

*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 9 May 2013.

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, 9 May 2013

*The Directors of the Manager as at the date of this announcement are Dr. 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 2013**

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 16 retail properties in Hong Kong, comprising approximately 2.45 million square feet ("Sq.ft.") of retail space and 1,984 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, Jubilee Square, Smartland, 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 1/1/13 to 31/3/13 <sup>(a)</sup>	Actual 1/1/12 to 31/3/12 <sup>(a)</sup>	
Revenue <sup>(b)</sup>	245,128	210,227	16.6%
Charge-out collections <sup>(c)</sup>	56,227	48,992	14.8%
<b>Total revenue</b>	<b>301,355</b>	<b>259,219</b>	<b>16.3%</b>
Property management fees	(7,026)	(6,035)	16.4%
Other property operating expenses	(69,651)	(62,113)	12.1%
Property operating expenses	(76,677)	(68,148)	12.5%
Net property income (before manager's performance fee)	224,678	191,071	17.6%
Manager's performance fee	(6,742)	(5,761)	17.0%
<b>Net property income</b>	<b>217,936</b>	<b>185,310</b>	<b>17.6%</b>
Interest Income	45	949	(95.3%)
<b>Net property income after interest income</b>	<b>217,981</b>	<b>186,259</b>	<b>17.0%</b>
Gain on disposal of investment properties <sup>(d)</sup>	897	-	NM
Change in fair value of financial instruments <sup>(e)</sup>	29,468	340	NM
Profit before borrowing costs	248,346	186,599	33.1%
Borrowing costs	(32,722)	(28,094)	16.5%
Profit before tax	215,624	158,505	36.0%
Hong Kong taxation :			
Current taxation	(25,953)	(21,952)	18.2%
Deferred taxation	(5,644)	(4,417)	27.8%
Total Hong Kong taxation	(31,597)	(26,369)	19.8%
<b>Net profit of property companies</b>	<b>184,027</b>	<b>132,136</b>	<b>39.3%</b>
Manager's base fee	(14,948)	(13,686)	9.2%
Foreign exchange (loss)/gain <sup>(f)</sup>	(99)	28	(453.6%)
Non-tax deductible trust expenses <sup>(g)</sup>	(6,634)	(25,269)	(73.7%)
Tax deductible trust expenses	(944)	(990)	(4.6%)
Non tax-exempt income <sup>(h)</sup>	691	1,184	(41.6%)
Singapore taxation	(117)	(201)	(41.8%)
Total trust expenses	(22,051)	(38,934)	(43.4%)
<b>Net profit of the Group, before transactions with unitholders</b>	<b>161,976</b>	<b>93,202</b>	<b>73.8%</b>
Distributions to unitholders <sup>(i)</sup>	(153,292)	(131,789)	16.3%
Net profit/(loss) of the Group, after transactions with unitholders	<b>8,684</b>	<b>(38,587)</b>	<b>122.5%</b>
Net profit of the Group, before transactions with unitholders	161,976	93,202	73.8%
Add/(Less):			
Manager's base fee	14,948	13,686	9.2%
Foreign exchange loss/(gain) <sup>(f)</sup>	99	(28)	(453.6%)
Non-tax deductible trust expenses <sup>(g)</sup>	6,634	25,269	(73.7%)
Gain on disposal of investment property <sup>(d)</sup>	(897)	-	NM
Change in fair value of financial instruments <sup>(e)</sup>	(29,468)	(340)	NM
<b>Income available for distribution<sup>(j)</sup></b>	<b>153,292</b>	<b>131,789</b>	<b>16.3%</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 Group sold 5 car park lots in one of the investment properties, Fortune City One, during the quarter.*
- (e) *The amount relates to the net gain arising from the re-measurement of the plain vanilla interest rate swaps which were ineffective under cash flow hedge or not designated for hedge accounting as at 31 March 2013.*
- (f) *Foreign exchange gain/loss 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.*
- (g) *Included in the non-tax deductible trust expenses for the period from 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.*
- (h) *Non tax-exempt income refers mainly to interest income from fixed deposits.*
- (i) *The amount of distribution to unitholders has been distributed and/or accrued as distribution payable in the Statement of Financial Position.*
- (j) *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").*
- (k) *Save as disclosed above, 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 1/1/13 to 31/3/13	Actual 1/1/12 to 31/3/12	Increase
Net profit/(loss) of the Group, after transactions with unitholders	8,684	(38,587)	122.5%
Other comprehensive income/(loss):			
Cash flow hedge			
- Change in fair value of financial instruments	8,626	(7,992)	207.9%
- Release to profit or loss <sup>(a)</sup>	1,660	-	NM
	10,286	(7,992)	228.7%
Total comprehensive income/(loss)	18,970	(46,579)	140.7%

