



## **Fortune Real Estate Investment Trust**

### **Financial Statement For The Period Ended 30 September 2008**

These figures have not been audited nor 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 2<sup>nd</sup> 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 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 832 tenants as at 30 September 2008 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, Kentucky Fried Chicken, Watami Japanese Restaurant, Centaline Property Agency, Midland Realty, DBS Bank, Standard Chartered Bank, HSBC, Japan Home Centre, Jumpin Gym U.S.A., International Christian School the Hong Kong Jockey Club.

**Financial Statements Announcement**  
**For the period from 1 January 2008 to 30 September 2008**

**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 1/7/08 to 30/9/08 <sup>(a)</sup>	Actual 1/7/07 to 30/9/07 <sup>(a)</sup>		Increase/ (Decrease)	Actual 1/1/08 to 30/9/08 <sup>(a)</sup>	
Revenue <sup>(b)</sup>	130,260	120,152	8.4%	380,434	367,976	3.4%
Charge-out collections <sup>(c)</sup>	31,656	28,230	12.1%	90,423	88,644	2.0%
<b>Total revenue</b>	<b>161,916</b>	<b>148,382</b>	<b>9.1%</b>	<b>470,857</b>	<b>456,620</b>	<b>3.1%</b>
Property management fees	(3,700)	(3,409)	8.6%	(10,801)	(10,461)	3.2%
Other property operating expenses	(41,885)	(34,030)	23.1%	(107,681)	(99,274)	8.5%
Property Operating Expenses	(45,585)	(37,439)	21.8%	(118,482)	(109,735)	8.0%
Net Property Income (before manager's performance fee)	116,331	110,943	4.9%	352,375	346,885	1.6%
Manager's performance fee	(3,490)	(3,328)	4.9%	(10,571)	(10,398)	1.7%
<b>Net Property Income</b>	<b>112,841</b>	<b>107,615</b>	<b>4.9%</b>	<b>341,804</b>	<b>336,487</b>	<b>1.6%</b>
Borrowing costs	(23,928)	(29,320)	(18.4%)	(77,071)	(82,666)	(6.8%)
Profit Before Tax	88,913	78,295	13.6%	264,733	253,821	4.3%
Hong Kong Taxation :						
Current taxation	(11,738)	(10,073)	16.5%	(34,532)	(33,362)	3.5%
Deferred Taxation <sup>(d)</sup>	(2,805)	(3,468)	(19.1%)	(2,247)	(10,419)	(78.4%)
Total Hong Kong Taxation	(14,543)	(13,541)	7.4%	(36,779)	(43,781)	(16.0%)
Net Profit of Property Companies	74,370	64,754	14.9%	227,954	210,040	8.5%
Loss on disposal of investment property <sup>(e)</sup>	(30)	-	NM	(225)	-	NM
Manager's base fee	(7,344)	(6,984)	5.2%	(21,795)	(20,723)	5.2%
Foreign exchange gain (loss) <sup>(f)</sup>	(888)	447	(298.5%)	98	588	(83.3%)
Non-tax deductible trust expenses	(2,512)	(4,061)	(38.1%)	(7,623)	(7,141)	6.7%
Tax deductible trust expenses <sup>(g)</sup>	(3,550)	(464)	665.9%	(5,713)	(1,461)	291.1%
Non tax-exempt income <sup>(h)</sup>	7,142	1,856	284.8%	12,709	7,527	68.9%
Singapore current taxation	(46)	(329)	(85.9%)	(1,212)	(1,295)	(6.4%)
Total Trust Expenses	(7,228)	(9,535)	(24.2%)	(23,761)	(22,505)	5.6%
Net Profit of Group	67,142	55,219	21.6%	204,193	187,535	8.9%
Add / (less) :						
Manager's base fee	7,344	6,984	5.2%	21,795	20,723	5.2%
Foreign exchange gain (loss) <sup>(f)</sup>	888	(447)	(298.5%)	(98)	(588)	(83.3%)
Non-tax deductible trust expenses <sup>(g)</sup>	2,512	4,061	(38.1%)	7,623	7,141	6.7%
Non tax-exempt income <sup>(h)</sup>	(6,724)	(1,856)	262.3%	(11,438)	(7,527)	52.0%
<b>Income Available For Distribution <sup>(i)</sup></b>	<b>71,162</b>	<b>63,961</b>	<b>11.3%</b>	<b>222,075</b>	<b>207,284</b>	<b>7.1%</b>

