451,115	2.8%
Manager's performance fee	(3,512)	(3,323)	5.7%	(13,911)	(13,533)	2.8%
Net Property Income	113,568	107,429	5.7%	450,055	437,582	2.9%
Changes in fair value of properties ^(e)	460,507	706,638	(34.8%)	460,507	706,638	(34.8%)
Net Property Income before finance costs	574,075	814,067	(29.5%)	910,562	1,144,220	(20.4%)
Borrowing costs	(30,016)	(27,317)	9.9%	(112,682)	(107,046)	5.3%
Profit Before Tax	544,059	786,750	(30.8%)	797,880	1,037,174	(23.1%)
Hong Kong Taxation :						
Current taxation	(11,277)	(10,907)	3.4%	(45,934)	(41,737)	10.1%
Deferred taxation	(3,461)	(3,359)	3.0%	(13,880)	(16,839)	(17.6%)
Total Hong Kong Taxation	(14,738)	(14,266)	3.3%	(59,814)	(58,576)	2.1%
Net Profit of Property Companies	529,321	772,484	(31.5%)	738,066	978,598	(24.6%)
Gain on disposal of investment property ^(f)	-	(57)	(100.0%)	-	2,940	(100.0%)
Manager's base fee	(7,346)	(6,982)	5.2%	(28,069)	(26,262)	6.9%
Foreign exchange gain (loss) ^(g)	656	725	(9.5%)	1,243	2,120	(41.3%)
Non-tax deductible trust expenses ^(h)	(7,509)	(8,306)	(9.6%)	(13,171)	(23,211)	(43.3%)
Tax deductible trust expenses	(577)	(589)	(2.0%)	(2,038)	(1,821)	11.9%
Non tax-exempt income ⁽ⁱ⁾	1,624	1,733	(6.3%)	7,671	6,800	12.8%
Total Trust Expenses	(13,152)	(13,476)	(2.4%)	(34,364)	(39,434)	(12.9%)
Net Profit of Group	516,169	759,008	(32.0%)	703,702	939,164	(25.1%)
Add / (less) :						
Manager's base fee	7,346	6,982	5.2%	28,069	26,262	6.9%
Foreign exchange gain (loss) ^(g)	(656)	(725)	(9.5%)	(1,243)	(2,120)	(41.3%)
Non-tax deductible trust expenses ^(h)	7,509	8,306	(9.6%)	13,171	23,211	(43.3%)
Non tax-exempt income ⁽ⁱ⁾	2,473	(1,733)	(242.7%)	(3,574)	(6,800)	(47.4%)
Changes in fair value of properties ^(e)	(460,507)	(706,638)	(34.8%)	(460,507)	(706,638)	(34.8%)
Change in fair value of sold carparks realised ^(j)	-	3,542	(100.0%)	-	3,542	(100.0%)
Income Available For Distribution ^(k)	72,334	68,742	5.2%	279,618	276,621	1.1%
Non-tax exempt income of prior years ^(l)	5,258	-	NM	5,258	-	NM
Total cumulative income available for distribution	77,592	68,742	12.9%	284,876	276,621	3.0%

Footnotes:

- (a) *The Group's financial information incorporates the financial statements of the Trust and the 11 Property Companies.*
- (b) *Revenue includes rental income, car park income, licence income, atrium income and others. The property income and licence fee top up, paid by Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited to Vision Million Limited under the Rental Guarantee Deed dated 12 August 2003, had lapsed on 12 August 2006.*
- (c) *Charge-out collections consist of expenses related to the operation of the properties that are payable by tenants and licensees and these expenses include air conditioning charges, management fees, promotional charges, government rents, utility charges, cleaning charges and government rates.*
- (d) *The other property operating expenses include allowance for doubtful debts of HK\$89,331 and HK\$122,191 for the period 1 October 2007 to 31 December 2007 and 1 January 2007 to 31 December 2007 respectively. (Write-back)/allowance for doubtful debts for the period 1 October 2006 to 31 December 2006 and 1 January 2006 to 31 December 2006 were(HK\$207) and HK\$200,886 respectively.*
- (e) *On 31 December 2007, an independent valuation was undertaken by Knight Frank Petty Limited. The firm is an independent valuer having appropriate professional qualifications and experiences in the location and category of the properties being valued. The valuations for the eleven properties were based on a combination of the Investment Method, Direct Comparison Method and Discounted Cash Flow Analysis. The valuations were arrived at by reference to market evidence of transaction prices of similar properties. The valuations adopted amounted to HK\$9,713,000,000 (2006: HK\$9,235,000,000)*
- (f) *Gain on disposal of investment property arises from the sale of 314 car park lots in one of the investment properties, City One Shatin Property, in 2006.*
- (g) *Foreign exchange loss/gain represents realised and unrealised foreign exchange differences. The unrealised exchange difference arose from translation of monetary assets and liabilities denominated in foreign currencies into Hong Kong dollars at rates of exchange ruling at the balance sheet date. The realised exchange difference arose from the conversion of SGD fixed deposits upon maturity at contracted rates fixed at the transaction dates. All exchange differences are included in the income statements.*
- (h) *Included therein in the non tax-deductible trust expenses is a negative fair value of HK\$4.98 million and HK\$3.5 million for the period 1 October 2007 to 31 December 2007 and 1 January 2007 to 31 December 2007 respectively arising from the structured swaps entered on 28 June 2006. (The amount for the periods of 1 October 2006 to 31 December 2006 and 1 January 2006 to 31 December 2006 was HK\$6.09 million and HK\$14.52 million respectively).*
- (i) *Non tax-exempt income refers mainly to interest income from fixed deposits and structured swaps entered on 28 June 2006.*
- (j) *This relates to financial year 2005's revaluation gain on the carpark lots in City One Shatin Property which were sold in 2006. The revaluation gain which was captured in retained earnings in FY2005 was realized in FY2006 and distributed to the Unitholders.*
- (k) *Fortune REIT is required to distribute 100.0% of its tax-exempt income (except dividends paid out of interest income and gains, if any, which are distributable at the discretion of the Manager) after deduction of applicable expenses ("net Tax-Exempt Income"). Fortune REIT's distribution policy is to distribute its net Tax-Exempt Income to Unitholders on a semi-annual basis.*
- (l) *This relates to prior years' accumulated interest income from fixed deposits at the Trust.*
- (m) *There is no investment income, write-off for stock obsolescence, impairment in the value of investments, profit on sale of investments, properties or plant and equipment, exceptional and extraordinary items during the financial period and the previous corresponding financial period.*

1 (b)(i) Balance sheet, together with a comparative statement as at the end of the immediately preceding financial year

	Trust HK\$ '000		Group ^(a) HK\$ '000	
	Actual 31/12/07	Actual 31/12/06	Actual 31/12/07	Actual 31/12/06
Current Assets				
Cash and bank balances	119,229	115,123	242,118	251,524
Investment properties held for resale ^(b)	-	-	904	904
Trade and other receivables	142,867	150,847	35,808	29,955
Total Current Assets	262,096	265,970	278,830	282,383
Non-Current Assets				
Investment in property companies	3,939,224	3,939,224	-	-
Investment properties ^(c)	-	-	9,713,000	9,235,000
Fixed assets	-	-	191	270
Derivative asset ^(d)	-	-	-	87
Total Non-Current Assets	3,939,224	3,939,224	9,713,191	9,235,357
Total Assets	4,201,320	4,205,194	9,992,021	9,517,740
Current Liabilities				
Trade and other payables	6,448	7,374	191,966	189,669
Derivative liability ^(d)	-	-	1,022	-
Provision for taxation	1,371	1,501	5,994	8,713
Total Current Liabilities	7,819	8,875	198,982	198,382
Non-Current Liabilities				
Borrowings	-	-	2,338,638	2,334,613
Deferred tax liabilities	-	-	109,426	95,546
Derivative liability ^(d)	5,729	2,233	38,726	23,446
Total Non-Current Liabilities	5,729	2,233	2,486,790	2,453,605
Total Liabilities	13,548	11,108	2,685,772	2,651,987
Net Assets	4,187,772	4,194,086	7,306,249	6,865,753
Unitholders' Equity				
Issued equity	4,342,232	4,314,163	4,342,232	4,314,163
Unit issue costs ^(e)	(173,097)	(173,097)	(173,097)	(173,097)
Hedging reserve ^(d)	-	-	(34,019)	(21,126)
Revenue reserve	18,637	53,020	3,171,133	2,745,813
Total Unitholder's Equity	4,187,772	4,194,086	7,306,249	6,865,753

