

*The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company 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 Hong Kong collective investment scheme authorized 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**

### **OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is issued pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts published by the Securities and Futures Commission of Hong Kong.

Please refer to the attached announcement on the next page issued on the Singapore Exchange Securities Trading Limited by Fortune REIT on 10 May 2012.

By order of the board of directors of  
**ARA Asset Management (Fortune) Limited**  
(in its capacity as manager of Fortune Real Estate Investment Trust)  
**ANG Meng Huat, Anthony**  
*Executive Director and Chief Executive Officer*

Hong Kong, 10 May 2012

*The Directors of the Manager as at the date of this announcement are Mr. Chiu Kwok Hung, Justin (Chairman), Mr. Lim Hwee Chiang, Mr. Ip Tak Chuen, Edmond and Ms. Yeung, Eirene as Non-executive Directors; Mr. Ang Meng Huat, Anthony and Ms. Chiu Yu, Justina as Executive Directors; Mr. Lim Lee Meng, Mrs. Sng Sow-Mei (alias Poon Sow Mei) and Mr. Lan Hong Tsung, David as Independent Non-executive Directors; and Mr. Ma Lai Chee, Gerald as Alternate Director to Mr. Ip Tak Chuen, Edmond.*



**Fortune Real Estate Investment Trust  
Financial Statements  
For the First Quarter Ended 31 March 2012**

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) made between ARA Asset Management (Fortune) 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 and The Stock Exchange of Hong Kong Limited on 12 August 2003 and 20 April 2010 respectively.

Fortune REIT holds a portfolio of sixteen retail properties in Hong Kong, comprising approximately 2.45 million square feet of retail space and 1,989 car parking lots. The retail properties are Fortune City One, Ma On Shan Plaza, Metro Town, Fortune Metropolis, Belvedere Square, Waldorf Avenue, Provident Square, Caribbean Square, Smartland, Jubilee Square, Tsing Yi Square, Nob Hill Square, Centre de Laguna, Hampton Loft, Lido Avenue and Rhine Avenue. They house tenants from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers.

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

	HK\$ '000		%
	Actual 1/1/12 to 31/3/12 <sup>(a)</sup>	Actual 1/1/11 to 31/3/11 <sup>(a)</sup>	Increase/ (Decrease)
Revenue <sup>(b)</sup>	210,227	176,008	19.4%
Charge-out collections <sup>(c)</sup>	48,992	42,834	14.4%
<b>Total revenue</b>	<b>259,219</b>	<b>218,842</b>	<b>18.5%</b>
Property management fees	(6,035)	(5,011)	20.4%
Other property operating expenses	(62,113)	(47,805)	29.9%
Property operating expenses	(68,148)	(52,816)	29.0%
Net property income (before manager's performance fee)	191,071	166,026	15.1%
Manager's performance fee	(5,761)	(4,981)	15.7%
<b>Net property income</b>	<b>185,310</b>	<b>161,045</b>	<b>15.1%</b>
Interest Income	949	-	NM
<b>Net property income after interest income</b>	<b>186,259</b>	<b>161,045</b>	<b>15.7%</b>
Change in fair value of financial instruments <sup>(d)</sup>	340	11,183	(97.0%)
Profit before borrowing costs	186,599	172,228	8.3%
Borrowing costs	(28,094)	(26,356)	6.6%
Profit before tax	158,505	145,872	8.7%
Hong Kong taxation :			
Current taxation	(21,952)	(18,320)	19.8%
Deferred taxation	(4,417)	(3,265)	35.3%
Total Hong Kong taxation	(26,369)	(21,585)	22.2%
<b>Net profit of property companies</b>	<b>132,136</b>	<b>124,287</b>	<b>6.3%</b>
Manager's base fee	(13,686)	(9,838)	39.1%
Foreign exchange gain <sup>(e)</sup>	28	16	75.0%
Non-tax deductible trust expenses <sup>(f)</sup>	(25,269)	(6,185)	308.6%
Tax deductible trust expenses	(990)	(881)	12.4%
Non tax-exempt income <sup>(g)</sup>	1,184	668	77.2%
Singapore taxation	(201)	(113)	77.9%
Total trust expenses	(38,934)	(16,333)	138.4%
<b>Net profit of the Group, before transactions with unitholders</b>	<b>93,202</b>	<b>107,954</b>	<b>(13.7%)</b>
Distributions to unitholders <sup>(h)</sup>	(131,789)	(112,778)	16.9%
<b>Net loss of the Group, after transactions with unitholders</b>	<b>(38,587)</b>	<b>(4,824)</b>	<b>699.9%</b>
Net profit of the Group, before transactions with unitholders	93,202	107,954	(13.7%)
Add/(Less):			
Manager's base fee	13,686	9,838	39.1%
Foreign exchange gain <sup>(e)</sup>	(28)	(16)	75.0%
Non-tax deductible trust expenses <sup>(f)</sup>	25,269	6,185	308.6%
Change in fair value of financial instruments <sup>(d)</sup>	(340)	(11,183)	(97.0%)
<b>Income available for distribution <sup>(i)</sup></b>	<b>131,789</b>	<b>112,778</b>	<b>16.9%</b>