**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.*
- (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) *There was a one-off write-back of deferred tax due to the change in Hong Kong tax rate from 17.5% to 16.5% with effect from April 2008.*
- (e) *Fortune REIT sold 5 car park lots in one of the investment properties, City One Shatin Property, in the 2<sup>nd</sup> quarter 2008 and 1 car park lot in the 3<sup>rd</sup> quarter. These are the balance lots which were approved for disposal in 2006, in which a total of 322 sale transactions were completed out of 334 lots.*
- (f) *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.*
- (g) *Included therein in the tax-deductible trust expenses is a cost of HK\$3.0 million for the unwinding of the MINT structured swap in the 3<sup>rd</sup> quarter.*
- (h) *Non tax-exempt income refers mainly to interest income from fixed deposits and structured swaps entered on 28 June 2006. Included therein for the period 1 July 2008 to 30 September 2008 is a positive fair value of HK\$6.7 million (1 July 2007 to 30 September 2007: HK\$1.4 million).*
- (i) *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.*
- (j) *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 <sup>(a)</sup> HK\$ '000	
	Actual 30/9/08	Actual 31/12/07	Actual 30/9/08	Actual 31/12/07
<b>Current Assets</b>				
Cash and bank balances	108,924	119,229	203,234	242,118
Investment properties held for resale <sup>(b)</sup>	-	-	226	904
Trade and other receivables	7,095	142,867	38,503	35,808
<b>Total Current Assets</b>	<b>116,019</b>	<b>262,096</b>	<b>241,963</b>	<b>278,830</b>
<b>Non-Current Assets</b>				
Investment in property companies	3,939,224	3,939,224	-	-
Investment properties <sup>(c)</sup>	-	-	9,722,145	9,713,000
Fixed assets	-	-	136	191
Derivative asset <sup>(d)</sup>	-	-	3,654	-
<b>Total Non-Current Assets</b>	<b>3,939,224</b>	<b>3,939,224</b>	<b>9,725,935</b>	<b>9,713,191</b>
<b>Total Assets</b>	<b>4,055,243</b>	<b>4,201,320</b>	<b>9,967,898</b>	<b>9,992,021</b>
<b>Current Liabilities</b>				
Trade and other payables	5,894	6,448	195,838	191,966
Derivative liability <sup>(d)</sup>	-	-	6,338	1,022
Provision for taxation	2,583	1,371	41,229	5,994
<b>Total Current Liabilities</b>	<b>8,477</b>	<b>7,819</b>	<b>243,405</b>	<b>198,982</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	-	2,341,656	2,338,638
Deferred tax liabilities	-	-	111,674	109,426
Derivative liability <sup>(d)</sup>	-	5,729	15,136	38,726
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>5,729</b>	<b>2,468,466</b>	<b>2,486,790</b>
<b>Total Liabilities</b>	<b>8,477</b>	<b>13,548</b>	<b>2,711,871</b>	<b>2,685,772</b>
<b>Net Assets</b>	<b>4,046,766</b>	<b>4,187,772</b>	<b>7,256,027</b>	<b>7,306,249</b>
<b>Unitholders' Equity</b>				
Issued equity	4,364,026	4,342,232	4,364,026	4,342,232
Unit issue costs <sup>(e)</sup>	(173,097)	(173,097)	(173,097)	(173,097)
Hedging reserve <sup>(d)</sup>	-	-	(17,820)	(34,019)
Revenue reserve	(144,163)	18,637	3,082,918	3,171,133
<b>Total Unitholder's Equity</b>	<b>4,046,766</b>	<b>4,187,772</b>	<b>7,256,027</b>	<b>7,306,249</b>

**Financial Statements Announcement**  
**For the period from 1 January 2008 to 30 September 2008**

**Footnotes:**

- (a) The Group's financial information incorporates the financial statements of the Trust and the 11 Property Companies.
- (b) This relates to the one car park lot in City One Shatin Property which was not sold as at 30 September 2008.
- (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 liability relates to the fair value of the plain vanilla interest rate swaps transacted to hedge the interest rate risk on 100% of the term loan.
- (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 30 September 2008 (31 December 2007: HK\$169.7 million) as well as accruals of approximately HK\$3.4 million (31 December 2007: HK\$3.4 million).

