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Change in Capital :: Placement :: PLACEMENT OF 142,962,000 NEW UNITS IN FORTUNE REIT AND RESUMPTION OF TRADING

* Asterisks denote mandatory information

Name of Announcer *	ARA ASSET MANAGEMENT (FORTUNE) LIMITED AS MANAGER OF FORTUNE REAL ESTATE INVESTMENT TRUST
Company Registration No.	200303151G
Announcement submitted on behalf of	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted with respect to *	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted by *	Anthony Ang
Designation *	Director and Chief Executive Officer
Date & Time of Broadcast	30-Jul-2013 22:45:38
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	PLACEMENT OF 142,962,000 NEW UNITS IN FORTUNE REIT AND RESUMPTION OF TRADING
Specific shareholder's approval Required? *	Yes
Description	<p>PLACEMENT OF 142,962,000 NEW UNITS IN FORTUNE REIT AT AN ISSUE PRICE OF HK\$6.82 PER NEW UNIT AND RESUMPTION OF TRADING</p> <p>Please see attached.</p>

Attachments
 [LaunchofPlacement-300713.pdf](#)

Total size = **108K**
(2048K size limit recommended)

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This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units nor an invitation or offer to participate in Fortune REIT.

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FORTUNE REAL ESTATE INVESTMENT TRUST

(constituted in the Republic of Singapore pursuant to a trust deed dated 4 July 2003 (as amended) and authorised as a collective investment scheme under section 286 of the Securities and Futures Act, Chapter 289 of Singapore)

(a collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: Singapore: F25U and Hong Kong: 778)

Managed by



ARA Asset Management (Fortune) Limited

**FORTUNE REAL ESTATE INVESTMENT TRUST ("FORTUNE REIT") PLACEMENT
PLACEMENT OF 142,962,000 NEW UNITS ("NEW UNITS") IN
FORTUNE REIT AT AN ISSUE PRICE OF HK\$6.82 PER NEW UNIT**

RESUMPTION OF TRADING

The Board wishes to announce that pursuant to the Unit Placement (as defined herein), the Joint Lead Managers and Underwriters have, in consultation with the Manager, closed the book of orders for the Unit Placement and 142,962,000 New Units have been fully placed out to not less than six institutional and/or other professional investors who are Independent Third Parties (as defined herein).

The issue price for the New Units has been fixed at HK\$6.82 per New Unit on 30 July 2013, as agreed between the Manager and the Joint Lead Managers and Underwriters, following an accelerated book building process. The gross proceeds from the Unit Placement amount to approximately HK\$975 million and the net proceeds from the Unit Placement amount to approximately HK\$947 million, after

deducting the advisory, underwriting, selling and management fee and other estimated fees and expenses (including professional fees and expenses) incurred in connection with the Unit Placement.

The New Units issued pursuant to the Unit Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the date on which the New Units are issued. The Manager (as defined herein) will be submitting a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An application will also be made by the Manager to the Listing Committee of the SEHK for the grant of the listing of, and permission to deal in, the New Units on the Main Board of the SEHK.

The New Units represent 8.4% of the total number of Units in issue at the date of this announcement and approximately 7.7% of the number of Units in issue as enlarged by the issue of the New Units.

Completion of the Unit Placement is subject to: (a) the satisfaction of the conditions precedent summarised in paragraph 2 of this announcement; and (b) the Joint Lead Managers and Underwriters not electing to terminate the Placement Agreement for the reasons summarised in paragraph 5 of this announcement. Accordingly, as the Unit Placement may or may not proceed, Unitholders and potential investors are advised to exercise caution when dealing in the Units.

At the request of the Manager, trading in the Units has been halted: (a) on the SGX-ST since 8:30 a.m. on 30 July 2013; and (b) on the SEHK since 9:00 a.m. on 30 July 2013, pending the release of this announcement. The Manager has applied for resumption of trading in its Units on the SGX-ST and SEHK with effect from 8:45 a.m. and 9:00 a.m. respectively on 31 July 2013.

