

Offer Information Statement dated 17 September 2009

(Lodged with the Monetary Authority of Singapore on 17 September 2009)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this Offer Information Statement is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). A copy of this Offer Information Statement, together with the application form for the new units in Fortune Real Estate Investment Trust ("Fortune REIT") to be issued for the purpose of the Rights Issue (as defined herein) ("Rights Units") and Excess Rights Units (as defined herein) ("ARE") and the application form for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) ("ARS") under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the "SGX-ST") under the book-entry (scripless) settlement system has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units to be issued for the purpose of the Rights Issue. The SGX-ST's in-principle approval is not an indication of the merits of Fortune REIT, its subsidiaries, the Rights Issue and the Rights Units. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No units in Fortune REIT ("Units") shall be allotted on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver or make an offer of the Rights Units and the "nil-paid" provisional allotments of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue ("Rights Entitlements"), and the Rights Units and the Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The Rights Units and the Rights Entitlements have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States of America ("U.S.") and may not be offered, sold or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements may only be offered, sold or delivered, directly or indirectly, in transactions exempt from or not subject to the registration requirements of the Securities Act. The Rights Units and the Rights Entitlements are being offered and sold outside the U.S. in offshore transactions as defined in and in reliance on Regulation S under the Securities Act ("Regulation S").



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

MANAGED BY



Asset Management (Singapore) Limited

FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE OF 824,879,427 RIGHTS UNITS AT AN ISSUE PRICE OF HK\$2.29 FOR EACH RIGHTS UNIT (THE "RIGHTS ISSUE PRICE"), ON THE BASIS OF ONE (1) RIGHTS UNIT FOR EVERY ONE (1) EXISTING UNIT ("EXISTING UNIT") HELD BY ELIGIBLE UNITHOLDERS AS AT 17 SEPTEMBER 2009 AT 5.00 P.M. (THE "RIGHTS ISSUE BOOKS CLOSURE DATE").

Joint Financial Advisers and Joint Lead Managers and Underwriters

CAZENOVE ASIA

**IMPORTANT DATES AND TIMES****(The following is qualified by, and should be read in conjunction with, the section entitled "Timetable of Key Events")**

Last date and time for trading of Rights Entitlements	: 1 October 2009 at 5.00 p.m.
Last date and time for acceptance and payment	: 7 October 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for excess application and payment	: 7 October 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of Fortune REIT, ARA Asset Management (Singapore) Limited, in its capacity as manager of Fortune REIT (the “**Manager**”), HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT (the “**Trustee**”), Cazenove & Co. (Singapore) Pte. Limited¹ (a Standard Chartered group company) (“**Cazenove Singapore**”) and DBS Bank Ltd (“**DBS Bank**”), as joint financial advisers and joint lead managers and underwriters for the Rights Issue (“**Joint Financial Advisers and Joint Lead Managers and Underwriters**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of Fortune REIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of Fortune REIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (“**CDP**”) or through an ATM of a Participating Bank (“**Electronic Application**”) in accordance with the terms and conditions of this Offer Information Statement.

Supplementary Retirement Scheme (“SRS”) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled “Important Notice to SRS Investors and Investors Who Hold Units Through a Finance Company and/or Depository Agent” in this Offer Information Statement on important details relating to the offer procedure for them.

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to Fortune REIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

¹ Cazenove & Co. (Singapore) Pte. Limited is a wholly-owned subsidiary of Cazenove Asia Limited and a Standard Chartered group company. The mark “Cazenove” and marks containing “Cazenove” are trade marks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited, its subsidiaries and affiliated companies are now subsidiaries or affiliated companies of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with JPMorgan Cazenove Limited, Cazenove Inc., or their subsidiaries.

The Manager, the Trustee, or the Joint Financial Advisers and Joint Lead Managers and Underwriters and their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements or Fortune REIT, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units. Prospective subscribers of the Rights Units should rely on their own investigation, appraisal and determination of the merits of investing in Fortune REIT and shall be deemed to have done so.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. The Rights Units and the Rights Entitlements are being offered and sold in offshore transactions as defined in and in reliance on Regulation S. The distribution of this Offer Information Statement and the placement of the Rights Units in certain jurisdictions may be prohibited or restricted by law. Persons who come into possession of this Offer Information Statement and/or its accompanying documents are required by the Manager and the Joint Financial Advisers and the Joint Lead Managers and Underwriters to inform themselves of, and observe, any such prohibitions and restrictions.

IMPORTANT NOTICE: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This Offer Information Statement has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong. No action has been taken in Hong Kong to authorise this Offer Information Statement or to permit the distribution of this Offer Information Statement or any document issued in connection with it. Accordingly, (i) the Rights Entitlements and the Rights Units may not be offered or sold in Hong Kong by means of this Offer Information Statement or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlements and the Rights Units which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Units which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Selected financial data from the audited financial statements of Fortune REIT for the financial year ended 31 December 2006 (the “**2006 Audited Consolidated Financial Statements**”), the audited financial statements of Fortune REIT for the financial year ended 31 December 2007 (the “**2007 Audited Consolidated Financial Statements**”), the audited financial statements of Fortune REIT for the financial year ended 31 December 2008 (the “**2008 Audited Consolidated Financial Statements**”) and the unaudited managements accounts of Fortune REIT for the six months ended 30 June 2009 (the “**1H 2009 Unaudited Consolidated Financial Statements**”) (collectively, the “**Financial Statements**”), including the line items in the statement of total return, the distribution statements, consolidated balance sheets and the cash flow statements of Fortune REIT, is set out in **Appendix A** of this Offer Information Statement. Financial data relating to distribution per Unit (“**DPU**”), earnings or loss per Unit and earnings or loss per Unit after any adjustment to reflect the issue of Rights Units and the Acquisitions (as defined herein) is also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Fortune REIT at www.fortunereit.com and are also available for inspection during normal business hours at the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

The information contained on the website of Fortune REIT does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Entitlements and the Rights Units.

The value of Units and the income derived from them may fall as well as 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. None of the Manager nor any of its affiliates guarantees the performance of Fortune REIT or the repayment of capital from Fortune REIT, or any particular rate of return.

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 Units on the SGX-ST 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.

Forward-Looking Statements

This Offer Information Statement 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. The Manager, the Trustee, the Joint Financial Advisers and the Joint Lead Managers and Underwriters do not represent or warrant that the actual future performance, outcomes or results of Fortune REIT will be as discussed in those statements. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in property expenses and operating expenses, and governmental and public policy changes. (See the section entitled "Risk Factors" in this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the Rights Entitlements and the Rights Units.)

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of Fortune REIT before deciding whether to subscribe for the Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

¹ Prior appointment with the Manager will be appreciated.

Where to Find Help

If you have any enquiries, please contact the Manager at the email address set out below.

Email enquiries to: enquiries@fortunereit.com

Please note that the applicable rules and regulations in Singapore do not allow the persons replying to the enquiries to give advice on the merits of the Rights Issue, the Rights Entitlements, the Rights Units or Fortune REIT or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your legal, financial, tax or other professional adviser.

IMPORTANT NOTICE TO SRS INVESTORS AND INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT

Unitholders who have subscribed for or purchased Units under the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their SRS accounts to do so on their behalf.

ANY APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS TO CDP OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

Use of SRS Funds

Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant banks in which they hold their SRS accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks to enable them to subscribe for their Rights Entitlements and (if applicable) apply for Excess Rights Units. SRS monies may not, however, be used for the purchase of the Rights Entitlements directly from the market.

Holdings through Finance Company and/or Depository Agent

Unitholders who hold units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Eligible Unitholders

Eligible Unitholders are Unitholders with Units standing to the credit of their securities account with CDP (“**Securities Account**”) (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days¹ prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and such Unitholders who the Manager, on behalf of Fortune REIT, and in consultation with the Joint Financial Advisers and Joint Lead Managers and Underwriters determine, may be offered Rights Units without breaching applicable securities laws (“**Eligible Unitholders**”).