**1 (b)(ii) Aggregate amount of borrowings**

As at 30/9/08

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
-	-
2,341,656	-
2,341,656	-

As at 31/12/07

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
-	-
2,338,638	-
2,338,638	-

**Footnote:**

- (a) Fortune REIT has in place an omnibus facility ("the Facility") of HK\$2,613.7 million (2007: HK\$2,613.7 million) comprising a HK\$2,348.7 million (2007: HK\$2,348.7 million) term loan facility and a HK\$265 million (2007: HK\$265 million) revolving credit facility. The term loan facility and revolving credit facility will be due for refinancing in June 2010.

Included in the amount payable after one year is a debt front end fee of HK\$7.0 million (31 December 2007: HK\$10.1 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).

**1 (c) Cash flow statement**

	Group		Group	
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
	Actual 1/7/08 to 30/9/08	Actual 1/7/07 to 30/9/07	Actual 1/1/08 to 30/9/08	Actual 1/1/07 to 30/9/07
<b>Operating Activities</b>				
Profit before taxation	81,731	69,089	242,184	232,611
Adjustments for:				
Changes in fair value of derivative asset	(6,724)	1,416	(5,729)	(1,479)
Amortisation of debt front end fee	1,006	1,006	3,019	3,018
Loss on disposal of investment properties	30	-	225	-
Depreciation	19	19	56	59
Base fee paid in units	7,344	6,984	21,795	20,723
Interest income	(417)	(1,856)	(6,981)	(6,048)
Borrowing costs	23,928	29,320	77,071	82,666
Operating Profit before changes in working capital	106,917	105,978	331,640	331,550
Increase in trade and other receivables	(2,273)	(6,049)	(3,205)	(8,381)
(Decrease)/Increase in trade and other payables	(10,481)	14,213	3,872	4,477
Cash generated from operating activities	94,163	114,142	332,307	327,646
Income taxes paid	-	(709)	-	(5,970)
<b>Cash flows from operating activities</b>	<b>94,163</b>	<b>113,433</b>	<b>332,307</b>	<b>321,676</b>
<b>Investing Activities</b>				
Disposal of investment properties	200	-	1,143	-
Upgrading of investment properties	(3,752)	(8,075)	(9,835)	(13,737)
Interest received	417	1,856	6,981	6,048
<b>Cash flow from used in investing activities</b>	<b>(3,135)</b>	<b>(6,219)</b>	<b>(1,711)</b>	<b>(7,689)</b>
<b>Financing Activities</b>				
Distribution paid	(150,912)	(143,306)	(292,409)	(278,382)
Borrowing costs paid	(23,928)	(29,320)	(77,071)	(82,666)
<b>Cash flow used in financing activities</b>	<b>(174,840)</b>	<b>(172,626)</b>	<b>(369,480)</b>	<b>(361,048)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(83,812)</b>	<b>(65,412)</b>	<b>(38,884)</b>	<b>(47,061)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>287,046</b>	<b>269,876</b>	<b>242,118</b>	<b>251,525</b>
<b>Cash and cash equivalents at end of the period</b>	<b>203,234</b>	<b>204,464</b>	<b>203,234</b>	<b>204,464</b>

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

Statement for the third quarter	HK\$ '000			
	Trust		Group	
	Actual 1/7/08 to 30/9/08	Actual 1/7/07 to 30/9/07	Actual 1/7/08 to 30/9/08	Actual 1/7/07 to 30/9/07
<b>Balance as at beginning of period</b>	<b>4,197,533</b>	<b>4,206,935</b>	<b>7,319,894</b>	<b>6,897,570</b>
<b>Operations</b>				
Net (loss)/profit	(7,199)	(9,535)	67,142	55,219
Fair value changes in hedging instrument	-	-	12,559	(7,942)
(Decrease)/Increase in net assets resulting from operations	(7,199)	(9,535)	79,701	47,277
<b>Unitholders' transactions</b>				
Creation of units				
-management fee paid/payable in units	7,344	6,984	7,344	6,984
Distribution to Unitholders	(150,912)	(143,306)	(150,912)	(143,306)
Net decrease in net assets resulting from Unitholders' transactions	(143,568)	(136,322)	(143,568)	(136,322)
<b>Unitholders' funds as at end of period</b>	<b>4,046,766</b>	<b>4,061,078</b>	<b>7,256,027</b>	<b>6,808,525</b>