1. Introduction

Further to the announcement dated 30 July 2013 made by the board of directors (the “**Board**”) of ARA Asset Management (Fortune) Limited, in its capacity as manager of Fortune REIT (the “**Manager**”) regarding the entry of a memorandum of understanding by Fortune REIT to acquire the Kingswood Ginza Property (as defined in that announcement) (the “**Kingswood MOU Announcement**”), the Board wish to announce that it has successfully carried out the Unit Placement (as defined in the Kingswood MOU Announcement).

DBS Bank Ltd., DBS Asia Capital Limited, Standard Chartered Securities (Singapore) Pte. Limited and Standard Chartered Securities (Hong Kong) Limited as joint lead managers and underwriters for the Unit Placement (the “**Joint Lead Managers and Underwriters**”) have, in consultation with the Manager, closed the book of orders for the Unit Placement and 142,962,000 New Units have been fully placed out to not less than six institutional and/or other professional investors who are not connected persons (as defined in the Code on Real Estate Investment Trusts (the “**REIT Code**”) published by the SFC) of Fortune REIT (the “**Independent Third Parties**”, or individually an “**Independent Third Party**”).

2. Details of the Unit Placement

In relation to the Unit Placement, the Manager has on 30 July 2013 entered into a placement agreement (the “**Placement Agreement**”) with the Joint Lead Managers and Underwriters, each of which, to the best of the knowledge, information and belief of the directors of the Manager, having made all reasonable enquiries, is an Independent Third Party.

Pursuant to the Placement Agreement, the Joint Lead Managers and Underwriters have been appointed to procure subscriptions for or place out to not less than six placees who are institutional and/or other professional investors and are Independent Third Parties, as applicable, and failing which, have agreed severally to subscribe and pay for 142,962,000 New Units at the Issue Price (as defined below). The New Units represent (a) 8.4% of the total number of Units in issue at the date of this announcement; (b) approximately 7.7% of the number of Units in issue as enlarged by the issue of the New Units; and (c) when aggregated with other Units issued during the current financial year, an approximate 8.8% increase from total number of Units outstanding on 31 December 2012.

The Joint Lead Managers and Underwriters will receive a placing commission of 1.75% on the gross proceeds of the Unit Placement. The placing commission was negotiated on arm's length basis between the Manager and the Joint Lead Managers and Underwriters and determined with reference to, among other things, the prevailing commission rate charged by other underwriters. The directors of the Manager consider that the terms of the Unit Placement, including the placing commission, are fair and reasonable based on the current market conditions and the Unit Placement is in the interests of Fortune REIT and the Unitholders as a whole.

The costs associated with the Unit Placement will be borne out of the deposited property of Fortune REIT.

The issue price for the New Units to be issued ("**Issue Price**") has been fixed at HK\$6.82 per New Unit on 30 July 2013 (the "**Pricing Date**"), as agreed between the Manager and the Joint Lead Managers and Underwriters, following an accelerated book building process.

The Issue Price of HK\$6.82 per New Unit represents:

- (i) a discount of 4.4% to the average closing price of HK\$7.13 per Unit as quoted on the SGX-ST and the SEHK on 29 July 2013;
- (ii) a discount of 4.4% to the volume weighted average price of HK\$7.1356 per Unit for trades in the Units done on the SGX-ST and the SEHK for 29 July 2013;
- (iii) a discount of 5.2% to the average closing price of HK\$7.193 per Unit as quoted on the SGX-ST and the SEHK for the five consecutive trading days prior to the date of this announcement;
- (iv) a discount of 5.4% to the average closing price of HK\$7.206 per Unit as quoted on the SGX-ST and the SEHK for the ten consecutive trading days prior to the date of this announcement; and
- (v) a discount of 31.9% to the audited consolidated net asset per Unit value as of 30 June 2013 of HK\$10.01.

The Issue Price represents a discount of 4.5% to the simple average of the volume weighted average price for trades in the Units done on the SGX-ST and SEHK on 29 July 2013¹.

The Unit Placement saw strong participation from new and existing institutional investors with most demand coming from Asia.

1 For the purposes of determining the discount for Rule 811 of the Listing Manual of the SGX-ST, the volume weighted average price per Unit for trades in the Units done on the SGX-ST on 29 July 2013 is HK\$7.1557, and the Issue Price of HK\$6.82 per New Unit represents a discount of 4.7%.