**Footnote:**

- (a) As certain interest rate swap contracts were no longer highly effective, the respective cumulative losses from inception of the hedge until then that previously recognised in hedging reserve is released to consolidated income statement over the periods during which the interest payment in relation to the interest rate swap contracts affects the consolidated income statement. During the period, release of such cumulative losses from the hedging reserve amounted to HK\$1.66 million.

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

	<b>Trust</b>		<b>Group<sup>(a)</sup></b>	
	HK\$ '000		HK\$ '000	
	Actual 31/3/13	Actual 31/12/12	Actual 31/3/13	Actual 31/12/12
<b>Current assets</b>				
Cash and bank balances	154,073	438,309	369,595	578,022
Trade and other receivables	48,661	53,306	53,969	55,245
Total current assets	202,734	491,615	423,564	633,267
<b>Non-current assets</b>				
Investment in property companies	5,470,134	5,470,134	-	-
Investment properties <sup>(b)</sup>	-	-	20,220,626	20,208,000
Derivative assets <sup>(d)</sup>	-	-	3,343	-
Total non-current assets	5,470,134	5,470,134	20,223,969	20,208,000
<b>Total assets</b>	<b>5,672,868</b>	<b>5,961,749</b>	<b>20,647,533</b>	<b>20,841,267</b>
<b>Current liabilities</b>				
Trade and other payables	7,146	7,906	412,872	410,827
Distribution payable <sup>(c)</sup>	153,292	281,135	153,292	281,135
Borrowings	-	-	840,000	940,000
Derivative liability <sup>(d)</sup>	-	-	12,505	-
Provision for taxation	1,632	1,515	40,608	14,538
Total current liabilities	162,070	290,556	1,459,277	1,646,500
<b>Non-current liabilities</b>				
Borrowings	-	-	3,881,658	3,878,815
Deferred tax liabilities	-	-	198,530	192,886
Derivative liabilities <sup>(d)</sup>	-	-	96,441	145,357
Total non-current liabilities	-	-	4,176,629	4,217,058
<b>Total liabilities</b>	<b>162,070</b>	<b>290,556</b>	<b>5,635,906</b>	<b>5,863,558</b>
<b>Net assets attributable to unitholders</b>	<b>5,510,798</b>	<b>5,671,193</b>	<b>15,011,627</b>	<b>14,977,709</b>

**Footnotes:**

- (a) The Group's financial information incorporates the financial statements of the Trust and the Property Companies.
- (b) 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 2012. During the period, some capital costs for the properties were incurred and included in the investment properties.
- (c) Distribution payable is the amount of income available for distribution accrued from 1 January 2013 to 31 March 2013. 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 (j) of section 1(a)(i).
- (d) The derivative assets/liabilities relate to the fair value of the plain vanilla interest rate swaps transacted to hedge the interest rate risk on the borrowings.

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

As at 31/3/13

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
840,000	-
3,881,658	-
4,721,658	-

As at 31/12/12

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

Secured <sup>(a)</sup>	Unsecured
HK\$ '000	HK\$ '000
940,000	-
3,878,815	-
4,818,815	-

**Footnote:**

- (a) Fortune REIT has in place two term loan and revolving credit facilities, being the 2011 Facilities and the 2012 Facilities. The 2011 Facilities is a 5-year term loan and revolving credit facilities of total HK\$3,800.0 million, comprising of a HK\$2,830.0 million term loan facility and a HK\$970.0 million revolving credit facility, which mature in 2016. As at 31 March 2013, HK\$3,668.0 million had been drawn down (31 December 2012: HK\$3,770.0 million).

The 2012 Facilities is 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, which mature in 2015. As at 31 March 2013, HK\$1,100.0 million had been drawn down (31 December 2012: HK\$1,100.0 million). There is an option to rollover the revolving credit facility of the 2011 Facilities and the 2012 Facilities up until maturity.