Eligible Unitholders will receive their Rights Entitlements on the basis of their unitholdings in Fortune REIT as at the Rights Issue Books Closure Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement and the ARE may obtain them from CDP for the period up to the Closing Date (as defined herein).

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements on the SGX-ST and are eligible to apply for Excess Rights Units in excess of their Rights Entitlements.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period prescribed by the SGX-ST or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, the “**Excess Rights Units**”) will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit for the benefit of Fortune REIT.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any), followed by allotment to the Unitholders who are neither Substantial Unitholders² nor directors of the Manager (the “**Directors**”). The subsidiaries of Cheung Kong (Holdings) Limited (“**Cheung Kong**”, and the subsidiaries of Cheung Kong, the “**Cheung Kong Subsidiaries**”), the subsidiaries of Hutchison Whampoa Limited (“**Hutchison**”, and the subsidiaries of Hutchison, the “**Hutchison Subsidiaries**”), other Substantial Unitholders and Directors will rank last in priority.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendices B** and **C** of this Offer Information Statement and in the ARE and the ARS.

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

² “**Substantial Unitholders**” refers to Unitholders with an interest in not less than 5.0% of all Units in issue.

Ineligible Unitholders

No Rights Entitlements will be made to Unitholders other than Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application therefor by Ineligible Unitholders will be valid. This Offer Information Statement (including the ARE) will not be despatched to Ineligible Unitholders.

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore.

The offer, sale and delivery of the Rights Entitlements and Rights Units may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

The Rights Entitlements and the Rights Units have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and the Rights Units may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the Rights Entitlements whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable laws, rules and regulations and make the necessary arrangement with CDP, their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged to, treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

Where such provisional allotments are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Financial Advisers and Joint Lead Managers and Underwriters, the Trustee or CDP in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings determined as at the Rights Issue Books Closure Date and sent to them by means of a Banker's Draft drawn in Hong Kong currency on a bank in Hong Kong via ordinary post to their mailing address recorded with GDP.

If such provisional allotments cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of Fortune REIT.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

Selling Restrictions

None of the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Entitlements or the Rights Units, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to the Rights Issue in any jurisdiction other than Singapore where action for that purpose is required (including Hong Kong).

Accordingly, each purchaser of the Rights Entitlements or the Rights Units may not offer or sell, directly or indirectly, any Rights Entitlements or the Rights Units and may not distribute or publish this Offer Information Statement or any other offering material or advertisements in connection with the Rights Entitlements or the Rights Units in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Rights Entitlements or the Rights Units is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

United States

The Rights Entitlements and the Rights Units have not been and will not be registered under the Securities Act and may not be offered or sold except in "offshore transactions" as defined in and in reliance on Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

Until 40 days after the commencement of the offering of the Rights Entitlements and the Rights Units, an offer or sale of the Rights Entitlements or the Rights Units within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

Hong Kong

Each purchaser of Rights Entitlements or Rights Units agrees that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Rights Entitlements or Rights Units other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlements or Rights Units, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Rights Entitlements or Rights Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance.

European Economic Area

In relation to each member state of the European Economic Area (“**EEA**”) which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), offers of the Rights Entitlements and the Rights Units which are the subject of the offering contemplated by the Offer Information Statement may not be made to the public in that Relevant Member State other than:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; and
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Rights Entitlements or Rights Units shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “**an offer of the Rights Entitlements or the Rights Units to the public**” in relation to any Rights Entitlements or Rights Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlements or the Rights Units to be offered so as to enable an investor to decide to purchase or subscribe the Rights Entitlements or the Rights Units, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

In addition to restrictions applicable to the EEA, no Rights Entitlements or Rights Units may be offered or sold to the public in the United Kingdom nor may any request be made for the admission of the Rights Entitlements or Rights Units to trading on a regulated market situated or operating in the United Kingdom prior to a Prospectus (as defined in the Prospectus Directive) having been approved by the UK Listing Authority and made available in accordance with Financial Services and Markets Act 2000 (the “**FSMA**”) and the Financial Services Authority rules introduced to implement the Prospectus Directive in the United Kingdom.

All applicable provisions of the FSMA must be complied with respect to anything done in relation to the Rights Entitlements or Rights Units and a Prospectus in, from or otherwise involving the United Kingdom.

Invitations or inducements to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of the Rights Units and/or the Rights Entitlements may only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply.

The Netherlands

Offers of Rights Entitlements and Rights Units which are the subject of the offering contemplated by this Offer Information Statement may not be made other than:

- (a) to a legal person or company that holds a licence or is otherwise regulated to be active on the financial markets;
- (b) to a legal person or company that does not hold a licence or is not otherwise regulated to be active on the financial markets and whose only corporate object is to invest in securities;
- (c) to a national or regional government body, central bank, international or supranational financial organisation or other similar international institution;
- (d) to an enterprise or entity with its statutory seat in the Netherlands with (A) two or more of: (i) an average number of employees during the financial year of less than 250, (ii) a total balance sheet of less than €43,000,000 or (iii) an annual net turnover of less than €50,000,000 and (B) which has requested the Dutch Authority for the Financial Markets to be treated as a professional market party;
- (e) to an enterprise or entity with an average number of employees during the financial year of at least 250, a total balance sheet of at least €43,000,000 and an annual net turnover of at least €50,000,000;
- (f) to a natural person, living in the Netherlands, who has requested the Dutch Authority for the Financial Markets to be treated as a professional market party, and who meets at least two of the following three criteria: (i) the person has carried out transactions of a significant size on securities markets at an average frequency of, at least, ten per quarter over the previous four quarters; (ii) the size of the securities portfolio is at least €500,000 and (iii) the person works or has worked for at least one year in the financial sector in a professional position which requires knowledge of securities investment;
- (g) to an investor which has been qualified as a qualified investor in another member state;
- (h) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the Joint Financial Advisers and Joint Lead Managers' prior consent; or
- (i) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Rights Entitlements or Rights Units shall require the Manager or any Joint Financial Adviser and Joint Lead Manager and Underwriter to publish a Prospectus pursuant to Article 3 of the Prospectus Directive.

CORPORATE INFORMATION

Directors of the Manager	Mr Chiu Kwok Hung, Justin (<i>Chairman and Director</i>) Mr Lim Hwee Chiang, John (<i>Director</i>) Mr Ip Tak Chuen, Edmond (<i>Director</i>) Ms Yeung, Eirene (<i>Director</i>) Mr Lim Lee Meng (<i>Independent Director and Chairman of Audit Committee</i>) Mr Cheng Mo Chi, Moses (<i>Independent Director</i>) Mrs Sng Sow-Mei (alias Poon Sow Mei) (<i>Independent Director</i>) Mr Ma Lai Chee, Gerald (<i>Alternate Director to Mr Ip Tak Chuen, Edmond</i>)
Registered office of the Manager	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Trustee of Fortune REIT	HSBC Institutional Trust Services (Singapore) Limited 21 Collyer Quay #14-01 HSBC Building Singapore 049320
Legal Adviser for the Rights Issue and the Acquisitions, and to the Manager	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager and the Trustee for the Acquisitions as to Hong Kong law	Baker & McKenzie 23/F One Pacific Place 88 Queensway Hong Kong
Joint Financial Advisers and Joint Lead Managers and Underwriters	Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company) 6 Battery Road #03-00 Singapore 049909 DBS Bank Ltd 6 Shenton Way DBS Building, Tower One Singapore 068809
Legal Adviser to the Joint Financial Advisers and Joint Lead Managers and Underwriters as to Singapore law and United States federal law	Allen & Overy LLP 24 Raffles Place #22-00 Clifford Centre Singapore 048621
Legal Adviser to the Trustee as to Singapore law	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

Independent Valuers

Knight Frank Petty Limited (“**Knight Frank**”)
4th Floor, Shui On Centre
6-8 Harbour Road, Wanchai
Hong Kong

Savills Valuation and Professional Services Limited
 (“**Savills**”)
23rd Floor, Two Exchange Square
Central, Hong Kong

**Unit Registrar and Unit Transfer Office
(the “Unit Registrar”)**

Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street
#08-01 Samsung Hub
Singapore 049483

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SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement.

Overview of Fortune REIT

Fortune REIT is a real estate investment trust (“REIT”) constituted by a trust deed entered into on 4 July 2003 (as amended by an amending and restating deed dated 29 June 2005 and a supplemental deed dated 20 April 2006) made between the Manager and the Trustee (the “Trust Deed”). Fortune REIT was listed on the SGX-ST on 12 August 2003. The principal investment strategy of Fortune REIT is to invest primarily in retail shopping malls located in Hong Kong through the ownership of property companies (or other companies whose primary purpose is to hold or own real properties) or directly in properties that Fortune REIT may acquire from time to time. Fortune REIT aims to provide stable distributions for Unitholders and to achieve long-term growth in the net asset value per Unit of Fortune REIT.

Fortune REIT holds a portfolio of 11 retail malls in Hong Kong, spread across Kowloon and the New Territories through the Existing Property Companies¹, worth HK\$8,900.0 million². 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 (the “Fortune REIT Properties” or the “Existing Properties”). 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. As at 30 June 2009, the value of Fortune REIT’s deposited property and the Aggregate Leverage³ of Fortune REIT was HK\$9,246.9 million and 25.7% respectively.

Fortune REIT is managed by ARA Asset Management (Singapore) Limited, a wholly-owned subsidiary company of ARA Asset Management Limited, which is listed on the Main Board of the SGX-ST.

¹ “Existing Property Companies” refers to the respective property companies which are wholly-owned by Fortune REIT and which hold the Existing Properties.

² Based on an independent valuation as at 30 June 2009.

³ “Aggregate Leverage” refers to the ratio of the value of total borrowings and deferred payments (if any) to the value of the total assets of Fortune REIT, including all its authorised investments held or deemed to be held under the Trust Deed (the “Deposited Property”).

Overview of the EGM Resolutions

The Manager has obtained the approval of Unitholders at the extraordinary general meeting held on 11 September 2009 (the “**EGM**”) in respect of:

- (i) the acquisitions of Metro Town, Caribbean Bazaar and Hampton Loft, which are located in Hong Kong, from their respective Vendors¹ (collectively, the “**Properties**”, and the acquisitions by the Trustee, by itself and through special purpose vehicles of Fortune REIT, of the Properties pursuant to the terms of the respective Sale and Purchase Agreements (as defined herein), the “**Acquisitions**”);
- (ii) the Whitewash Resolution²; and
- (iii) the Trust Deed Amendment to Facilitate Equity Fund Raisings³.

The Acquisitions

Certain details of the Properties are as follows:

- **Metro Town** at 8 King Ling Road, Tseung Kwan O, Hong Kong, is located on top of the Mass Transit Railway (“**MTR**”) Tiu Keng Leng Station. It comprises the commercial development on the ground level, level one, level two, level three and level five, and the covered footbridge as well as the whole commercial car park (with 74 commercial carparking spaces) on level two of the residential development called “Metro Town”.
- **Caribbean Bazaar** at 1 Kin Tung Road, Tung Chung, Hong Kong comprises the commercial development, kindergarten, wet market and 117 commercial carparking spaces in Phase VI car park of the residential development called “Caribbean Coast”.
- **Hampton Loft** at 11 Hoi Fan Road, Kowloon, Hong Kong comprises the commercial units on level five and level six and 35 commercial carparking spaces on level one of the residential development called “Hampton Place”.

The total cost of the Acquisitions, inclusive of the aggregate purchase consideration of HK\$2,039.0 million for the Properties (before adjustment for the consolidated net current assets or net

¹ “**Vendors**” refers to McBride International Limited and Natisono Investments Limited in the case of Metro Town, MTR Corporation Limited in the case of Caribbean Bazaar and Global Coin Limited in the case of Hampton Loft. Cheung Kong indirectly holds 80.0% and Nan Fung Development Limited (“**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 (the “**BVI**”), and the entire issued share capital of MPI, “**MPI Shares**”), a special purpose vehicle which indirectly wholly-owns Metro Town through Mega Gain Resources Limited (“**Mega Gain**”) and it is proposed that Fortune REIT acquires Metro Town via the acquisition of MPI. Global Coin Limited is a wholly-owned subsidiary of Cheung Kong.

² “**Whitewash Resolution**” refers to the whitewash resolution for the waiver of the rights of Unitholders, other than Cheung Kong, parties acting in concert with it and parties which are not independent of Cheung Kong (the “**Independent Unitholders**”) to receive a mandatory offer from Cheung Kong and parties acting in concert with it for all the remaining Units not owned or controlled by Cheung Kong and parties acting in concert with it, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Singapore Code of Take-overs and Mergers (the “**Code**”) as a result of the acquisition by (a) Focus Eagle Investments Limited (“**Focus Eagle**”) and/or the Cheung Kong Subsidiaries and (b) Ballston Profits Limited (“**Ballston**”) and/or the Hutchison Subsidiaries of: (a) the Pro Rata Units (as defined herein); and/or (b) the Commitment Rights Units (as defined herein); and/or (c) the Aggregate Excess Rights Units (as defined herein); and/or (d) the Nil-Paid Rights Units (as defined herein).

³ “**Trust Deed Amendment to Facilitate Equity Fund Raisings**” refers to the amendment to the Trust Deed for the purpose of allowing the Manager to obtain Unitholders’ approval for the issue of Units exceeding the limit (if any), set out in any applicable laws, regulations and the Listing Rules (as defined herein), relating to the issue of Units, where such approval is required under the Trust Deed, by way of an Ordinary Resolution instead of an Extraordinary Resolution.

current liabilities of MPI and Mega Gain as at Completion¹ in the case of the acquisition of Metro Town) (the “**Aggregate Purchase Consideration**”), the acquisition fee payable to the Manager under the Trust Deed in respect of the Acquisitions (the “**Acquisition Fee**”)² as well as the estimated stamp duty, professional and other fees and expenses to be incurred in connection with the Acquisitions, is estimated to amount to HK\$2,091.4 million (“**Total Acquisition Cost**”).

It is noted that although the Acquisitions are scheduled to be completed on the same day, being the date of the issue of the Rights Units, the acquisition of Caribbean Bazaar may be delayed or not occur as it is subject to the vendor, MTR Corporation Limited, obtaining the consent to assign from the Director of Lands of the Lands Department of the government of Hong Kong (the “**Hong Kong Government**”) in respect of the commercial development, kindergarten and the wet market (which form part of Caribbean Bazaar) and the granting of such consent or the timing thereof is not within the control of the Manager and is uncertain. In the event that the acquisition of Caribbean Bazaar is delayed or does not occur, the completion of the acquisitions of Metro Town and Hampton Loft will proceed as scheduled.

(See the section entitled “Information Relating to the Acquisitions” in this Offer Information Statement for further details.)

The Rights Issue

The Rights Issue comprises an offer of 824,879,427 Rights Units on a fully underwritten and renounceable basis to Eligible Unitholders, on a basis of one (1) Rights Unit for every one (1) Existing Unit held as at the Rights Issue Books Closure Date, at the Rights Issue Price of HK\$2.29 per Rights Unit. The Manager expects to raise gross proceeds of HK\$1,889.0 million, of which HK\$1,591.0 million will be used to part finance the Acquisitions.

The Rights Issue Price is at a discount of 44.1% to the Closing Price (as defined herein) and 28.3% to the TERP (as defined herein). The Rights Issue also offers Eligible Unitholders who do not wish to subscribe for the Rights Units the opportunity to sell their Rights Entitlements during the Rights Entitlements trading period to realise the value of their Rights Entitlements.

The Manager’s authority to issue the Rights Units is based on the recent measure introduced by the SGX-ST on 19 February 2009 allowing for a *pro rata* rights issue of units of a REIT of up to 100.0% of the issued units of the REIT, without the requirement for either a general or specific mandate from unitholders³.

Use of Proceeds of the Rights Issue

The net proceeds from the Rights Issue will be primarily used to part finance the Acquisitions. The balance of the net proceeds will be used for working capital, debt related costs in relation to the New Facilities (as defined herein), general corporate purposes and asset enhancement initiatives.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

(See the section entitled “Use of Proceeds” in this Offer Information Statement for further details.)

¹ “**Completion**” refers to the completion of the sale and purchase of the MPI Shares, Caribbean Bazaar, and/or (as the case may be) Hampton Loft pursuant to the respective Sale and Purchase Agreements.

² The Acquisition Fee shall be payable to the Manager in Units and such Units shall not be sold within one year from their date of issue, in accordance with paragraph 5.6 of the Property Funds Guidelines at Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Guidelines**”).

³ As clarified by SGX-ST in its advisory. There is also no inconsistency with the Trust Deed in this regard.

TIMETABLE OF KEY EVENTS

The timetable for the Rights Issue is set out below.

Event	Date and Time
Rights Issue Books Closure Date	: 17 September 2009 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the application forms) to Eligible Unitholders	: 23 September 2009
Commencement of Rights Entitlements trading	: 23 September 2009 from 9.00 a.m.
Last date and time for Rights Entitlements trading	: 1 October 2009 at 5.00 p.m.
Closing Dates:	
Last date and time for instructions to approved banks for acceptance of/ application for and payment for Rights Units and/or Excess Rights Units under SRS	: 1 October 2009 at 5.00 p.m. ^{(1),(2)}
Last date and time for acceptance of and payment for Rights Units	: 7 October 2009 at 5.00 p.m. ^{(3),(4)} (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ⁽⁴⁾
Last date and time for application of and payment for Excess Rights Units	: 7 October 2009 at 5.00 p.m. ^{(3),(4)} (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ⁽⁴⁾
Last date and time for acceptance of and payment by the renounee	: 7 October 2009 at 5.00 p.m. ^{(4),(5)} (9.30 p.m. for Electronic Applications through ATMs of Participating Banks) ⁽⁴⁾
Completion of the Acquisitions ⁽⁶⁾ and the expected date for issue of Rights Units	: 15 October 2009
Expected date and time for commencement of trading of Rights Units	: 16 October 2009 from 9.00 a.m.

Notes:

- (1) Based on information provided by the approved banks for SRS. This date and time is subject to change.
- (2) This does not apply to investors who hold Units through a finance company and/or Depository Agent. SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled "Important Notice to SRS Investors and Investors Who Hold Units Through a Finance Company and/or Depository Agent" in this Offer Information Statement. Any application made by these investors directly to CDP or through ATMs will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.
- (3) If acceptances of the Rights Units and/or applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (4) Not applicable to SRS investors and investors who hold Units through a finance company and/or Depository Agent. Please see note (2) above.

- (5) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept and make payment for their Rights Entitlements.
- (6) While the Manager is targeting to complete the acquisition of Caribbean Bazaar on the same day, the completion may be delayed or not occur as it is subject to the vendor, MTR Corporation Limited, obtaining the consent to assign from the Director of Lands of the Lands Department of the Hong Kong Government in respect of the commercial development, kindergarten and the wet market (which form part of Caribbean Bazaar) and the granting of such consent or the timing thereof is not within the control of the Manager and is uncertain. In the event that the acquisition of Caribbean Bazaar is delayed or does not occur, the completion of the acquisitions of Metro Town and Hampton Loft will proceed as scheduled.

The Manager may, in consultation with the Joint Financial Advisers and Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via the SGXNET. However, as at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified.

THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Issue Size : The number of Rights Units to be issued under the Rights Issue is 824,879,427.
- The Rights Issue is expected to raise gross proceeds of HK\$1,889.0 million.
- Basis of Provisional Allotments : Each Eligible Unitholder is entitled to subscribe for one (1) Rights Unit for every one (1) Existing Unit standing to the credit of his Securities Account with CDP as at the Rights Issue Books Closure Date.
- Rights Issue Price : HK\$2.29 per Rights Unit. The Rights Units are payable in full upon acceptance and/or application.
- Administrative Fee : An administrative fee of S\$1.00 to S\$2.00 will be payable by applicants for each Electronic Application made through the ATMs of the Participating Banks.
- Status of Rights Units : The Rights Units will, upon allotment and issue, 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.
- Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive such amount of the accrued distributions for the period from 1 July 2009 to 31 December 2009 which will not be less than what they would have been entitled to had the Rights Issue not occurred. Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST during the Rights Entitlements trading period, or renounce their Rights Entitlements in favour of a third party.
- For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto.

Eligible Unitholders : Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and such Unitholders who the Manager, on behalf of Fortune REIT, and in consultation with the Joint Financial Advisers and Joint Lead Managers and Underwriters determine, may be offered Rights Units without breaching applicable securities laws.

See the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” in this Offer Information Statement for details.

Rights of Eligible Unitholders : Eligible Unitholders will receive their Rights Entitlements and are at liberty to accept their Rights Entitlements and apply for Excess Rights Units. Eligible Unitholders are also able to trade their Rights Entitlements on the SGX-ST during the Rights Entitlements trading period. In addition, Eligible Unitholders may renounce their Rights Entitlements in favour of a third party.

Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept and make payment for his Rights Entitlements.

An Eligible Unitholder may, among other things, choose to:

- (i) accept his entire Rights Entitlements;
- (ii) accept his entire Rights Entitlements and apply for Excess Rights Units;
- (iii) accept a portion of his Rights Entitlements and reject the balance of his Rights Entitlements;
- (iv) accept a portion of his Rights Entitlements and trade the balance of his Rights Entitlements;
- (v) accept a portion of his Rights Entitlements and renounce the balance of his Rights Entitlements;
- (vi) renounce a portion of or his entire Rights Entitlements in favour of a third party; or
- (vii) trade all or part of his Rights Entitlements.

In addition, each Eligible Unitholder may also apply for Excess Rights Units.

The procedures for acceptance, payment, renunciation and excess application by Eligible Unitholders are set out in **Appendix B**.

No Rights Entitlements will be made to Ineligible Unitholders and no purported acceptance thereof or application thereof by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue — Ineligible Unitholders” in this Offer Information Statement.

Trading of Rights Entitlements : Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 23 September 2009 from 9.00 a.m., being the date of commencement of the Rights Entitlements trading, and ending on 1 October 2009 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.

Eligible Unitholders should note that the Rights Entitlements will be tradable in board lot sizes of 1,000 Rights Units.

Trading of the Rights Units : Upon the listing and quotation of the Rights Units on the Main Board of the SGX-ST, the Rights Units will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units will comprise 1,000 Units.

All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Account with CDP”, as the same may be amended from time to time, copies of which are available from CDP.

Odd Lot Trading : As the Rights Issue is on a one (1) for one (1) basis, there will be no temporary counters for Unitholders and investors to trade Rights Entitlements and Rights Units in board lots of less than 1,000.

Notwithstanding the above, Unitholders who hold odd lots (that is, lots other than board lots of 1,000) and who wish to trade in odd lots are able to trade odd lots on the SGX-ST’s Unit Share Market. The Unit Share Market is a ready market for trading of odd lots with a minimum size of one (1) Unit.

Underwriting of the Rights Issue : The Rights Issue is fully underwritten by the Joint Financial Advisers and Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Underwriting Agreement (as defined herein).

Further, under the terms of the Sub-Underwriting Agreements (as defined herein), Focus Eagle and Ballston will collectively sub-underwrite 50.0% of the Rights Issue.

