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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 authorized as a collective investment scheme under section 286 of the Securities and Futures Act, Chapter 289 of Singapore)

(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: Singapore: F25U and Hong Kong: 778)

Managed by



ARA Asset Management (Fortune) Limited

(1) COMPLETION OF MAJOR ACQUISITION AND CONNECTED PARTY TRANSACTIONS RELATING TO THE PROPOSED ACQUISITION OF THE KINGSWOOD GINZA PROPERTY

(2) PAYMENT OF ACQUISITION FEE TO ARA ASSET MANAGEMENT (FORTUNE) LIMITED BY WAY OF UNITS IN FORTUNE REAL ESTATE INVESTMENT TRUST

(3) USE OF PROCEEDS FROM THE UNIT PLACEMENT

(4) DRAWDOWN UNDER THE NEW FACILITIES

The Board is pleased to announce that the Acquisition was completed on 9 October 2013.

The Board also announces that on 9 October 2013, the Manager received 8,576,246 Acquisition Fee Units listed on the Hong Kong Stock Exchange, as payment to the Manager of the Acquisition Fee in the amount of HK\$58.49 million. The Acquisition Fee Units were issued at a price of HK\$6.82 (being the Issue Price) per Unit.

The payment of the Acquisition Fee by way of the Acquisition Fee Units is in accordance with the terms of the Trust Deed and does not require the specific prior approval of the Unitholders pursuant to a waiver granted by the SFC.

The Manager held 8,216,582 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the Manager holds 16,792,828 Units, representing approximately 0.90% of the 1,858,891,124 Units in issue (after the issue of the Acquisition Fee Units).

Reference is made to: (i) the announcement made by Fortune REIT dated 30 July 2013 in relation to the Unit Placement (as defined below) (the "**Unit Placement Announcement**"); (ii) the announcement made by Fortune REIT dated 28 August 2013; (iii) the announcement made by Fortune REIT dated 7 October 2013 in relation to the New Facilities; and (iv) the circular of Fortune REIT dated 28 August 2013 (the "**Circular**"). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

Completion of the Acquisition

The Board is pleased to announce that as all the Conditions to Completion have been satisfied, the Acquisition was completed on 9 October 2013. Details of the nominees nominated by the Trustee to: (i) acquire the Target Company Shares; and (ii) accept assignment of the Shareholder Loan respectively are described below:

	Name of Entity	Place of Incorporation
Nominee nominated to acquire the Target Company Shares	Smart Growth Enterprises Limited	British Virgin Islands
Nominee nominated to accept assignment of the Shareholder Loan	Brilliant Crystal Enterprises Limited	British Virgin Islands

As mentioned in the Circular, the purchase consideration under the Share Purchase Agreement is subject to a customary adjustment (the "**Current Adjustment**") for the current assets and current liabilities of the Target Company as at Completion but excluding the Shareholder Loan and any deferred tax liabilities of the Target Company. The Current Adjustment is set out in a pro forma completion balance sheet and will be audited within 90 days after Completion with a view to making any final adjustments to reflect the final adjusted asset value of the Target Company (such adjustments may be applicable either in favour of the Trustee or the Vendor). The final adjusted purchase consideration for the Kingswood Ginza Property shall be announced by the Manager as soon as practicable following the completion of the audit of the accounts of the Target Company and the determination of such adjustments, together with the quantum of the adjustment amounts.

Issuance of Acquisition Fee Units

The Board also announces that on 9 October 2013, the Manager received 8,576,246 Acquisition Fee Units in Hong Kong, as payment to the Manager of the Acquisition Fee in the amount of HK\$58.49 million. The Acquisition Fee Units were issued at the price of HK\$6.82 (the "**Issue Price**") per Unit, being the issue price of the Units issued pursuant to the Unit Placement, on the Hong Kong Stock Exchange. The Issue Price and the number of Acquisition Fee Units issued were determined on a basis which is consistent with the relevant provisions of the Trust Deed. As the Acquisition is an Interested Party Transaction under the Singapore Property Funds Appendix, the Acquisition Fee Units are not to be sold within one year from their date of issuance. The Acquisition Fee will not be subject to the Current Adjustment.

The payment of the Acquisition Fee by way of the Acquisition Fee Units is in accordance with the terms of the Trust Deed and does not require the specific prior approval of the Unitholders pursuant to a waiver granted by the SFC and the Unit issue mandate obtained by Fortune REIT at its last annual general meeting held on 19 April 2013.

Under the waiver, for the purposes of the REIT Code and among other conditions, the number of Units issued to the Manager as payment of all or part of its base fees, acquisition fees and divestment fees (the “**Manager’s Fees**”) for each financial year of Fortune REIT shall be counted as part of the 20% of outstanding Units that the Manager may issue in each financial year without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code. Further, in respect of each financial year, the maximum number of Units that may be issued to the Manager as payment of all or part of the Manager’s Fees for that financial year shall, in the aggregate, be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units, if any, issued in that financial year for the purpose of financing any acquisition or divestment (where applicable) of real estate by Fortune REIT. Immediately after the issue of the Acquisition Fee Units, the number of Units issued to the Manager as payment of all or part of the Manager’s Fees for the period from 1 January 2013 to 9 October 2013 represents approximately 0.85% of the total number of Units outstanding as at 31 December 2012 plus the number of Units issued pursuant to the Unit Placement.

The Manager held 8,216,582 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the Manager holds 16,792,828 Units, representing approximately 0.90% of the 1,858,891,124 Units in issue (after the issue of the Acquisition Fee Units).

Use of Proceeds from the Unit Placement

Further to the Unit Placement Announcement in relation to the placement of 142,962,000 new Units in Fortune REIT (“**New Units**”) at an issue price of HK\$6.82 per New Unit (the “**Unit Placement**”), the Board wishes to announce that the gross proceeds of approximately HK\$975 million from the Unit Placement (the “**Gross Proceeds**”) have been fully utilised as follows:

- (i) approximately HK\$947 million (which is equivalent to 97.1% of the Gross Proceeds) to partially fund the Acquisition; and
- (ii) approximately HK\$28 million (which is equivalent to 2.9% of the Gross Proceeds) to pay the fees and expenses, including professional fees and expenses, incurred by Fortune REIT in connection with the Unit Placement.

The aforementioned uses are in accordance with the stated use and percentage allocation of the Gross Proceeds disclosed in the Unit Placement Announcement.

Drawdown under the New Facilities

On 9 October 2013, the aggregate of HK\$5,025 million was drawn down under the New Facilities to finance the balance of the consideration of the Acquisition, being HK\$4,902 million, and other fees and expenses (including stamp duty, advisory fees, professional fees and expenses) in connection with the Acquisition. There are no material changes to the terms of the New Facilities as disclosed in the Circular.

General

This announcement is made pursuant to paragraphs 10.4(d) and 10.4(k) of the REIT Code and Rule 704(30) of the Singapore Listing Manual.

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 9 October 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 the Hong Kong Stock Exchange. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST and the Hong Kong Stock Exchange. The listing of the Units on the SGX-ST and the Hong Kong Stock Exchange 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.