Included in the amount repayable after one year is an unamortized debt front end fee of HK\$46.3 million (31 December 2012: HK\$51.1 million). The 2011 Facilities 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 Facilities 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 1/1/13 to 31/3/13	Actual 1/1/12 to 31/3/12
<b>Operating Activities</b>		
Profit before taxation	193,690	119,772
Adjustments for:		
Change in fair value of financial instruments	(29,468)	(340)
Amortisation of debt front end fee	4,890	3,515
Gain on disposal of investment properties	(897)	-
Base fee paid in units	14,948	13,686
Acquisition fee paid in units	-	19,000
Interest income	(736)	(2,133)
Borrowing costs	32,722	28,094
Operating profit before changes in working capital	215,149	181,594
Decrease in trade and other receivables	1,270	3,243
Increase in trade and other payables	2,396	3,502
Cash generated from operating activities	218,815	188,339
Income taxes paid	-	-
<b>Cash flow from operating activities</b>	<b>218,815</b>	<b>188,339</b>
<b>Investing Activities</b>		
Upgrading of investment properties	(13,776)	(13,164)
Acquisition of property companies/properties, net of cash acquired	-	(1,895,822)
Disposal of investment properties	2,047	-
Interest received	742	2,574
Decrease in fixed deposits	-	150,000
<b>Cash flow used in investing activities</b>	<b>(10,987)</b>	<b>(1,756,412)</b>
<b>Financing Activities</b>		
Drawdown of borrowings	-	1,940,000
Distribution paid	(281,047)	(227,342)
Repayment of borrowings	(102,047)	(300,000)
Borrowing costs paid	(33,161)	(23,948)
Payment of debt front end fee	-	(33,600)
<b>Cash flow (used in)/from financing activities</b>	<b>(416,255)</b>	<b>1,355,110</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(208,427)</b>	<b>(212,963)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>578,022</b>	<b>731,721</b>
<b>Cash and cash equivalents at end of the period</b>	<b>369,595</b>	<b>518,758</b>



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

	Actual				
	Issued Units HK\$'000	Unit issue costs HK\$'000	Hedging reserve HK\$'000	Retained profits HK\$'000	Net HK\$'000
<b>Statement for the first quarter FY2013</b>					
<b>Group</b>					
Balance as at 1 January 2013	6,468,360	(271,593)	(88,903)	8,869,845	14,977,709
Total comprehensive income	-	-	10,286	161,976	172,262
<b>Unitholders' transactions</b>					
Creation of units					
- management fee paid/payable in units	14,948	-	-	-	14,948
Distribution paid/payable to Unitholders	-	-	-	(153,292)	(153,292)
Increase/(decrease) in net assets resulting from Unitholders' transactions	14,948	-	-	(153,292)	(138,344)
<b>Balance as at 31 March 2013</b>	<b>6,483,308</b>	<b>(271,593)</b>	<b>(78,617)</b>	<b>8,878,529</b>	<b>15,011,627</b>
<b>Balance as at 1 January 2012</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>

	Actual			
	Issued Units HK\$'000	Unit issue costs HK\$'000	Accumulated losses HK\$'000	Net HK\$'000
<b>Statement for the first quarter FY2013</b>				
<b>Trust</b>				
Balance as at 1 January 2013	6,468,360	(271,593)	(525,574)	5,671,193
Total comprehensive loss	-	-	(22,051)	(22,051)
<b>Unitholders' transactions</b>				
Creation of units				
- management fee paid/payable in units	14,948	-	-	14,948
Distribution paid/payable to Unitholders	-	-	(153,292)	(153,292)
Increase/(decrease) in net assets resulting from Unitholders' transactions	14,948	-	(153,292)	(138,344)
<b>Balance as at 31 March 2013</b>	<b>6,483,308</b>	<b>(271,593)</b>	<b>(700,917)</b>	<b>5,510,798</b>
<b>Balance as at 1 January 2012</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>

**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 2013	1,697,825,978	Total units since the end of previous financial period
3 January 2013	2,399,436	As payment of management fee for the period from 1 October 2012 to 31 December 2012
As at 31 March 2013	<u>1,700,225,414</u>	
2 April 2013 <sup>(a)</sup>	2,195,067	As payment of management fee for the period from 1 January 2013 to 31 March 2013
Deemed units as at 31 March 2013	<u>1,702,420,481</u>	

**Footnote:**

(a) On 2 April 2013, there was an additional 2,195,067 units issued to the Manager as payment of management fee for the period from 1 January 2013 to 31 March 2013.