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Footnotes:

- (a) The Group's financial information incorporates the financial statements of the Trust and the 11 Property Companies.
- (b) This relates to the four car park lots in City One Shatin Property which were not sold as at 31 December 2007.
- (c) Investment properties are stated at valuation based on an independent professional valuation carried out by Knight Frank Petty Limited, the independent valuer, on 31 December 2007. During the period, minor capital costs were incurred and included in the investment properties value.
- (d) The derivative asset/liability relates to the fair value of the interest rate swaps transacted to hedge the interest rate risk on the HK\$1,843.5 million term loan and the structured swaps entered on 28 June 2006.
- (e) Unit issue costs comprise listing and perusal fee, professional and other fees, underwriting and selling commission and miscellaneous expenses. It includes an amount of approximately HK\$169.7 million paid as of 31 December 2007 (31 December 2006: HK\$168.7 million) as well as accruals of approximately HK\$3.4 million (31 December 2006: HK\$4.4 million).

1 (b)(ii) Aggregate amount of borrowings

As at 31/12/07

Amount repayable in one year or less, or on demand
 Amount repayable after one year

Secured ^(a)	Unsecured
HK\$ '000	HK\$ '000
-	-
2,338,638	-
2,338,638	-

As at 31/12/06

Amount repayable in one year or less, or on demand
 Amount repayable after one year

Secured ^(a)	Unsecured
HK\$ '000	HK\$ '000
-	-
2,334,613	-
2,334,613	-

Footnote:

- (a) Fortune REIT has in place an omnibus facility ("the Facility") of HK\$2,613.7 million (2006: HK\$2,613.7 million) comprising a HK\$2,348.7 million (2006: HK\$2,348.7 million) term loan facility and a HK\$265 million (2006: HK\$265 million) revolving credit facility, each for a term of five years from 28 June 2005.

Included in the amount payable after one year is a debt front end fee of HK\$10.1 million (31 December 2006: HK\$14.1 million). The facilities are secured by, inter alia, a mortgage over all Fortune REIT's properties (except for Jubilee Court Shopping Centre and Waldorf Garden Property).