The gross proceeds from the Unit Placement amount to approximately HK\$975 million and the net proceeds from the Unit Placement amount to approximately HK\$947 million, after deducting the advisory, underwriting, selling and management fee and other estimated fees and expenses (including professional fees and expenses) incurred in connection with the Unit Placement.

The Unit Placement shall be subject to the following conditions precedent:

- (i) there having occurred, as at the market day immediately before the listing date of the New Units issued under the Unit Placement (the "**Listing Date**"), no event making any of the representations and warranties contained in clause 5.1 of the Placement Agreement untrue or incorrect in any material respect on the Listing Date as though they had been given and made on such date and the Manager having performed, in all material respects, all its obligations to be performed under the Placement Agreement on or before such date;
- (ii) all New Units to be issued under the Unit Placement having been approved in-principle by the SGX-ST and approved by the SEHK for Listing, there not having occurred any withdrawal of such approvals or any event or condition that would prevent the commencement of trading of the New Units on the SGX-ST and the SEHK and, if applicable, the conditions to such approval having been fulfilled;
- (iii) the delivery to the Joint Lead Managers and Underwriters of a Singapore law enforceability legal opinion from Allen & Gledhill LLP dated the market day immediately before the Listing Date, in a form agreed by the Joint Lead Managers and Underwriters and Allen & Gledhill LLP;
- (iv) the delivery to the Joint Lead Managers and Underwriters on or before the market day immediately before the Listing Date of a Singapore law enforceability opinion and an United States no-registration opinion from Allen & Overy LLP each dated the market day immediately before the Listing Date, in a form agreed by the Joint Lead Managers and Underwriters and Allen & Overy LLP; and
- (v) the delivery to the Joint Lead Managers and Underwriters on or before the market day immediately before the Listing Date of a certificate signed by a director of the Manager dated the market day immediately before the Listing Date.

Subject to the fulfilment of the conditions precedent under the Placement Agreement, completion of the Unit Placement and the issue of the New Units pursuant thereto is expected to take place on 7 August 2013.

3. Eligibility to Participate in the Unit Placement

The New Units have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

To the best of the knowledge, information and belief of the directors of the Manager, having made all reasonable enquiries, the institutional and/or other professional investors who participated in the Unit Placement and their ultimate beneficial owners are, Independent Third Parties.

Under the Placement Agreement, the Joint Lead Managers and Underwriters are required to ensure that the New Units issued under the Unit Placement have not been, and will not be, offered or sold in Hong Kong by means of any document other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made under that Ordinance.

The Manager confirms that none of the institutional, professional and other investors who participated in the Unit Placement has become a significant holder (as defined in the REIT Code as a person holding 10% or more of the Units).

Each individual placee, being an Independent Third Party, together with its concert parties, will not be holding a 30% or higher interest in Fortune REIT after the Unit Placement, otherwise the general offer obligations under the Code on Takeovers and Mergers issued by the SFC shall apply.

4. Use of Proceeds

Subject to relevant laws and regulations and assuming Unitholders' approval for the Acquisition (as defined below) is obtained, based on the Issue Price of HK\$6.82 per New Unit, the Manager intends to use the gross proceeds of approximately HK\$975 million from the Unit Placement in the following manner:

- (i) approximately HK\$947 million (which is equivalent to 97.1% of the gross proceeds of the Unit Placement) will be used to partially fund the proposed acquisition of the Kingswood Ginza Property (the "**Acquisition**") as mentioned in the Kingswood MOU Announcement; and
- (ii) approximately HK\$28 million (which is equivalent to 2.9% of the gross proceeds of the Unit Placement) will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Fortune REIT in connection with the Unit Placement,

In the event that the Share Purchase Agreement (as defined in the Kingswood MOU Announcement) is not entered into, or the Acquisition does not otherwise proceed, it is currently envisaged that approximately HK\$947 million (which is equivalent to 97.1% of the gross proceeds of the Unit Placement) will be used to fund potential acquisitions if an opportunity arises and/or pare down debt with the balance if any, to be used for general corporate and working capital purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations and the trust deed constituting Fortune REIT dated 4 July 2003 (as amended) (the "**Trust Deed**"), use the net proceeds from the Unit Placement at its absolute discretion for other purposes.