(See the sections entitled “The Rights Issue — Underwriting of the Rights Issue” and “The Rights Issue — Focus Eagle Investments Limited and Ballston Profits Limited Commitment” in this Offer Information Statement for details.)

Listing of the Rights Units : Approval in-principle has been obtained from the SGX-ST on 21 August 2009 for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of Fortune REIT, its subsidiaries, the Rights Issue and the Rights Units.

Unitholders who are SRS investors or who hold Units through a finance company and/or through a Depository Agent : SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “Important Notice to SRS Investors and Investors who Hold Units Through a Finance Company and/or Depository Agent” in this Offer Information Statement for important details.

Governing Law : Laws of the Republic of Singapore.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, TRADED ON THE SGX-ST DURING THE RIGHTS ENTITLEMENTS TRADING PERIOD.

Results of the Allotment

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at www.sgx.com.

Crediting of Rights Entitlements and Rights Units

The Rights Entitlements will be allotted to Eligible Unitholders on or about 15 October 2009 by crediting them to the Eligible Unitholder’s Securities Accounts.

In the case of Eligible Unitholders with valid acceptances and (where applicable) successful applications of Excess Rights Units, a confirmation note representing such number of Rights Units will be sent to CDP within 10 Market Days after the Closing Date. Such confirmation note shall be deemed to be documentary evidence of title to the Rights Units issued, and CDP will thereafter credit such number of Rights Units to the relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Units credited to their Securities Accounts.

Rights Issue Price Discount

The Rights Issue Price of HK\$2.29 represents a discount of:

- 44.1% to the last traded price of HK\$4.10 per Unit on the SGX-ST on 21 August 2009 (the “Closing Price”) being the last trading day of the Units prior to the announcement of the Rights Issue;

- 28.3% to the theoretical ex-rights price (“**TERP**”) of HK\$3.20 per Unit. For the avoidance of doubt, the TERP is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of Fortune REIT}^1 + \text{Rights Issue gross proceeds}}{\text{Units in issue after the Rights Issue}}$$

- 54.0% to the pro forma net asset value (“**NAV**”) per Unit after completion of the Rights Issue of HK\$4.98 per Unit.

Underwriting of the Rights Issue

The Rights Issue is fully underwritten by the Joint Financial Advisers and Joint Lead Managers and Underwriters on the terms and subject to the conditions of a management and underwriting agreement entered into between the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters on 24 August 2009 (the “**Underwriting Agreement**”). The table below sets out the number of Rights Units that each Joint Financial Adviser and Joint Lead Manager and Underwriter has agreed to underwrite.

Joint Financial Advisers and Joint Lead Managers and Underwriters	Number of Rights Units Underwritten
Cazenove & Co. (Singapore) Pte. Limited.	412,439,713
DBS Bank Ltd.	412,439,714
Total	824,879,427

The obligations of the Joint Financial Advisers and Joint Lead Managers and Underwriters are conditional upon certain matters, including the receipt of Unitholders’ approval for the Acquisitions and the Whitewash Resolution, Focus Eagle and Ballston having duly executed their respective Pro Rata Undertakings, which shall be in full force and effect and Focus Eagle or (as the case may be) Ballston having subscribed for the Units to be acquired thereunder, and Focus Eagle, Cheung Kong, Ballston and Hutchison having duly executed their respective Sub-Underwriting Agreements, which shall be in full force and effect and there not having been any breach or non-compliance by Focus Eagle and/or Cheung Kong or (as the case may be) Ballston and/or Hutchison of any of their respective obligations thereunder.

It should be noted that the Underwriting Agreement may be terminated upon the occurrence of certain events, including those of a *force majeure* nature, but the Joint Financial Advisers and Joint Lead Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Underwriting Agreement after the commencement of ex-rights trading, which has commenced on 15 September 2009, in compliance with Rule 818 of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

Focus Eagle Investments Limited and Ballston Profits Limited Commitment

As at 14 September 2009, being the latest practicable date prior to the lodgment of this Offer Information Statement with the Authority (the “**Latest Practicable Date**”), Focus Eagle owned 206,537,342 Units (comprising 25.0% of the existing Units) and Ballston owned 56,278,000 Units (comprising 6.8% of the existing Units). Focus Eagle is a wholly-owned subsidiary of Cheung Kong and Ballston is a wholly-owned subsidiary of Hutchison, which is in turn 49.9% owned by Cheung Kong. Cheung Kong is thus deemed to hold an aggregate indirect interest in 262,815,342 Units, which is equivalent to 31.9% of the total number of Units in issue as at the Latest Practicable Date.

¹ Based on the Closing Price.

Further to the Underwriting Agreement, and in order to demonstrate support for Fortune REIT and the Rights Issue:

- Focus Eagle has on 24 August 2009 provided an irrevocable undertaking (the “**Focus Eagle Pro Rata Undertaking**”) to the Manager and Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Focus Eagle will accept, and/or procure any one or more of the Cheung Kong Subsidiaries to subscribe for, its provisional allocation of Rights Units in proportion to its unitholdings in Fortune REIT, being 206,537,342 Rights Units (the “**Focus Eagle Pro Rata Units**”);
- Ballston has on 24 August 2009 provided an irrevocable undertaking (the “**Ballston Pro Rata Undertaking**”, together with the Focus Eagle Pro Rata Undertaking, the “**Pro Rata Undertakings**”) to the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Ballston will accept and subscribe for its provisional allocation of Rights Units in proportion to its unitholdings in Fortune REIT being 56,278,000 Rights Units (the “**Ballston Pro Rata Units**”, together with the Focus Eagle Pro Rata Units, the “**Pro Rata Units**”);
- Focus Eagle has on 24 August 2009 entered into a sub-underwriting agreement (the “**Focus Eagle Sub-Underwriting Agreement**”) with Cheung Kong and the Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Focus Eagle has agreed to, either directly or by procuring one or more of the Cheung Kong Subsidiaries to do so, sub-underwrite 43.2% of the total number of Rights Units to be issued under the Rights Issue, being 356,161,713 Units, such obligation being set off by the number of Focus Eagle Pro Rata Units that are taken up pursuant to the Focus Eagle Pro Rata Undertaking and the number of any Excess Rights Units and Nil-Paid Rights Units that are taken up by any one or more of the Cheung Kong Subsidiaries and/or the Hutchison Subsidiaries (43.2% of the total number of Rights Units to be issued under the Rights Issue less the number of the Focus Eagle Pro Rata Units, being the “**Commitment Rights Units**”). Cheung Kong has, pursuant to the terms of the Focus Eagle Sub-Underwriting Agreement, agreed to unconditionally and irrevocably guarantee the due and punctual payment in accordance with the terms therein of all amounts payable by Focus Eagle under the Focus Eagle Sub-Underwriting Agreement and the due and punctual performance and observance by Focus Eagle of all its obligations, commitments, undertakings and warranties under or pursuant to the Focus Eagle Sub-Underwriting Agreement; and
- Ballston has on 24 August 2009 entered into a sub-underwriting agreement (the “**Ballston Sub-Underwriting Agreement**”, and together with the Focus Eagle Sub-Underwriting Agreement, collectively the “**Sub-Underwriting Agreements**”) with Hutchison and the Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Ballston has agreed to sub-underwrite 6.8% of the total number of Rights Units to be issued under the Rights Issue, being the number of the Ballston Pro Rata Units, such obligation being set off by the number of the Ballston Pro Rata Units that are taken up pursuant to the Ballston Pro Rata Undertaking. Hutchison has, pursuant to the terms of the Ballston Sub-Underwriting Agreement, agreed to unconditionally and irrevocably guarantee the due and punctual payment in accordance with the terms therein of all amounts payable by Ballston under the Ballston Sub-Underwriting Agreement and the due and punctual performance and observance by Ballston of all its obligations, commitments, undertakings and warranties under or pursuant to the Ballston Sub-Underwriting Agreement.

In the event, among others, that the Underwriting Agreement is terminated, both Focus Eagle’s and Ballston’s obligations under the Pro Rata Undertakings and Sub-Underwriting Agreements will cease entirely.

Lock-ups

The Manager has, pursuant to the Underwriting Agreement, agreed not to, among other things, offer, issue or contract to issue any Units, and make any announcements in connection with any of the foregoing transactions, until the date falling 90 days after the date on which the Rights Units are listed on the SGX-ST. The restrictions set out in this paragraph do not apply to the Rights Units and the Units to be issued to the Manager in full or part payment of the Manager's fees.

Subject to the exceptions described below, Focus Eagle and Ballston have, pursuant to the Sub-Underwriting Agreements, agreed not to offer, sell, contract to sell or otherwise dispose of (excluding pledging or otherwise encumbering the Units in favour of financial institutions provided that such pledge or encumbrance and the enforcement thereof shall be subject to the terms of these restrictions), directly or indirectly, any of the Units held by Focus Eagle and Ballston respectively, during the period from the date on which the Rights Units are listed on the SGX-ST to the date falling 180 days after the date on which the Rights Units are listed on the SGX-ST (the "**Lock-Up Period**").

The restrictions described in this paragraph do not apply to the transfer of Units by Focus Eagle to and between wholly-owned subsidiaries of Cheung Kong or Hutchison or (as the case may be) the transfer of Units by Ballston to and between wholly-owned subsidiaries of Hutchison or Cheung Kong, provided that each such subsidiary has executed and delivered to the Joint Financial Advisers and Joint Lead Managers and Underwriters an undertaking to the effect of the restrictions described in this paragraph, to remain in effect for the remainder of the Lock-Up Period. In addition, Cheung Kong or (as the case may be) Hutchison shall not, and will not cause or permit Focus Eagle or (as the case may be) Ballston, or any such wholly-owned subsidiary of Cheung Kong or Hutchison to, for the duration of the Lock-Up Period, offer, issue, sell or contract to issue or sell or otherwise dispose of, directly or indirectly, any shares in, or any securities convertible into or exchangeable for, shares in, the share capital of Focus Eagle or (as the case may be) Ballston, or such wholly-owned subsidiary of Cheung Kong or (as the case may be) Hutchison which holds or owns any Units, or to which any Units have been so transferred.

USE OF PROCEEDS

Offer Proceeds and Use of Proceeds

The Manager expects to raise gross proceeds of HK\$1,889.0 million with the net proceeds of the Rights Issue (being the gross proceeds of the Rights Issue less the costs of the Rights Issue) being HK\$1,802.4 million.

The net proceeds from the Rights Issue will be primarily used to part finance the Acquisitions. The balance of the net proceeds will be used for working capital, debt related costs in relation to the New Facilities, general corporate purposes and asset enhancement initiatives.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

In the case of the acquisition of all three Properties, the Manager intends to utilise the gross proceeds of HK\$1,889.0 million from the Rights Issue as follows:

Use of Gross Proceeds	Total Used (HK\$ million)	Per HK\$1.00 of gross proceeds (HK cents)
Part finance the Acquisitions.	1,591.0	84.2
Working capital, debt related costs in relation to the New Facilities and general corporate purposes.	111.4	5.9
Asset enhancement initiatives.	100.0	5.3
Costs of the Rights Issue.	86.6	4.6
Total.	1,889.0	100.0

Should only the acquisitions of Metro Town and Hampton Loft occur, the Manager intends to utilise the gross proceeds of HK\$1,889.0 million from the Rights Issue as follows:

Use of Gross Proceeds	Total Used (HK\$ million)	Per HK\$1.00 of gross proceeds (HK cents)
Part finance the acquisitions of Metro Town and Hampton Loft	1,247.0	66.0
Working capital, debt related costs in relation to the New Facilities and general corporate purposes.	455.4	24.1
Asset enhancement initiatives.	100.0	5.3
Costs of the Rights Issue.	86.6	4.6
Total.	1,889.0	100.0

Notwithstanding the above, the Manager reserves the right to deploy the proceeds of the Rights Issue at its absolute discretion based on the potential uses as mentioned above.

The Manager will make periodic announcements on the utilisation of the proceeds of the Rights Issue via SGXNET as and when such funds are materially utilised.

Costs of the Rights Issue

Fortune REIT will have to bear the following costs and expenses in relation to the Rights Issue:

- (i) management, underwriting and selling commissions and related expenses of HK\$42.7 million (excluding goods and services tax payable); and
- (ii) estimated advisory, professional and other fees and expenses of approximately HK\$43.9 million.

Additional Details on the Use of Proceeds

The following sets out additional details on the use of proceeds if such proceeds are used to (i) acquire or refinance the acquisition of an asset (other than in the ordinary course of business), (ii) acquire or refinance the acquisition of a business and (iii) discharge, reduce or retire the indebtedness of Fortune REIT.

Acquisition or Refinance the Acquisition of an Asset

Save as disclosed in this Offer Information Statement, none of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

Acquisition or Refinance the Acquisition of a Business

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

Discharge, Reduction or Retirement of the Indebtedness of Fortune REIT

Save as disclosed in this Offer Information Statement, none of the proceeds from the Rights Issue will be used to discharge, reduce or retire the indebtedness of Fortune REIT.

Working Capital

The Manager is of the view that, in its reasonable opinion, after taking into consideration Fortune REIT's internal resources and its available loan facilities, the working capital available to Fortune REIT, as at the date of lodgement of this Offer Information Statement, is sufficient for present requirements.

Commission

The Joint Financial Advisers and Joint Lead Managers and Underwriters will be entitled to a commission to be shared equally between them, of:

- 1.75% of the Rights Issue Price multiplied by the number of the Pro Rata Units of 262,815,342 Units, representing 31.9% of the Rights Units (which is equivalent to HK\$10.5 million); and
- 2.50% of the Rights Issue Price multiplied by 562,064,085 Units, representing 68.1% of the Rights Units, being the total number of Rights Units of 824,879,427 Units less the Pro Rata Units of 262,815,342 Units (which is equivalent to HK\$32.2 million),

together with any goods and services tax payable thereon (the "**Underwriting Commission**").

Further, pursuant to the Sub-Underwriting Agreements, the Joint Financial Advisers and Joint Lead Managers and Underwriters agree to pay, from the Underwriting Commission, a sub-underwriting fee comprising the following:

- to Focus Eagle, a fee of 1.75% of the Rights Issue Price multiplied by the number of Focus Eagle Pro Rata Units of 206,537,342 Units, representing 25.0% of the Rights Units (which is equivalent to HK\$8.3 million);
- to Ballston, a fee of 1.75% of the Rights Issue Price multiplied by the number of Ballston Pro Rata Units of 56,278,000 Units, representing 6.8% of the Rights Units (which is equivalent to HK\$2.3 million); and
- to Focus Eagle, a fee of 2.25% of the Rights Issue Price multiplied by the number of Commitment Rights Units of 149,624,371 Units, representing 18.2% of the Rights Units (which is equivalent to HK\$7.7 million),

together with any goods and services tax payable thereon (where applicable) (the “**Sub-Underwriting Commission**”).

INFORMATION RELATING TO THE ACQUISITIONS

Summary of the Acquisitions

Certain details of the Properties are as follows:

- **Metro Town** at 8 King Ling Road, Tseung Kwan O, Hong Kong, is located on top of the MTR Tiu Keng Leng Station. It comprises the commercial development on the ground level, level one, level two, level three and level five, and the covered footbridge as well as the whole commercial car park (with 74 commercial carparking spaces) on level two of the residential development called “Metro Town”.
- **Caribbean Bazaar** at 1 Kin Tung Road, Tung Chung, Hong Kong comprises the commercial development, kindergarten, wet market and 117 commercial carparking spaces in Phase VI car park of the residential development called “Caribbean Coast”.
- **Hampton Loft** at 11 Hoi Fan Road, Kowloon, Hong Kong comprises the commercial units on level five and level six and 35 commercial carparking spaces on level one of the residential development called “Hampton Place”.