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1 (c) Cash flow statement

	Group		Group	
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
	Actual 1/10/07 to 31/12/07	Actual 1/10/06 to 31/12/06	Actual 1/1/07 to 31/12/07	Actual 1/1/06 to 31/12/06
Operating Activities				
Profit before taxation	530,905	773,274	763,516	997,740
Adjustments for:				
Changes in fair value of properties	(460,507)	(706,638)	(460,507)	(706,638)
Changes in fair value of derivative asset	4,975	6,094	3,496	14,523
Amortisation of debt front end fee	1,007	1,007	4,025	4,025
(Gain)/Loss on disposal of investment properties	-	57	-	(2,940)
Depreciation	20	22	79	87
Base fee paid in units	7,345	6,982	28,069	26,262
Interest income	(1,624)	(1,732)	(7,671)	(6,799)
Borrowing costs	30,016	27,317	112,682	107,046
Operating Profit before changes in working capital	112,137	106,383	443,689	433,306
Decrease/(Increase) in trade and other receivables	2,528	2,106	(5,853)	18,079
(Decrease)/Increase in trade and other payables	(2,180)	(678)	2,297	430
Cash generated from operating activities	112,485	107,811	440,133	451,815
Income taxes paid	(42,682)	(37,694)	(48,653)	(38,850)
Cash flows from operating activities	69,803	70,117	391,480	412,966
Investing Activities				
Disposal of investment properties	-	1,752	-	75,713
Upgrading of investment properties	(3,756)	(4,864)	(17,493)	(10,038)
Interest received	1,623	1,732	7,671	6,799
Cash flow from / (used in) investing activities	(2,133)	(1,380)	(9,822)	72,474
Financing Activities				
Purchase of structured swap	-	-	-	(12,290)
Distribution paid	-	-	(278,382)	(279,424)
Repayment of borrowings	-	-	-	(48,300)
Borrowing costs paid	(30,016)	(27,317)	(112,682)	(107,046)
Cash flow used in financing activities	(30,016)	(27,317)	(391,064)	(447,060)
Net increase in cash and cash equivalents	37,654	41,420	(9,406)	38,379
Cash and cash equivalents at beginning of the period	204,464	210,104	251,524	213,145
Cash and cash equivalents at end of the period	242,118	251,524	242,118	251,524

1 (d)(i) Statement of changes in unitholders' funds

Statement for the fourth quarter	HK\$ '000			
	Trust		Group	
	Actual 1/10/07 to 31/12/07	Actual 1/10/06 to 31/12/06	Actual 1/10/07 to 31/12/07	Actual 1/10/06 to 31/12/06
Balance as at beginning of period	4,061,078	4,065,028	6,808,525	6,107,840
Operations				
Net profit/(loss)	119,348	122,076	516,169	759,008
Fair value changes in hedging instrument	-	-	(25,791)	(8,077)
Increase in net assets resulting from operations	119,348	122,076	490,378	750,931
Unitholders' transactions				
Creation of units				
-management fee paid/payable in units	7,346	6,982	7,346	6,982
Net increase in net assets resulting from Unitholders' transactions	7,346	6,982	7,346	6,982
Unitholders' funds as at end of period	4,187,772	4,194,086	7,306,249	6,865,753

Statement for the year-to-date	HK\$ '000			
	Trust		Group	
	Actual 1/1/07 to 31/12/07	Actual 1/1/06 to 31/12/06	Actual 1/1/07 to 31/12/07	Actual 1/1/06 to 31/12/06
Balance as at beginning of year	4,194,086	4,212,857	6,865,753	6,215,149
Operations				
Net profit	243,999	234,391	703,702	939,164
Transfer to income statement in cash flow hedge	-	-	-	(14,272)
Fair value changes in hedging instrument	-	-	(12,893)	(21,126)
Increase in net assets resulting from operations	243,999	234,391	690,809	903,766
Unitholders' transactions				
Creation of units				
-management and acquisition fee paid/payable in units	28,069	26,262	28,069	26,262
Distribution to Unitholders	(278,382)	(279,424)	(278,382)	(279,424)
Net decrease in net assets resulting from Unitholders' transactions	(250,313)	(253,162)	(250,313)	(253,162)
Unitholders' funds as at end of year	4,187,772	4,194,086	7,306,249	6,865,753

1 (d)(ii) Details of any changes in the units since the end of the previous period reported on

<u>Date</u>	<u>Units Issued</u>	<u>Purpose</u>
As at 1 October 2007	809,641,049	Total units since the end of previous financial period
5 October 2007	1,212,602	As payment of management fee for the period from 1 July 2007 to 30 September 2007
As at 31 December 2007	<u>810,853,651</u>	
15 January 2008	1,412,396	As payment of management fee for the period from 1 October 2007 to 31 December 2007
Deemed units as at 31 December 2007	<u>812,266,047</u>	

