



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 4 July 2003 (as amended))

SGX-ST Announcement

COMPLETION OF THE ACQUISITIONS OF METRO TOWN, CARIBBEAN BAZAAR AND HAMPTON LOFT BY FORTUNE REAL ESTATE INVESTMENT TRUST (“FORTUNE REIT”), ISSUE OF 824,879,427 NEW UNITS IN FORTUNE REIT (“RIGHTS UNITS”) AND USE OF PROCEEDS OF RIGHTS ISSUE

Further to the announcement on 11 September 2009 in relation to the approval by unitholders of Fortune REIT (“**Unitholders**”) of, among others, the acquisition of the Properties (as defined herein), ARA Asset Management (Singapore) Limited, as manager of Fortune REIT (the “**Manager**”), is pleased to announce the completion of the acquisitions of the Properties located in Hong Kong, being (i) Metro Town from Mcbride International Limited, a wholly-owned subsidiary of Cheung Kong (Holdings) Limited (“**Cheung Kong**”) and Natisone Investments Limited, a wholly-owned subsidiary of Nan Fung Development Limited (“**Nan Fung**”)¹, (ii) Caribbean Bazaar from MTR Corporation Limited and (iii) Hampton Loft from Global Coin Limited, a wholly-owned subsidiary of Cheung Kong (collectively, the “**Properties**”, each as defined in the Fortune REIT Unitholders’ circular dated 24 August 2009).

The total acquisition cost of the Properties amounts to HK\$2,091.4 million, comprising:

- (i) the aggregate purchase consideration for the Properties (before adjustment for the consolidated net current liabilities of MPI and Mega Gain as at completion in the case of the acquisition of Metro Town, equivalent to HK\$31.3 million) of HK\$2,039.0 million;
- (ii) an acquisition fee of HK\$20.4 million payable to the Manager (being 1.0% of the aggregate purchase consideration for the Properties) in Units pursuant to the trust deed dated 4 July 2003 constituting Fortune REIT (as amended); and
- (iii) other fees and expenses (including stamp duty, advisory fees, professional fees and expenses) of HK\$32.0 million incurred by Fortune REIT in connection with the acquisitions.

The total cash component of the acquisition cost of the Properties of HK\$2,071.0 million was part financed by HK\$1,591.0 million from the net proceeds of the Rights Issue (as defined herein) and the remainder was financed by a new term loan facility of HK\$480.0 million.

With the completion of these acquisitions, Fortune REIT’s portfolio has been enlarged and comprises 14 assets located in Hong Kong, valued in aggregate at approximately HK\$10,970.0 million as at 30 June 2009.

¹ Cheung Kong indirectly holds 80.0% and Nan Fung indirectly holds the remaining 20.0% of the issued share capital of Marvel Point Investments Limited (“**MPI**”) (which is incorporated in the British Virgin Islands), a special purpose vehicle which indirectly wholly-owns Metro Town through Mega Gain Resources Limited (“**Mega Gain**”), and Fortune REIT is acquiring Metro Town via the acquisition of MPI.

Issue of Rights Units

The Manager also wishes to announce that further to its announcement dated 12 October 2009 in relation to the results of the fully underwritten renounceable rights issue of 824,879,427 Rights Units (the "**Rights Issue**"), it has issued an aggregate of 824,879,427 Rights Units today, bringing the total number of units in Fortune REIT ("**Units**") in issue to 1,652,393,160.

The Rights Units will rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2009 to 31 December 2009 as well as all distributions thereafter.

The Rights Units is expected to be listed and quoted on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with effect from 9.00 a.m. on 16 October 2009.

Use of Proceeds

The Manager is also pleased to announce that out of the net proceeds of HK\$1,802.4 million from the Rights Issue, HK\$1,671.8 million has been used towards part financing the total acquisition cost of the Properties as well as debt related costs.

The Manager will make further announcements via SGXNET when the remaining proceeds of the Rights Issue are materially disbursed.

By Order of the Board
ARA Asset Management (Singapore) Limited
(Company registration no. 200303151G)
(as manager of Fortune Real Estate Investment Trust)

Lim Hwee Chiang, John
Director
15 October 2009

About Fortune REIT

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 (Singapore) Limited (“**ARASL**”), 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 SGX-ST on 12 August 2003.

Fortune REIT holds a portfolio of eleven retail malls in Hong Kong, spread across Kowloon and the New Territories through the ownership of property companies (“the **Property Companies**”), worth approximately HK\$8.9 billion. The retail malls are City One Shatin Property, Ma On Shan Plaza, The Metropolis Mall, Waldorf Garden Property, Smartland, Tsing Yi Square Property, Jubilee Court Shopping Centre, The Household Center, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. Together they house a total of 839 tenants as at 30 June 2009 from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers. Notable tenants include Park’N Shop, 7-Eleven, Aji Ichiban, Maxim’s Chinese Restaurant, Watsons, Mannings, Modern Beauty Salon, Fortress, McDonald’s, Kentucky Fried Chicken, Watami Japanese Restaurant, Centaline Property Agency, Midland Realty, DBS Bank, Bank of China (Hong Kong), HSBC, Japan Home Centre, Jumpin Gym U.S.A., International Christian School and the Hong Kong Jockey Club. More information about Fortune REIT can be found at www.fortunereit.com.

About ARASL, the Manager

Fortune REIT is managed by ARASL, a wholly-owned subsidiary company of ARA Asset Management Limited, which is listed on the Mainboard of the SGX-ST. More information about ARASL can be found at www.ara-asia.com.

Important Notice

The value of Units and the income derived from them may fall as well as rise. The 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 have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT.

This announcement 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.

This announcement is not an offer of securities for sale in the United States or elsewhere. The securities of Fortune REIT are not being registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. There will be no public offering of the securities in the United States.