Pending the deployment of the net proceeds from the Unit Placement, the net proceeds may, subject to relevant laws and regulations and the Trust Deed, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the aggregate net proceeds of the Unit Placement via SGXNET and the SEHK as and when such funds are materially utilised.

5. Termination of the Placement Agreement

The Joint Lead Managers and Underwriters may, after reasonable efforts have been made to consult the Manager give notice to the Manager electing to terminate the Placement Agreement by 2:00 p.m. immediately preceding the Listing Date if:

- (i) any of the conditions in the Placement Agreement is not satisfied in any material respect or waived by the Joint Lead Managers and Underwriters by such time; or
- (ii) any representation or warranty by the Manager in the Placement Agreement is or proves to be untrue or incorrect in any material respect as at the date of the Placement Agreement or as at any date on which it is deemed to be repeated; or
- (iii) the Manager fails to perform in any material respect any of its obligations under the Placement Agreement; or
- (iv) if there shall have been, since the date of the Placement Agreement:
 - (a) any material adverse change in the financial condition, prospects, earnings, business, undertakings, assets or properties, of Fortune REIT or of the Existing Properties (as defined in the Placement Agreement); or
 - (b) any introduction of or any change in any statute, regulation, order, policy or directive in Singapore, Hong Kong, the United Kingdom or the United States (whether or not having the force of law and including, without limitation, any directive or request issued by the SGX-ST or the Monetary Authority of Singapore (“MAS”)) or in the interpretation or application thereof by any court or other competent authority in Singapore, Hong Kong, the United Kingdom or the United States; or
 - (c) any material adverse change or any development involving a prospective material adverse change in local, national or international financial (including but not limited to a moratorium on banking and/or suspension or limitation on the trading of securities on the SGX-ST, the SEHK, London Stock Exchange plc or the New York Stock Exchange, Inc.), political, industrial, economic or market conditions in Singapore, Hong Kong, the United Kingdom or the United States; or
 - (d) any material adverse change or any development occurs involving a prospective material adverse change in taxation or exchange control in Singapore, Hong Kong, the United Kingdom or the United States; or
 - (e) any occurrence or any local, national or international outbreak or escalation of hostilities or other calamity or crisis in Singapore, Hong Kong, the United Kingdom or the United States, including without limitation, insurrections, armed conflicts, acts of terrorism or epidemics in Singapore, Hong Kong, the United Kingdom or the United States,

which event or events shall, in the opinion of the Joint Lead Managers and Underwriters (acting in good faith and following consultation with the Manager), be likely to prejudice materially the success of the Unit Placement or dealings in the New Units issued under the Unit Placement in the secondary market or be likely to have a Material Adverse Effect (as defined in the Placement Agreement); or
- (v) if the SGX-ST or the SEHK shall make any ruling (or revoke any ruling previously made) the effect of which is to prevent the listing and quotation of the New Units or otherwise require the delisting of the Existing Units (as defined in the Placement Agreement) from the SGX-ST and the SEHK; or

- (vi) if the issue, placement and subscription of the New Units in accordance with the provisions of the Placement Agreement shall be prohibited by any statute, order, rule, regulation or directive issued by, or objected to by any legislative, executive or regulatory body or authority of Singapore or Hong Kong (including, without limitation, the MAS, the SGX-ST, the SEHK and the SFC).

Should the Placement Agreement be terminated, the Unit Placement exercise will be cancelled. In the event of termination of the Placement Agreement, all future obligations of the parties thereto will cease, except that the Manager shall remain liable in respect of the indemnities given by the Manager to the Joint Lead Managers and Underwriters, the costs and expenses to be borne by Fortune REIT (being the fees and expenses incurred in connection with the Unit Placement under the Placement Agreement up to the date on which the notice of termination was given, and any liability accruing before or in relation to the termination.)

6. Rationale for the Unit Placement

The Manager believes that the Unit Placement will bring the following benefits to Unitholders:

(i) Facilitates the acquisition of the Kingswood Ginza Property

Subject to Unitholders' approval being obtained for the Acquisition, the Manager intends to deploy proceeds from the Unit Placement towards the Acquisition as mentioned in the Kingswood MOU Announcement. See the Kingswood MOU Announcement for the rationale for the Acquisition.