Footnotes:

(a) On 15 January 2008, there was an additional 1,412,396 units issued to the Manager as payment of management fee for the period from 1 October 2007 to 31 December 2007.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagement 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2400.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The same accounting policies and methods of computation were followed during the current financial period as compared with those contained in the audited financial statements for the year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per unit and Distribution per unit for the financial period

Period from 1 January 2007 to 31 December 2007

	Actual 1/10/07 to 31/12/07 HK cents	Actual 1/10/06 to 31/12/06 HK cents	Actual 1/1/07 to 31/12/07 HK cents	Actual 1/1/06 to 31/12/06 HK cents
Earnings per unit for the period based on the weighted average number of units in issue	63.72	94.24	86.88	116.62
Weighted average number of units in issued (million)	809.9	805.3	809.9	805.3
Distribution per unit for the period based on the total number of units in issue	9.56	8.51	35.12	34.26
Total number of units in issued (million)	812.3	807.4	812.3	807.4

7. Net asset value per unit based on issued units at the end of current period

	Actual 31/12/07 HK\$	Actual 31/12/06 HK\$
Net asset value per unit ^(a)	9.04	8.53

Footnotes:

(a) Net asset value is calculated based on net assets of the Group excluding hedging reserves. The total number of units used for the computation of net asset value per unit is 812.3 million (31 December 2006: 807.4 million). The increase in net asset value was mainly due to the increase in fair value of the investment properties as at year end.

8. Review of performance

Income Statement	HK\$ '000			HK\$ '000		
	Actual 1/10/07 to 31/12/07	Actual 1/10/06 to 31/12/06	% Increase	Actual 1/1/07 to 31/12/07	Actual 1/1/06 to 31/12/06	% Increase
Total Revenue	158,136	150,114	5.3%	614,757	614,054	0.1%
Net Property Income	113,568	107,429	5.7%	450,055	437,582	2.9%
Total cumulative income available for distribution	77,592	68,742	12.9%	284,876	276,621	3.0%

4Q 2007 versus 4Q 2006

Total revenue and net property income for the quarter ended 31 December 2007 ("4Q 2007") were higher than the corresponding quarter in 2006 ("4Q 2006") by 5.3% and 5.7% respectively. The revenue improved due to positive rental reversion. The higher rents achieved from the enhanced area of The Waldorf Garden after the asset enhancement works which were completed in August 2007 also contributed positively to revenue in 4Q 2007. The portfolio rental reversions remained robust at 14.6% for renewal of leases which had expired in the reporting period. As at 31 December 2007, the portfolio passing rent improved by 6.3% to HK\$25.23 psf. Occupancy rate at year end was 92.1%. The portfolio's property operating expenses were higher in 4Q 2007 by 4.3% mainly because of higher leasing commission as a result of more renewals and new lettings.

Borrowing costs for 4Q 2007 was HK\$30.0 million. The weighted average borrowing costs for the year ended 31 December 2007 was 4.75% p.a. as compared to 4.42% p.a. for the previous financial year.

The income available for distribution for 4Q 2007 was HK\$77.6 million or 12.9% higher than 4Q 2006.

FY 2007 versus FY 2006

For the financial year ended 31 December 2007 ("FY 2007"), the net property income was 2.9% higher than the corresponding period in 2006 ("FY 2006"). This was due to better cost management initiatives.

The portfolio occupancy rate as at 31 December 2007 was 92.1% primarily due to frictional vacancies arising from repositioning initiatives at Jubilee Court Shopping Centre, The Household Center and Smartland. The portfolio passing rent improved to HK\$25.23 psf as a result of higher rental achieved from existing renewals as well as new leases. Ma On Shan Plaza continued to perform well with a 12.2% improvement in total revenue whilst Waldorf Garden Property also registered a 6.9% increase in total revenue over FY 2006.