**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 2012.

**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 2013 to 31 March 2013

	Actual 1/1/13 to 31/3/13 HK cents	Actual 1/1/12 to 31/3/12 HK cents
Earnings per unit for the period based on the weighted average number of units in issue, before transactions with unitholders	9.52	5.51
Weighted average number of units in issue (million)	1,701.7	1,691.3
Distribution per unit ("DPU") for the period	9.00	7.78
Total number of deemed units in issue (million)	1,702.4	1,692.2

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

	Actual 31/3/13 HK\$	Actual 31/12/12 HK\$
Net asset value per unit <sup>(a)</sup>	8.82	8.81

### 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 1,702.4 million (2012: 1,700.2 million).

## 8. Review of performance

### Income Statement

	HK\$ '000		%
	Actual 1/1/13 to 31/3/13	Actual 1/1/12 to 31/3/12	Increase
Total revenue	301,355	259,219	16.3%
Net property income	217,936	185,310	17.6%
Income available for distribution	153,292	131,789	16.3%

### 1Q 2013 ("Reporting Period") versus 1Q 2012

Total revenue for the Reporting Period was HK\$301.4 million, 16.3% higher year-on-year. The increase in revenue was partly due to the revenue streams from Belvedere Square and Provident Square for the full quarter as they were acquired on 17 February 2012 and hence did not fully contributed to the revenue in the corresponding quarter. The increase in unit rent and occupancy of the whole property portfolio also contributed to the increase in revenue.

Portfolio occupancy rate was 98.6% as at 31 March 2013. Passing rent was HK\$32.9 per sq. ft. while a 19.5% rental reversion was achieved from renewed leases for the Reporting Period.

Property operating expenses was HK\$76.7 million, up 12.5% year-on-year. Cost-to-revenue ratio was well managed at 25.4% (first quarter of 2012: 26.3%). Net property income was HK\$217.9 million, a 17.6% increase year-on-year. Income available for distribution was HK\$153.3 million, 16.3% higher year-on-year.

Borrowing costs increased from HK\$28.1 million to HK\$32.7 million, mainly due to the drawdown of bank borrowings for the acquisition of Belvedere Square and Provident Square on 17 February 2012 in the first quarter of 2012. The effective interest cost decreased from 2.87% to 2.76%. The gearing ratio and aggregate leverage was lower at 23.1% as at the end of the Reporting Period (31 December 2012: 23.4%).

The net current liabilities as at 31 March 2013 was HK\$1,035.7 million, mainly as a result of drawdown of the revolving credit facility of the 2011 Facilities to part finance the acquisition of Belvedere Square and Provident Square in 2012. There is an option to rollover the revolving credit facility up until maturity.

**9. Variance between actual and the forecast results for the period from 1 January 2013 to 31 March 2013**

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 regained momentum towards late 2012, with GDP registering a year-on-year growth of 2.5% and 1.4% respectively for the fourth quarter of 2012 and the year 2012 as a whole. The domestic sector remained resilient throughout the year bolstered by a stable and strong labour market. Private consumption expenditure increased by 4.0% year-on-year for 2012. Hong Kong retail sales have picked up strongly since the beginning of 2013. The total value of retail sales in Hong Kong expanded by 15.8% for the first two months of 2013, compared with a growth of 9.8% for 2012.

As there could be continuing pressure in the coming year on certain costs such as rising statutory minimum wage and electricity costs, inflation and other external factors, the Manager will closely monitor operating expenses. As part of Fortune REIT's green policy, energy-saving initiatives will continue to be adopted to reduce the impact of higher electricity tariffs.

The Manager continues to monitor the market environment and investment opportunities, and evaluate acquisition opportunities as they arise. Furthermore, the Manager maintains its commitment to drive revenue growth by implementing asset enhancement initiatives ("AEIs") projects, as well as effective leasing and tenant repositioning strategies. Looking ahead, a full-year income contribution from Belvedere Square and Provident Square, as well as the completed AEIs at Fortune City One and Jubilee Square are expected to add to the revenue growth of Fortune REIT.

**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 2013 to 31 March 2013.

**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 2013 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

9 May 2013