(ii) Possible increase in trading liquidity of Units

The New Units to be issued pursuant to the Unit Placement will increase the number of Units in issue by 142,962,000, which is an increase of (a) 8.4% of the total number of Units currently in issue; and (b) approximately 7.7% of the number of Units in issue as enlarged by the issue of the New Units. This increase in the total number of Units in issue is expected to improve the level of trading liquidity of the Units.

7. Effect on Unitholding

The unitholding in Fortune REIT as at the date of this announcement and immediately after the completion of the Unit Placement upon the issue of the New Units (assuming that there are no other changes in unitholding), for illustration purposes, are as follows:

Name of Unitholder	As at the date of the announcement		Immediately after completion of the Unit Placement to Independent Third Parties	
	No. of Units	Approx.%	No. of Units	Approx.%
Institutional and / or other professional investors subscribed for the Unit Placement	N/A		142,962,000	7.7%
Cheung Kong (Holdings) Limited and its concert parties	525,630,684	30.8%	525,630,684	28.4%
Schroders Plc	225,524,000	13.2%	225,524,000	12.2%
Other Public Unitholders	953,575,848	56.0%	953,575,848	51.7%
Total	1,704,730,532	100.00%	1,847,692,532	100.00%

8. Authority to Issue New Units

The New Units will be issued pursuant to, and within the limits of:

- (a) rights given to the Manager under the Trust Deed, and also pursuant to a general mandate as given to the Manager at the annual general meeting of Fortune REIT held on 19 April 2013 (the "**General Mandate**"), pursuant to which the Manager may, during the period from 19 April 2013 to (i) the conclusion of the next annual general meeting of Fortune REIT or (ii) the date by which the next annual general meeting of Fortune REIT is required by applicable regulations to be held, whichever is earlier, issue new Units and/or convertible securities or other instruments (including but not limited to warrants) which may be convertible into Units (the "**Convertible Securities**") such that the number of new Units (including Units into which the Convertible Securities may be converted) does not exceed 50.0% of the number of Units in issue as at 19 April 2013 (being 1,702,420,481 Units) (the "**Base Figure**"), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure. Further details relating to the General Mandate are set out in the notice dated 15 March 2013 of the annual general meeting of Fortune REIT; and
- (b) The provisions of Fortune REIT's trust deed and paragraph 12.2 of the REIT Code which require Unitholder approval unless the aggregate number of new Units issued during the financial year does not increase the total number of Units outstanding at the end of the previous financial year by more than 20%.

The New Units represent an approximate: (i) 8.5% increase (when aggregated with other Units issued since 19 April 2013) from the total number of Units outstanding on 19 April 2013; and (ii) an approximate 8.8% increase (when aggregated with other Units issued during the current financial year) from total number of Units outstanding on 31 December 2012. Accordingly, the number of New Units issued pursuant to the Unit Placement is within the 20.0% limit for the issue of Units on a non pro rata basis and the prior approval of the Unitholders is not required for the issue of the New Units under the Unit Placement.

9. Status of the New Units and Further Announcements

The New Units issued pursuant to the Unit Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the date on which the New Units are issued.

The Manager shall make a further announcement: (a) on the date on which in-principle approval from the SGX-ST is received; (b) on the date on which New Units are issued under the Unit Placement; and (c) will be issued as and when required in accordance with applicable regulatory requirements (including but not limited to the REIT Code).

10. Fund Raising Activities in the Past Twelve Months

Save for the 9,393,029 Units (which represents 0.6% of the Units in issue as at the date of this Announcement) issued as payment of the Manager's management fee, Fortune REIT did not raise any funds or issue any equity securities in the 12-month period immediately before the date of this announcement.