**Footnotes:**

- (a) *The Group's financial information incorporates the financial statements of the Trust and the Property Companies.*
- (b) *Revenue includes rental income, car park income, license 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) *The amount relates to the gain/loss arising from the re-measurement of the plain vanilla interest rate swaps which were not designated for hedge accounting as at 31 March 2012.*
- (e) *Foreign exchange 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 end of the reporting period. The realised exchange difference arose from the settlement of foreign currencies payables at the transaction dates. All exchange differences are included in the statement of comprehensive income.*
- (f) *Included in the non-tax deductible trust expenses for the period 1 January 2012 to 31 March 2012 was an acquisition fee of HK\$19.0 million paid in the form of units to the Manager for the acquisition of Belvedere Square and Provident Square.*
- (g) *Non tax-exempt income refers mainly to interest income from fixed deposits.*
- (h) *The amount of distribution to unitholders has been distributed and/or accrued as distribution payable in the Statement of Financial Position.*
- (i) *Fortune REIT's distribution policy is to distribute to unitholders on a semi-annual basis, the higher of (i) 100% 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"); and (ii) 90% of consolidated net profit after tax (before transactions with unitholders) for the relevant financial period adjusted to eliminate the effects of certain adjustments in the Code on Real Estate Investment Trust (the "REIT Code").*
- (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 (a) (ii) Statement of other comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	HK\$ '000		%
	Actual 1/1/12 to 31/3/12	Actual 1/1/11 to 31/3/11	Increase/ (Decrease)
Net loss of the Group, after transactions with unitholders	(38,587)	(4,824)	699.9%
Other comprehensive loss:			
Cash flow hedge	(7,992)	-	NM
Total comprehensive loss	(46,579)	(4,824)	865.6%

**Footnote:**

*NM – Not meaningful*

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

	Trust		Group <sup>(a)</sup>	
	HK\$ '000		HK\$ '000	
	Actual 31/3/12	Actual 31/12/11	Actual 31/3/12	Actual 31/12/11
<b>Current assets</b>				
Cash and bank balances	169,241	434,237	518,758	881,721
Trade and other receivables	69,533	39,615	51,765	49,809
Total current assets	238,774	473,852	570,523	931,530
<b>Non-current assets</b>				
Investment in property companies	5,470,134	5,470,134	-	-
Investment properties <sup>(b)</sup>	-	-	18,310,664	16,388,000
Total non-current assets	5,470,134	5,470,134	18,310,664	16,388,000
<b>Total assets</b>	<b>5,708,908</b>	<b>5,943,986</b>	<b>18,881,187</b>	<b>17,319,530</b>
<b>Current liabilities</b>				
Trade and other payables	16,504	18,055	372,605	347,940
Distribution payable <sup>(c)</sup>	131,789	227,478	131,789	227,478
Borrowings	-	-	960,000	420,000
Provision for taxation	1,672	1,472	31,816	7,225
Total current liabilities	149,965	247,005	1,496,210	1,002,643
<b>Non-current liabilities</b>				
Borrowings	-	-	3,864,146	2,794,231
Deferred tax liabilities	-	-	174,483	170,067
Derivative liabilities <sup>(d)</sup>	-	-	132,471	124,819
Total non-current liabilities	-	-	4,171,100	3,089,117
<b>Total liabilities</b>	<b>149,965</b>	<b>247,005</b>	<b>5,667,310</b>	<b>4,091,760</b>
<b>Net assets attributable to unitholders</b>	<b>5,558,943</b>	<b>5,696,981</b>	<b>13,213,877</b>	<b>13,227,770</b>

**Footnotes:**

- (a) The Group's financial information incorporates the financial statements of the Trust and the Property Companies.
- (b) Investment properties (excluding Belvedere Square and Provident Square) are stated at valuation based on an independent professional valuation carried out by Knight Frank Petty Limited, the independent valuer on 31 December 2011. Belvedere Square and Provident Square were included in the investment properties at acquisition cost as the acquisition of the two properties was completed during the quarter. In addition, some capital costs for the properties were incurred and included in the investment properties value.
- (c) Distribution payable is the amount of income available for distribution accrued from 1 January 2012 to 31 March 2012. This is to comply with the REIT Code after the dual primary listing in Hong Kong, and for Fortune REIT's distribution policy please refer to footnote (i) of section 1(a)(i).
- (d) The derivative liabilities relate to the fair value of the plain vanilla interest rate swaps transacted to hedge the interest rate risk on the term loan.

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

As at 31/3/12

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
960,000	-
3,864,146	-
4,824,146	-

As at 31/12/11

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
420,000	-
2,794,231	-
3,214,231	-

**Footnote:**

- (a) Fortune REIT has in place a term loan and revolving credit facility (the "2011 Facility") of a total of HK\$3,800.0 million. As at 31 March 2012, HK\$3,790.0 million had been drawn down (31 December 2011: HK\$3,250.0 million).

On 14 February 2012, Fortune REIT entered into a new credit agreement which consist of a 3-year term loan and revolving credit facility of up to an aggregate principal amount of HK\$1,400.0 million, comprising of a HK\$1,100.0 million term loan facility and a HK\$300.0 million revolving credit facility (the "2012 Facility"). The term loan from the 2012 Facility, together with part of the revolving credit facility from the 2011 Facility was drawn down to finance the acquisition of Belvedere Square and Provident Square.

Included in the amount repayable after one year is an unamortized debt front end fee of HK\$65.9 million (31 December 2011: HK\$35.8 million). The 2011 Facility is secured by, inter alia, a mortgage over Fortune City One, Ma On Shan Plaza, Fortune Metropolis, Smartland, Tsing Yi Square, Nob Hill Square, Centre de Laguna, Lido Avenue and Rhine Avenue whereas the 2012 Facility is secured by, inter alia, a mortgage over Belvedere Square, Provident Square, Caribbean Square and Hampton Loft.

1 (c) Statement of cash flows

	Group	
	HK\$ '000	HK\$ '000
	Actual 1/1/12 to 31/3/12	Actual 1/1/11 to 31/3/11
<b>Operating Activities</b>		
Profit before taxation	119,772	129,652
Adjustments for:		
Change in fair value of financial instruments	(340)	(11,183)
Amortisation of debt front end fee	3,515	5,037
Base fee paid in units	13,686	9,838
Acquisition fee paid in units	19,000	-
Interest income	(2,133)	(668)
Borrowing costs	28,094	26,356
Operating profit before changes in working capital	181,594	159,032
Decrease in trade and other receivables	3,243	1,904
Increase in trade and other payables	3,502	10,422
Cash generated from operating activities	188,339	171,358
Income taxes paid	-	-
<b>Cash flow from operating activities</b>	<b>188,339</b>	<b>171,358</b>
<b>Investing Activities</b>		
Acquisition of property companies/properties, net of cash acquired	(1,895,822)	-
Upgrading of investment properties	(13,164)	(4,752)
Decrease/(Increase) in fixed deposits	150,000	(70,000)
Interest received	2,574	-
<b>Cash flow used in investing activities</b>	<b>(1,756,412)</b>	<b>(74,752)</b>
<b>Financing Activities</b>		
Drawdown of borrowings	1,940,000	-
Repayment of borrowings	(300,000)	(79,000)
Distribution paid	(227,342)	(201,929)
Payment of debt front end fee	(33,600)	-
Borrowing costs paid	(23,948)	(26,145)
<b>Cash flow from/(used in) financing activities</b>	<b>1,355,110</b>	<b>(307,074)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(212,963)</b>	<b>(210,468)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>731,721</b>	<b>426,073</b>
<b>Cash and cash equivalents at end of the period</b>	<b>518,758</b>	<b>215,605</b>