The Trustee, by itself and through special purpose vehicles of Fortune REIT, has on 24 August 2009 entered into separate conditional sale and purchase agreements for the acquisition of each of the Properties (the “**Sale and Purchase Agreements**”).

Cost of the Acquisitions

The Total Acquisition Cost is estimated to amount to HK\$2,091.4 million and consists of the following:

Aggregate Purchase Consideration

The Aggregate Purchase Consideration for the Properties (before adjustment for the consolidated net current assets or net current liabilities of MPI and Mega Gain as at Completion in the case of the acquisition of Metro Town) is HK\$2,039.0 million.

Each of the Properties has been appraised by two independent valuers, Knight Frank, which has been appointed by the Trustee, and Savills, which has been appointed by the Manager (collectively, the “**Independent Valuers**”).

The following table sets out, in respect to each of the Properties, their respective appraised values as at 30 June 2009 as well as their respective purchase consideration and the Aggregate Purchase Consideration, which cannot be higher than the higher of the two valuations by the Independent Valuers pursuant to the Property Funds Guidelines as each of the Acquisitions are considered to be a Related Party Transaction (as defined herein):

Property	Appraised Value		Purchase Consideration
	by Knight Frank	by Savills	
	(HK\$ million)	(HK\$ million)	(HK\$ million)
Metro Town	1,481.0	1,480.0	1,452.0 ⁽¹⁾
Caribbean Bazaar	431.0	430.0	428.0
Hampton Loft	161.0	160.0	159.0
Total	2,073.0	2,070.0	2,039.0

Note:

(1) Before adjustment for the net current assets or net current liabilities of MPI and Mega Gain as at Completion.

The purchase consideration for each of the Properties has been arrived at on a willing buyer and a willing seller basis after taking into account the valuation of the Properties by Knight Frank and Savills of which the open market value of each Property was estimated by using the income capitalisation method or the investment approach, discounted cash flow analysis and the direct comparison method.

Other Additional Costs

The following additional costs are also expected to be incurred by Fortune REIT in connection with the Acquisitions:

- an Acquisition Fee of HK\$20.4 million¹ (being 1.0% of the Aggregate Purchase Consideration) payable to the Manager pursuant to the Trust Deed. The Acquisition Fee shall be payable to the Manager in Units and such Units shall not be sold within one year from their date of issue, in accordance with paragraph 5.6 of the Property Funds Guidelines. 6.4 million Units are expected to be issued to the Manager based on the TERP of HK\$3.20 per Unit; and
- other estimated fees and expenses (including stamp duty, advisory fees, professional fees and expenses) of HK\$32.0 million incurred or to be incurred by Fortune REIT in connection with the Acquisitions.

The cash component of the Total Acquisition Cost (which does not include the Acquisition Fee payable in Units) is HK\$2,071.0 million.

Related Party Transaction

Cheung Kong is deemed to hold an aggregate indirect interest in 262,815,342 Units (comprising 31.9% of the Existing Units) as at the Latest Practicable Date and is therefore regarded as a Controlling Unitholder². As Metro Town and Hampton Loft are being acquired from subsidiaries of Cheung Kong, their acquisitions will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under paragraph 5 of the Property Funds Guidelines (collectively, “**Related Party Transactions**”, and each, a “**Related Party Transaction**”).

Further, as companies jointly owned by Cheung Kong and Hutchison have an interest in part of the purchase consideration of Caribbean Bazaar, the Manager, in the interest of transparency and good corporate governance, has considered the acquisition of Caribbean Bazaar as a Related Party Transaction as well.

The Acquisitions have been approved at the EGM.

Completion

Completion is expected to take place on the date of issue of the Rights Units.

The completion of the acquisitions of Metro Town and Hampton Loft under their respective Sale and Purchase Agreements are interconditional upon the completion of each other.

While the Manager is targeting to complete the acquisition of Caribbean Bazaar on the same day, the completion may be delayed or not occur as it is subject to the vendor, MTR Corporation Limited, obtaining the consent to assign from the Director of Lands of the Lands Department of the Hong Kong Government in respect of the commercial development, kindergarten and the wet market (which form part of Caribbean Bazaar) and the granting of such consent or the timing thereof is not within the control of the Manager and is uncertain.

¹ The Acquisition Fee of HK\$20.4 million is the amount payable for the completion of the acquisition of all the Properties.

² “**Controlling Unitholder**” refers to a person who: (a) holds directly or indirectly, 15.0% or more of the nominal amount of Units; or (b) in fact exercises control over Fortune REIT.

In the event that the acquisition of Caribbean Bazaar is delayed or does not occur, the completion of the acquisitions of Metro Town and Hampton Loft will proceed as scheduled without Caribbean Bazaar on the date of issue of the Rights Units, subject to the satisfaction of the conditions set out in the respective Sale and Purchase Agreements.

Certain Terms and Conditions of the Sale and Purchase Agreements

The completion of each of the Acquisitions will be subject to the satisfaction of a number of conditions including:

- a single resolution for the Acquisitions being passed at the EGM;
- the obligations of the Joint Financial Advisers and Joint Lead Managers and Underwriters under the Underwriting Agreement becoming unconditional in all respects; and
- the Acquisition Facility (as defined herein) being in place and available to be drawn down at Completion for the respective Properties.

Each of the Sale and Purchase Agreements provides that the long-stop date for the satisfaction of the conditions set out therein is six months after the date of the relevant Sale and Purchase Agreement.

Caribbean Bazaar and Hampton Loft are sold on an “as-is” basis and subject to the existing tenancies and licences. The Sale and Purchase Agreement in relation to Metro Town contains certain representations and warranties made by the respective subsidiaries of Cheung Kong and Nan Fung (as vendors) in respect of Metro Town and MPI and its subsidiary, Mega Gain.

The Sale and Purchase Agreement in relation to Metro Town sets out the limitations on the liabilities of the respective subsidiaries of Cheung Kong and Nan Fung (as vendors) in respect of any breach of warranties, including provisions for aggregate maximum liability, minimum threshold claims and a limitation period of 21 months for all claims.

Metro Town Sale and Purchase Agreement

The Sale and Purchase Agreement in relation to Metro Town provides, inter alia, that prior to Completion, MPI and its subsidiary must:

- dispose of all of its assets, other than, in the case of MPI, its interest in its subsidiary and the plant and equipment, and, in the case of MPI’s subsidiary, Metro Town and the current assets which are to be reflected in the pro forma completion balance sheet; and
- discharge all of its liabilities, other than the existing borrowings of MPI’s subsidiary and the current liabilities which are to be reflected in the pro forma completion balance sheet and the provision for deferred tax liability which is to be reflected in the completion management accounts of MPI and its subsidiary.

Further, the completion of the acquisition of MPI is contingent upon the completion of the acquisition of Hampton Loft and one of the conditions is that there shall be no material damage to Metro Town and no material breach of the warranties set out in the Sale and Purchase Agreement in relation to Metro Town which, in the reasonable opinion of the Trustee, acting on the recommendation of the Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MPI and Mega Gain or on Metro Town, in each case, taken as a whole.

Caribbean Bazaar Sale and Purchase Agreement

The Sale and Purchase Agreement in relation to Caribbean Bazaar sets out that as a condition for the transfer of rental deposits held by MTR Corporation Limited under the tenancy and licence agreements of Caribbean Bazaar to Genuine Joy Limited on completion of the sale and purchase of Caribbean Bazaar, Genuine Joy Limited is required to execute a deed of indemnity in favour of MTR Corporation Limited to indemnify MTR Corporation Limited in respect of any losses and damages suffered by MTR Corporation Limited if Genuine Joy Limited fails to refund such deposits to the relevant tenants and licensees in accordance with such tenancy and licence agreements¹.

