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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 BELVEDERE GARDEN PROPERTY AND THE PROVIDENT CENTRE PROPERTY**

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

The Board is pleased to announce that the Acquisition was completed on 17 February 2012.

The Board also announces that on 17 February 2012, the Manager received 4,809,152 Acquisition Fee Units listed on the SGX-ST, as payment to the Manager of the Acquisition Fee in the amount of HK\$19 million. The Acquisition Fee Units were issued at a price of HK\$3.9508 (being the Singapore Market 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 6,721,369 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the Manager holds 11,530,521 Units, representing approximately 0.68% of the 1,688,826,817 Units in issue (after the issue of the Acquisition Fee Units).

Reference is made to: (i) the announcement made by Fortune REIT dated 28 December 2011; and (ii) the circular of Fortune REIT dated 28 December 2011 (the “**Circular**”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that the Acquisition was completed on 17 February 2012. Details of the Main Nominee, the Belvedere Garden (Remaining Portion) Holding Company and the Provident Centre Holding Company are described below:

	<b>Name of Entity</b>	<b>Place of Incorporation</b>
Main Nominee	Elveden Enterprises Limited	British Virgin Islands
Belvedere Garden (Remaining Portion) Holding Company	Tidmarsh Investments Limited	British Virgin Islands
Provident Centre Holding Company	Maulden Investments Limited	British Virgin Islands

As mentioned in the Circular, the purchase considerations under the Master Share Purchase Agreement and the Minority Interests Share Purchase Agreements are subject to customary adjustments for the net current assets/liabilities of the Target Company Group and Quebostar, respectively, as at Completion as set out in pro forma completion balance sheets and subject to the exclusions described in the Circular. The pro forma completion balance sheets will be audited within 90 days after Completion with a view to making any final post-completion adjustments that may be applicable either in favour of Fortune REIT or the relevant Vendors. The final purchase consideration for the New Properties shall be announced by the Manager as soon as practicable following the completion of the audit of the pro forma completion balance sheets and the determination of the final adjustments, together with the quantum of the final adjustment amounts.

The Board also announces that on 17 February 2012, the Manager received 4,809,152 Acquisition Fee Units in Singapore, as payment to the Manager of the Acquisition Fee in the amount of HK\$19 million. The Acquisition Fee Units were issued at the prevailing market price of HK\$3.9508 (the “**Singapore Market Price**”) per Unit on the SGX-ST. The number of Acquisition Fee Units issued was 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 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.

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 2012 to 17 February 2012 represents approximately 0.48% of the total number of Units outstanding as at 31 December 2011.

The Manager held 6,721,369 Units immediately before the issue of the Acquisition Fee Units. Immediately after the issue of the Acquisition Fee Units, the Manager holds 11,530,521 Units, representing approximately 0.68% of the 1,688,826,817 Units in issue (after the issue of the Acquisition Fee Units).

This announcement is made pursuant to paragraphs 10.4(d) and 10.4(k) of 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 17 February 2012

*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. 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.*