**Financial Statements Announcement**  
**For the period from 1 January 2012 to 31 March 2012**

**1 (d)(i) Statement of changes in net assets attributable to unitholders**

	Actual				
	Issued Units	Unit issue costs	Hedging reserve	Retained profits	Net
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Statement for the first quarter FY2012</b>					
<b>Group</b>					
Balance as at 1 January 2012	6,391,413	(271,593)	(72,978)	7,180,928	13,227,770
Total comprehensive (loss)/income	-	-	(7,992)	93,202	85,210
<b>Unitholders' transactions</b>					
Creation of units					
- acquisition fee paid in units	19,000	-	-	-	19,000
- management fee paid/payable in units	13,686	-	-	-	13,686
Distribution paid/payable to Unitholders	-	-	-	(131,789)	(131,789)
Increase/(decrease) in net assets resulting from Unitholders' transactions	32,686	-	-	(131,789)	(99,103)
<b>Balance as at 31 March 2012</b>	<b>6,424,099</b>	<b>(271,593)</b>	<b>(80,970)</b>	<b>7,142,341</b>	<b>13,213,877</b>
<b>Balance as at 1 January 2011</b>					
Balance as at 1 January 2011	6,345,586	(271,593)	(415)	4,260,110	10,333,688
Total comprehensive income	-	-	-	107,954	107,954
<b>Unitholders' transactions</b>					
Creation of units					
- management fee paid/payable in units	9,838	-	-	-	9,838
Distribution paid/payable to Unitholders	-	-	-	(112,778)	(112,778)
Increase/(decrease) in net assets resulting from Unitholders' transactions	9,838	-	-	(112,778)	(102,940)
<b>Balance as at 31 March 2011</b>	<b>6,355,424</b>	<b>(271,593)</b>	<b>(415)</b>	<b>4,255,286</b>	<b>10,338,702</b>

	Actual				
	Issued Units	Unit issue costs	Retained profits	Net	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Statement for the first quarter FY2012</b>					
<b>Trust</b>					
Balance as at 1 January 2012	6,391,413	(271,593)	(422,839)	5,696,981	
Total comprehensive loss	-	-	(38,935)	(38,935)	
<b>Unitholders' transactions</b>					
Creation of units					
- acquisition fee paid in units	19,000	-	-	19,000	
- management fee paid/payable in units	13,686	-	-	13,686	
Distribution paid/payable to Unitholders	-	-	(131,789)	(131,789)	
Increase/(decrease) in net assets resulting from Unitholders' transactions	32,686	-	(131,789)	(99,103)	
<b>Balance as at 31 March 2012</b>	<b>6,424,099</b>	<b>(271,593)</b>	<b>(593,563)</b>	<b>5,558,943</b>	
<b>Balance as at 1 January 2011</b>					
Balance as at 1 January 2011	6,345,586	(271,593)	(296,830)	5,777,163	
Total comprehensive loss	-	-	(16,333)	(16,333)	
<b>Unitholders' transactions</b>					
Creation of units					
- management fee paid/payable in units	9,838	-	-	9,838	
Distribution paid/payable to Unitholders	-	-	(112,778)	(112,778)	
Increase/(decrease) in net assets resulting from Unitholders' transactions	9,838	-	(112,778)	(102,940)	
<b>Balance as at 31 March 2011</b>	<b>6,355,424</b>	<b>(271,593)</b>	<b>(425,941)</b>	<b>5,657,890</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 January 2012	1,680,695,942	Total units since the end of previous financial period
4 January 2012	3,321,723	As payment of management fee for the period from 1 October 2011 to 31 December 2011
17 February 2012	4,809,152	As payment of acquisition fee
As at 31 March 2012	<u>1,688,826,817</u>	
2 April 2012 <sup>(a)</sup>	3,360,308	As payment of management fee for the period from 1 January 2012 to 31 March 2012
Deemed units as at 31 March 2012	<u>1,692,187,125</u>	

**Footnote:**

(a) On 2 April 2012, there was an additional 3,360,308 units issued to the Manager as payment of management fee for the period from 1 January 2012 to 31 March 2012.

**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 auditor.

**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 2011.

**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 2012 to 31 March 2012

	Actual 1/1/12 to 31/3/12 HK cents	Actual 1/1/11 to 31/3/11 HK cents
Earnings per unit for the period based on the weighted average number of units in issue, before transactions with unitholders	5.51	6.45
Weighted average number of units in issue (million)	1,691.3	1,674.0
Distribution per unit for the period	7.78	6.73
Total number of deemed units in issue (million)	1,692.2	1,674.2

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

	Actual 31/3/12 HK\$	Actual 31/12/11 HK\$
Net asset value per unit <sup>(a)</sup>	7.81	7.85

### Footnote:

(a) Net asset value per unit is calculated based on net assets of the Group over the total number of deemed units in issue of 1,692.2 million (2011: 1,684.0 million).

## 8. Review of performance

### Income Statement

	HK\$ '000		%
	Actual 1/1/12 to 31/3/12	Actual 1/1/11 to 31/3/11	Increase
Total revenue	259,219	218,842	18.5%
Net property income	185,310	161,045	15.1%
Income available for distribution	131,789	112,778	16.9%

### 1Q 2012 (“Reporting Period”) versus 1Q 2011

Total revenue for the Reporting Period was HK\$259.2 million, 18.5% higher year-on-year. The increase in revenue was mainly contributed by the acquisition of the two new properties, namely Belvedere Square and Provident Square (the “Acquisition”) on 17 February 2012 as well as the increase in unit rent of the property portfolio.

Portfolio occupancy rate was 97.1% as at 31 March 2012. Passing rent was HK\$29.9 per sq. ft. while a 20.8% rental reversion was achieved from renewed leases for the Reporting Period.

Property operating expenses stood at HK\$68.1 million, 29.0% higher year-on-year. Cost-to-revenue ratio was well managed at 26.3%. Net property income was HK\$185.3 million, a 15.1% increase year-on-year.

Net profit of property companies was HK\$132.1 million, representing a rise of 6.3% year-on-year. Income available for distribution was HK\$131.8 million, 16.9% higher year-on-year.

Borrowing costs increased from HK\$26.4 million to HK\$28.1 million as a result of the Acquisition which was fully funded by debt. However, the effective interest cost decreased from 3.65% to 2.87%. The gearing ratio and aggregate leverage was 25.9% as at 31 March 2012.

The net current liabilities as at 31 March 2012 was HK\$925.7 million mainly as a result of drawdown of the revolving credit facility of the 2011 Facility to part finance the Acquisition. There is an option to rollover the said revolving credit facility up until maturity.

**9. Variance between actual and the forecast results for the period from 1 January 2012 to 31 March 2012**

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**

Hong Kong's economy registered a slower GDP growth of 5% in 2011. The external environment continued to be plagued by the euro-zone sovereign debt crisis and faltering demand in the advanced economies. However, the domestic sector continued to hold up remarkably well with private consumption expenditure for 2011 growing by 8.6% year-on-year. The total value of retail sales in Hong Kong for the period from January to March 2012, increased by 15.9% compared to the same period last year. Fortune REIT's portfolio of 16 private housing estate retail properties should continue to benefit from the buoyant retail environment.

In 2012, Fortune REIT will benefit from the additional income from the two new properties, Belvedere Square and Provident Square, acquired on 17 February 2012 as well as the results of asset enhancement initiatives ("AEIs") at Fortune City One and Ma On Shan Plaza when they are completed.

The leases that expire in the remaining quarters of 2012 accounted for 26.2% and 25.2% of the gross rentable area and gross rental income of Fortune REIT's portfolio respectively. The Manager plans to continue implementing effective leasing and tenant repositioning strategies, as well as executing ongoing AEIs to drive revenue growth for Fortune REIT's retail properties.

## 11. Distributions

### (a) Current financial period

Any distribution declared for the current period? NIL

### (b) Corresponding period of the immediate preceding financial year

Any distribution declared for the current period? NIL

(c) Date Payable Not applicable

(d) Book Closure Date Not applicable

## 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 January 2012 to 31 March 2012.

## 13. Interested Person Transaction Mandate

Fortune REIT has not obtained a general mandate from Unitholders for Interested Person Transactions.

## 14. Confirmation pursuant to Rule 705(5) 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 statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to Unitholders and consolidated statement of cash flows, together with their accompanying notes) as at 31 March 2012 and the results of the business, changes in net assets attributable to Unitholders and cash flows of the Group for the 3 months ended on that date, to be false or misleading in any material respect.

On behalf of the Board of the Manager,

Ang Meng Huat, Anthony  
Director

Chiu Yu, Justina  
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 (FORTUNE) LIMITED  
AS MANAGER OF FORTUNE REAL ESTATE INVESTMENT TRUST

Ang Meng Huat, Anthony  
Director

10 May 2012