Statement for the year-to-date	HK\$ '000			
	Trust		Group	
	Actual 1/1/08 to 30/9/08	Actual 1/1/07 to 30/9/07	Actual 1/1/08 to 30/9/08	Actual 1/1/07 to 30/9/07
<b>Balance as at beginning of year</b>	<b>4,187,772</b>	<b>4,194,086</b>	<b>7,306,249</b>	<b>6,865,753</b>
<b>Operations</b>				
Net profit	129,608	124,651	204,193	187,535
Fair value changes in hedging instrument	-	-	16,199	12,896
Increase in net assets resulting from operations	129,608	124,651	220,392	200,431
<b>Unitholders' transactions</b>				
Creation of units				
-management and acquisition fee paid/payable in units	21,795	20,723	21,795	20,723
Distribution to Unitholders	(292,409)	(278,382)	(292,409)	(278,382)
Net decrease in net assets resulting from Unitholders' transactions	(270,614)	(257,659)	(270,614)	(257,659)
<b>Unitholders' funds as at end of year</b>	<b>4,046,766</b>	<b>4,061,078</b>	<b>7,256,027</b>	<b>6,808,525</b>

**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 July 2008	813,690,240	Total units since the end of previous financial period
7 July 2008	1,611,601	As payment of management fee for the period from 1 April 2008 to 30 June 2008
As at 30 September 2008	<u>815,301,841</u>	
8 October 2008 <sup>(a)</sup>	2,441,418	As payment of management fee for the period from 1 July 2008 to 30 September 2008
Deemed units as at 30 September 2008	<u>817,743,259</u>	

**Footnotes:**

(a) On 8 October 2008, there was an additional 2,441,418 Units issued to the Manager as payment of management fee for the period from 1 July 2008 to 30 September 2008.

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 nor reviewed by the auditors.

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

Not applicable.

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 2007.

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 2008 to 30 September 2008

	Actual 1/7/08 to 30/9/08 HK cents	Actual 1/7/07 to 30/9/07 HK cents	Actual 1/1/08 to 30/9/08 HK cents	Actual 1/1/07 to 30/9/07 HK cents
Earnings per unit for the period based on the weighted average number of units in issue	8.16	6.79	24.97	23.13
Weighted average number of units in issued (million)	815.7	809.7	815.7	809.7
Distribution per unit for the period based on the total number of units in issue	8.65	7.86	27.16	25.56
Total number of units in issued (million)	817.7	810.9	817.7	810.9

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

	Actual 30/9/08 HK\$	Actual 31/12/07 HK\$
Net asset value per unit <sup>(a)</sup>	8.90	9.04

**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 817.7 million (31 December 2007: 812.3 million). The decrease in net asset value was mainly due to an increase in units issued to Manager as base fee for the period 1 January 2008 to 30 September 2008.



## 8. Review of performance

Income Statement	HK\$ '000		%	HK\$ '000		%
	Actual 1/7/08 to 30/9/08	Actual 1/7/07 to 30/9/07	Increase	Actual 1/1/08 to 30/9/08	Actual 1/1/07 to 30/9/07	Increase
Total Revenue	161,916	148,382	9.1%	470,857	456,620	3.1%
Net Property Income	112,841	107,615	4.9%	341,804	336,487	1.6%
Income Available for Distribution	71,162	63,961	11.3%	222,075	207,284	7.1%

### 3Q 2008 (“Reporting Period”) versus 3Q 2007

Total Revenue for the Reporting Period was HK\$161.9 million, which was about 9.1% higher as compared to the same quarter last year. Net property income was 4.9% higher than the corresponding quarter last year on the back of higher revenue. The higher revenue was mainly contributed by City One Shatin Property, Waldorf Garden Property as well as Ma On Shan Plaza, which benefited from the asset enhancement works of creating additional shop spaces.