11. Waiver from strict compliance with the valuation requirements under 6.2, and requirements under 10.7(b)(iv) of the REIT Code

The Manager has applied for a waiver ("**Waiver Application**") from strict compliance with the valuation requirements under 6.2, and requirements under 10.7(b)(iv), of the REIT Code in respect of the proposed Unit Placement, on the following basis:

- (a) it is desirable, and in the interests of Fortune REIT and its Unitholders, for Fortune REIT to be able to raise capital opportunistically and efficiently by way of placing (on short notice and within a short timeframe) when suitable market conditions and opportunities arise. It will be difficult for the Manager to conduct the Unit Placement on short notice and within a short timeframe if the principal valuer is required to revalue the entire portfolio of Fortune REIT and the Manager is required to publish a unitholder circular, in connection with the Unit Placement; and it is submitted that listed companies conducting similar placements on short notice and within a short timeframe (as is common) are not required to obtain / publish the same;
- (b) as is common for similar placements by other companies listed in Hong Kong, the Joint Lead Managers and Underwriters will use a bookbuild process to ensure that the New Units are fairly and transparently priced in light of current market conditions, and it is therefore submitted that a revaluation of Fortune REIT's portfolio is not required to achieve the same objective;
- (c) the Manager will:
 - (i) publish an announcement in respect of the Unit Placement, containing all relevant details regarding the same, to ensure the fair and transparent disclosure of the details of the Unit Placement; and
 - (ii) ensure that the Unit Placement is conducted pursuant to, and within the limits of: (i) the general mandate given to the Manager at the annual general meeting of Fortune REIT held on 19 April 2013; and (ii) the provisions of Fortune REIT's trust deed and paragraph 12.2 of the REIT Code;

and in light of such disclosure and ability to conduct the Unit Placement without further Unitholder approval (given the general mandate), it is submitted that a unitholder circular will not provide any additional relevant information to Unitholders and is therefore not required; and

- (d) the Manager considers the Unit Placement to be in the best interests of Fortune REIT and Unitholders as a whole.

The SFC have granted such waiver subject to the following conditions:

- (i) the Unit Placement shall be conducted and the issuance of the New Units shall be made strictly in accordance with the manner set out in the Waiver Application and the provisions of the Trust Deed;
- (iii) an announcement shall be issued by the Manager in accordance with 10.3 and 10.4(k) of the REIT Code containing details of the Unit Placement as set out in the Waiver Application; and
- (iii) issuance of the New Units is sufficiently covered under the general mandate permitted under 12.2 of the REIT Code and no unitholders' approval would otherwise have to be sought under such rule.

12. Listing of, Dealing in and Quotation of the New Units

The trading of the New Units on the SGX-ST and the SEHK is currently expected to commence at 9:00 a.m. on 7 August 2013.

The Manager will be submitting a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

An application will also be made by the Manager to the Listing Committee of the SEHK for the listing of, and permission to deal in, the New Units on the Main Board of the SEHK.

13. Resumption of Trading

At the request of the Manager, trading in the Units has been halted: (a) on the SGX-ST since 8:30 a.m. on 30 July 2013; and (b) on the SEHK since 9:00 a.m. on 30 July 2013, pending the release of this announcement. The Manager has applied for resumption of trading in its Units on the SGX-ST and SEHK with effect from 8:45 a.m. and 9:00 a.m. respectively on 31 July 2013.

Completion of the Unit Placement is subject to: (a) the satisfaction of the conditions precedent summarised in paragraph 2 of this announcement; and (b) the Joint Lead Managers and Underwriters not electing to terminate the Placement Agreement for the reasons summarised in paragraph 5 of this announcement. Accordingly, as the Unit Placement may or may not proceed, Unitholders and potential investors are advised to exercise caution when dealing in the Units.

This announcement is issued in compliance with 10.3 and 10.4(k) of the REIT Code.

The Manager shall make further announcements on the date of completion of the Unit Placement upon the issue of the New Units, and as and when required in accordance with applicable regulatory requirements (including but not limited to the REIT Code).

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

Singapore, Hong Kong, 30 July 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 Dr. Lan Hong Tsung, David as Independent Non-executive Directors; and Mr. Ma Lai Chee, Gerald as Alternate Director to Mr. Ip Tak Chuen, Edmond.

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units nor an invitation or offer to participate in Fortune REIT. This announcement is not for distribution, directly or indirectly, in or into the United States, Canada or Japan and is not an offer of securities for sale into the United States, Canada or Japan. The securities described herein may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST or SEHK. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST and SEHK. The listing of the Units on the SGX-ST and SEHK does not guarantee a liquid market for the Units.

The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT.