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*Prospective investors in the units of Fortune Real Estate Investment Trust (“**Fortune REIT**”) should refer to the listing document dated 31 March 2010 (“**Listing Document**”) issued by Fortune REIT.*

This announcement is for information purposes only. It does not constitute an offer of, nor is it calculated to invite offers for, units of Fortune REIT, nor have any such units been allotted with a view to any of them being offered for sale to or subscription by the public.



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

PAYMENT OF MANAGER’S BASE FEE TO ARA ASSET MANAGEMENT (FORTUNE) LIMITED BY WAY OF UNITS IN FORTUNE REAL ESTATE INVESTMENT TRUST

The Board announces that on 12 April 2010, the Manager received the Base Fee Units comprising an aggregate of 2,357,120 Units, as payment to the Manager of the Manager’s Base Fee in the amount of HK\$8,506,849, being full payment in arrears of the Manager’s Base Fee component of its management fees for the period from 1 January 2010 to 31 March 2010 (both dates inclusive). The Base Fee Units were issued at a price of HK\$3.6090 per Unit, being the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days immediately preceding the date of the issue of the Base Fee Units to the Manager.

The issue of the Base Fee Units as payment of the Manager’s Base Fee is provided for in the Trust Deed, and by way of the Waiver, such issue does not require Unitholders’ approval.

Immediately after the issue of the Base Fee Units, the Manager holds 8,729,091 Units, representing approximately 0.52% of the 1,663,952,387 Units in issue.

INTRODUCTION

Reference is made to the Listing Document, and the announcement dated 31 March 2010 issued by Fortune REIT. Unless the context otherwise requires, terms defined in the Listing Document shall have the same meanings when used in this announcement.

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

PAYMENT OF THE MANAGER'S BASE FEE BY WAY OF UNITS

As disclosed in section 12.7.1 (“The Manager – Manager’s Fees – Management Fees”) of the Listing Document, the Manager is entitled to, among other management fees, the Manager’s Base Fee which is 0.3% per annum of the Property Values. The Manager’s Base Fee is payable quarterly in arrears, and will be in the form of Units. Pursuant to the Trust Deed, the Manager may elect to receive such Units as Units listed on the SGX-ST or, following the Introduction, Units listed on the Hong Kong Stock Exchange. The Manager shall receive such number of Units as may be purchased for the relevant amount of the Manager’s Base Fee at the prevailing market price on the SGX-ST (in respect of Units listed on the SGX-ST) or the prevailing market price on the Hong Kong Stock Exchange (in respect of Units listed on the Hong Kong Stock Exchange), as the case may be, at the time of the issue of such Units.

The Board announces that on 12 April 2010, the Manager received an aggregate of 2,357,120 Units (the “**Base Fee Units**”), as payment to the Manager of the Manager’s Base Fee in the amount of HK\$8,506,849, being full payment in arrears of the Manager’s Base Fee component of its management fees for the period from 1 January 2010 to 31 March 2010 (both dates inclusive). The Base Fee Units were issued at a price of HK\$3.6090 per Unit, being the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days immediately preceding the date of the issue of the Base Fee Units to the Manager. The number of Base Fee Units issued was determined on a basis which is consistent with the relevant provisions of the Trust Deed, and in a manner consistent with section 12.7.1 of the Listing Document.

ISSUE OF THE BASE FEE UNITS DOES NOT REQUIRE UNITHOLDERS’ APPROVAL

The issue of the Base Fee Units as payment of the Manager’s Base Fee is provided for in the Trust Deed, and by way of a waiver granted by the SFC (the “**Waiver**”), such issue does not require Unitholders’ approval. Details of the Waiver are disclosed in section 18.1.4 (“Modifications, Waivers and Licensing Conditions – Modifications and Waivers – Payment of Manager’s fee by way of Units — Chapter 12 of the REIT Code”) of the Listing Document.