As at the end of reporting period, the portfolio occupancy rate rose to 94.4% from 92.6% as at 30 June 2008. Rental reversions were at 14.9% with portfolio passing rent improved by 7.8% to HK\$26.96 psf as compared to Y-o-Y. At the same time, the tenant retention rate in the third quarter rose to 85.8% as compared to 76.5% in the previous quarter.

Property Operating Expenses for the Reporting Period increased by 21.8% as compared to the corresponding quarter last year. The higher expense was mainly due to higher leasing commissions and higher advertising and promotional expenses as a result of pro-active leasing efforts, as well as higher repair and maintenance expenses.

Borrowing cost for the Reporting Period was HK\$23.9 million, with a weighted average borrowing cost of 4.32%. This was about 18.4% lower than the corresponding quarter last year, mainly due to lower Hong Kong Interbank Offer Rate (“HIBOR”) on our 48% floating rate debt for the quarter. The remaining floating rate debt has been fixed at 2.38% at the end of the quarter in order to seize the opportunity of the current low interest rate environment.

Income Available for Distribution for the Reporting Period was HK\$71.2 million or 11.3% higher than the corresponding period last year.

### YTD SEPTEMBER 2008 versus YTD SEPTEMBER 2007

For the period ended 30 September 2008 (“YTD08”), total revenue rose 3.1% Y-o-Y to HK\$470.9 million. As a portfolio, we achieved a healthy rental reversion of 19.3% for renewals. Our portfolio passing rent also rose 7.8% Y-o-Y to HK\$26.96 psf.

Property operating expenses for YTD08 was higher than the same period last year by 8.0% mainly due to higher expenditure on leasing commissions, advertising and promotion expenses as well as repair and maintenance. Cost-to-revenue ratio was well managed at 25.2% despite the higher expenses.

Borrowing cost for YTD08 was HK\$77.1 million, which represented a decrease of 6.8% over the same period last year due to the lower HIBOR in FY2008.

Overall, the net property income YTD08 was HK\$341.8 million. The income available for distribution for YTD08 was HK\$222 million, higher than the same period in 2007 by 7.1% mainly due to higher revenue, lower borrowing costs as well as a one-off write-back of deferred tax due to the change in Hong Kong tax rate from 17.5% to 16.5% with effect from April 2008.

**9. Variance between actual and the forecast results for the period from 1 January 2008 to 30 September 2008**

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**

Due to the recent worldwide economic meltdown, consumer sentiments will no doubt be affected in Hong Kong. Nevertheless, Fortune REIT which invests in Hong Kong decentralized retail properties tends to maintain a more resilient performance when compared to the overall market and economic conditions in general.

**Outlook for the financial year ending 31 December 2008**

Notwithstanding adverse macroeconomic conditions, based on the performance of the portfolio for the financial period from 1 January 2008 to 30 September 2008 and the committed leases as of 30 September 2008, 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?	No
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**(b) Corresponding period of the immediate preceding financial year**

Any distribution declared for the corresponding period of the immediate preceding financial year?	No
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<b>(c) Date Payable</b>	Not applicable
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<b>(d) Book Closure Date</b>	Not applicable
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**12. If no distribution has been declared/(recommended), a statement to that effect**

No distribution has been declared or recommended for the current financial period from 1 July 2008 to 30 September 2008.

**13. Confirmation pursuant to Rule 705(4) of the Listing Manual**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the manager of Fortune Real Estate Investment Trust (the “Manager”) which may render the unaudited interim financial results of the Group and the Trust (comprising the balance sheets, consolidated statement of total return, statement of changes in unitholders’ funds and consolidated cash flow statement, together with their accompanying notes) as at 30 September 2008 and the results of the business, changes in unitholders’ funds and cash flows of the Group for the 9 months ended on that date, to be false or misleading in any material respect.

On behalf of the Board of the Manager,

Chiu Kwok Hung, Justin  
Director

Lim Hwee Chiang  
Director

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

4 November 2008