Property operating expenses for FY 2007 was lower than FY 2006 by 7.5%. This was due to the waiver of government rates in the second and third quarter of 2007, lower advertising and promotion expenses and repair and maintenance costs during the year.

Borrowing costs for FY 2007 was HK\$112.7 million, which represented an increase of 5.3% over FY 2006. Hong Kong Interbank Offer Rate ("HIBOR") ranged from 3.2% to 5.5% in FY 2007 while in the previous financial year it was ranged from 3.9% to 4.6%. The weighted average borrowing cost for the year ended 31 December 2007 was 4.75% p.a. as compared to 4.42% p.a. for the previous financial year. Out of the total borrowings of about HK\$2.3 billion, the interest cost on about 78% of the debt had been fixed for various maturities.

The income available for distribution for FY 2007 was HK\$284.9 million which was 3% higher than FY 2006.

9. Variance between actual and the forecast results for the period from 1 January 2007 to 30 June 2007

Not applicable.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Hong Kong economy continue to be vibrant in the third quarter of 2007, with Gross Domestic Product growing some 6.2% in real terms over a year earlier on the back of a robust 6.1% growth in the first half of the year. This marked the 16th consecutive quarter of growth. The strength of the local economy continued to translate into job opportunities benefiting a wide spectrum of the labour sector. Both the total labour force and total employment hit an all-time high during the third quarter 2007. The unemployment rate fell further to 3.4% in November 2007, the lowest in more than nine years.

In recent quarters, domestic demand has assumed a more significant role in propelling the economy forward. Local consumer spending was particularly strong and consumer sentiment was boosted by better household incomes and job prospects. Interest rates were also lower in the same period. Private consumption expenditure rose strongly by 9.7% in real terms in the third quarter.

The total retail sales rose in November 2007 over a year earlier. Taking the first eleven months of 2007 into consideration, total retail sales have increased by 12.4% in value or 9.9% in volume over the same period a year earlier. Going forward, retail sales should continue to hold up well amidst robust consumer confidence and vibrant inbound tourism. Whilst the retail sales market performed well in the first eleven months of 2007, retail rents has also been improving over the same period.

On the basis of the information available at present, the Manager does not expect the performance of Fortune REIT to be materially different in the next reporting period ending 31 March 2008.

Source: Hong Kong Census and Statistics Department, Hong Kong Rating and Valuation Department

Outlook for the financial year ending 31 December 2008

Based on the performance of the portfolio and the financials prepared for the financial year ended 31 December 2007, the Manager of Fortune REIT expects the performance of the portfolio for the year ending 31 December 2008 to be comparable with the 2007 performance, barring any unforeseen circumstances.

11. Distributions

(a) Current financial period

Any distribution declared for the current period?	Yes
Name of distribution	Final distribution for the period from 1 July 2007 to 31 December 2007
Distribution Type	Tax-exempt income
Distribution Rate	17.42 Hong Kong cents per unit
Par value of units	N.M.
Tax Rate	These distributions are made out of Fortune REIT's tax exempt income and net taxable interest income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distributions received.

(b) Corresponding period of the immediate preceding financial year

Any distribution declared for the current period?	Yes
Name of distribution	Final distribution for the period from 1 July 2006 to 31 December 2006
Distribution Type	Tax-exempt income
Distribution Rate	16.73 Hong Kong cents per unit
Par value of units	N.M.
Tax Rate	These distributions are made out of Fortune REIT's tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distributions received.

(c) Date Payable 29 February 2008

(d) Book Closure Date 6 February 2008

Footnotes:

N.M. - Not meaningful

12. If no distribution has been declared/(recommended), a statement to that effect

No applicable.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses, including employee wages, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
ARA ASSET MANAGEMENT (SINGAPORE) LIMITED
AS MANAGER OF FORTUNE REAL ESTATE INVESTMENT TRUST

Lim Hwee Chiang
Director

29 January 2008