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 the Manager’s Fees (which is defined in section 18.1.4 of the Listing Document to mean collectively, the Manager’s Base Fee and, where applicable, the Acquisition Fee or Divestment Fee) 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 Base 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 2010 to 31 March 2010 represents approximately 0.14% of the total number of Units outstanding as at 31 December 2009.

UNITHOLDING INTERESTS OF THE MANAGER

Immediately before the issue of the Base Fee Units, the Manager held 6,371,971 Units, representing approximately 0.38% of the then entire issued Unit capital of Fortune REIT comprising 1,661,595,267 Units.

Immediately after the issue of the Base Fee Units, the entire issued Unit capital of Fortune REIT comprises of 1,663,952,387 Units and the Manager holds 8,729,091 Units, representing approximately 0.52% of such 1,663,952,387 Units in issue.

Based on the net assets attributable to Unitholders as at 31 December 2009, the net asset value per Unit immediately after the issue of the Base Fee Units is HK\$5.31. During a period of three Business Days prior to the Introduction, the Manager will make daily announcements providing, among other things, further updates, if any, to the net asset value per Unit.

For the purpose of maintaining cashflow to meet its operating expenses, subject to factors such as market conditions, the Manager may dispose of its Units in the open market, including the Base Fee Units and Units it may in future receive as payment of its management fees. Any such disposal of Units by the Manager will be made in compliance with the code governing dealings in Units by the Directors or the Manager as set out in the Manager's compliance manual, and any applicable disclosure requirements under the Trust Deed.

UNITHOLDING INTERESTS OF THE DIRECTORS

Details of the unitholding interests of the Directors immediately after the issue of the Base Fee Units are as follows:

Unitholder	Number of Units			Approximate percentage of the entire issued Unit capital (%)
	Direct Interest	Deemed Interest	Total Interest	
LIM Hwee Chiang ⁽¹⁾	2,100,000	21,425,091	23,525,091	1.41
SNG Sow-Mei (alias POON Sow Mei)	220,000	—	220,000	0.01

Note:

- (1) For the purpose of Part XV of the SFO as if it applies to Fortune REIT, immediately after the issue of the Base Fee Units, Mr. Lim Hwee Chiang holds a direct interest of 2,100,000 Units, and a deemed interest of 21,425,091 Units. Out of such 21,425,091 Units: (a) 8,729,091 Units are held by the Manager, a wholly-owned subsidiary of ARA Asset Management Limited which in turn is a direct and indirect controlled corporation of Mr. Lim; and (b) 12,696,000 Units are held by ARA Asian Asset Income Master Fund. ARA Strategic Capital I Pte Ltd is the fund manager of ARA Asian Asset Income Master Fund, and is an indirect controlled corporation of Mr. Lim.

Save as disclosed above, the other Directors do not have any unitholding interest in Fortune REIT immediately after the issue of the Base Fee Units for the purpose of Part XV of the SFO as if it applies to Fortune REIT.

DEALINGS IN THE UNITS

Dealings in the Units on the Hong Kong Stock Exchange are expected to commence on 20 April 2010.

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Base Fee Units on the Hong Kong Stock Exchange.

The issue of the Base Fee Units is in compliance with the provisions of the Trust Deed and is contemplated in the Listing Document. Prospective investors in the units should refer to the Listing Document, as updated by this announcement, which together provide such investors with appropriate and up-to-date information in respect of the Unit capital of Fortune REIT.

By order of the board of directors of

ARA Asset Management (Fortune) Limited

(in its capacity as manager of Fortune Real Estate Investment Trust)

CHIU Kwok Hung, Justin

Chairman

Hong Kong, 12 April 2010

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. Eirene Yeung as Non-executive Directors; Mr. Ang Meng Huat, Anthony and Ms. Chiu Yu, Justina as Executive Directors; Mr. Lim Lee Meng, Dr. Cheng Mo Chi, Moses and Mrs. Sng Sow-Mei (alias Poon Sow-Mei) as Independent Non-executive Directors; and Mr. Ma Lai Chee, Gerald as Alternate Director to Mr. Ip Tak Chuen, Edmond.