Further, one of the conditions for the completion of the acquisition of Caribbean Bazaar is that Caribbean Bazaar or a material part thereof shall not be damaged by force majeure or calamities beyond the vendor's reasonable control so as to render the same substantially unfit for use and re-building of the same shall be required².

Hampton Loft Sale and Purchase Agreement

The Sale and Purchase Agreement in relation to Hampton Loft sets out that as a condition for the transfer of rental deposits held by Global Coin Limited under the tenancy and licence agreements of Hampton Loft to Full Belief Limited on completion of the sale and purchase of Hampton Loft, Full Belief Limited is required to execute a deed of indemnity in favour of Global Coin Limited to indemnify Global Coin Limited in respect of any losses and damages suffered by Global Coin Limited if Full Belief Limited fails to refund such deposits to the relevant tenants and licensees in accordance with such tenancy and licence agreements¹.

Further, the completion of the acquisition of Hampton Loft is contingent upon the completion of the acquisition of Metro Town and one of the conditions is that there shall be no material damage to Hampton Loft which, in the reasonable opinion of Full Belief Limited, will have a material adverse effect on Hampton Loft.

¹ Under Hong Kong law, a covenant to refund tenancy deposit to a tenant under a tenancy agreement is not a covenant that touches and concerns land and therefore does not bind a purchaser who purchases the property, therefore it is the obligation of the landlord vendor, not the purchaser landlord to refund such deposits to the relevant tenants and licensees. In order for the rental deposits to be transferred to the purchaser on completion, the purchaser has to covenant with the vendor that it shall refund the deposits to the tenants and licensees in accordance with the tenancies and licence agreements and indemnify the vendor for failure to do so.

² If, after the Sale and Purchase Agreement in relation to Caribbean Bazaar is signed, there is damage to Caribbean Bazaar or a part thereof which does not constitute damage by force majeure or calamities beyond the relevant vendor's reasonable control so as to render Caribbean Bazaar substantially unfit for use and re-building of Caribbean Bazaar shall be required, Fortune REIT will still be required to complete the acquisition of Caribbean Bazaar under the terms of the Sale and Purchase Agreement in relation to Caribbean Bazaar. However, the Manager will procure that appropriate property all risks insurance policies (which will include consequential loss insurance covering loss of gross revenue arising from the risks insured under the relevant policies) will be taken out in respect of Caribbean Bazaar on the signing of the Sale and Purchase Agreement in relation to Caribbean Bazaar.

FINANCING

Method of Financing the Acquisitions

If all the Properties are acquired, the total cash acquisition cost (excluding the Acquisition Fee which is payable in Units) is estimated to amount to HK\$2,071.0 million. The Manager expects to finance this with HK\$1,591.0 million from the net proceeds of the Rights Issue, with the balance of HK\$480.0 million being financed with the Acquisition Facility¹.

Bank Financing

The Trustee has on 24 August 2009 accepted a letter of commitment from DBS Bank Ltd and Standard Chartered Bank (Hong Kong) Limited for a term loan and revolving credit facility that consists of the following:

- Tranche A: the HK\$480.0 million term loan facility (“**Acquisition Facility**”). This facility will, along with the Rights Issue net proceeds, be used to finance the Acquisitions² and will be due on 28 June 2010;
- Tranche B: a HK\$2,830.0 million term loan facility (“**Refinancing Facility**”). This facility will be drawn down on or before 28 June 2010 and will be used to refinance the existing term loan facility of Fortune REIT of HK\$2,348.7 million due on 28 June 2010 (“**Existing Term Facility**”) and the Acquisition Facility³; and
- Tranche C: a HK\$270.0 million revolving loan facility (“**New Revolving Facility**”). This facility will be used for corporate funding purposes,

(together, the “**New Facilities**”).

The Manager intends to have the loan agreements for the New Facilities entered into on or around the date of issue of the Rights Units. The New Facilities each bear an interest margin of 2.0% per annum over the Hong Kong Interbank Offer Rate (“**HIBOR**”). The Refinancing Facility and the New Revolving Facility have a term of four years from the loan agreement date.

In light of the volatile market conditions, the Manager believes it is prudent to have in place the Refinancing Facility and the New Revolving Facility to remove any refinancing risks associated with Fortune REIT’s existing debt, (consisting of the Existing Term Facility, and a HK\$265.0 million revolving credit facility due on 28 June 2010, under which HK\$30.0 million was outstanding as of 30 June 2009 (the “**Existing Revolving Facility**”).

¹ If only Metro Town and Hampton Loft are acquired, the total cash acquisition cost (excluding the Acquisition Fee which is payable in Units) is estimated to amount to HK\$1,627.0 million. The Manager expects to finance this with HK\$1,247.0 million from the net proceeds of the Rights Issue, with the balance of HK\$380.0 million being financed with the Acquisition Facility.

² The Acquisition Facility will be HK\$380.0 million if Fortune REIT proceeds only with the acquisitions of Metro Town and Hampton Loft.

³ The Refinancing Facility will be HK\$2,730.0 million if Fortune REIT proceeds only with the acquisitions of Metro Town and Hampton Loft.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Review

*This section should be read together with the selected financial data from the Financial Statements which is set out in **Appendix A** of this Offer Information Statement. Such selected financial data should also be read together with the relevant notes to the Financial Statements, which are available on the website of Fortune REIT at www.fortunereit.com and are also available for inspection during normal business hours at the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.*

The information contained in the website of Fortune REIT does not constitute part of this Offer Information Statement.

Statement of Total Return and Distribution Statements

Selected financial data from the 2006 Audited Consolidated Financial Statements, the 2007 Audited Consolidated Financial Statements, the 2008 Audited Consolidated Financial Statements and the 1H 2009 Unaudited Consolidated Financial Statements, including the line items in the statement of total return and the distribution statement of Fortune REIT, is set out in **Appendix A** of this Offer Information Statement. Financial data relating to (i) DPU, (ii) earnings or loss per Unit and (iii) earnings or loss per Unit after any adjustment to reflect the issue of Rights Units is also set out in **Appendix A** of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

Balance Sheet and Cash Flow Statement

Selected financial data from the 2008 Audited Consolidated Financial Statements and the 1H 2009 Unaudited Consolidated Financial Statements, including the line items in the consolidated balance sheets and cash flow statements of Fortune REIT and NAV per Unit is also set out in **Appendix A** of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements.

Pro Forma Financial Effects of the Acquisitions and the Rights Issue

The pro forma financial effects of the Acquisitions on the DPU and NAV per Unit presented below are purely for illustration purposes and have been prepared based on:

- (i) the FY 2008 Audited Consolidated Financial Statements;
- (ii) the unaudited financial statements of MPI for the year ended 31 December 2008 and unaudited management accounts of MPI for the six months ended 30 June 2009 ("**1H 2009**");
- (iii) the unaudited management accounts of Caribbean Bazaar and Hampton Loft for the year ended 31 December 2008 and for 1H 2009; and
- (iv) the 1H 2009 Unaudited Consolidated Financial Statements;

¹ Prior appointment with the Manager will be appreciated.

and assuming:

- (a) the cash component of the Total Acquisition Cost is HK\$2,071.0 million;
- (b) 824,879,427 Rights Units are issued at the Rights Issue Price of HK\$2.29 per Rights Unit;
- (c) net proceeds of HK\$1,802.4 million are raised in the Rights Issue after taking into account the estimated costs of the Rights Issue of HK\$86.6 million;
- (d) HK\$1,591.0 million of the net proceeds of the Rights Issue is used to part finance the Acquisitions, HK\$111.4 million is retained or used for working capital, debt related costs in relation to the New Facilities and general corporate purposes and HK\$100.0 million is retained for asset enhancement initiatives;
- (e) HK\$480.0 million of additional borrowings is incurred by Fortune REIT at an annual interest rate of HIBOR as at 30 June 2009 plus 2.0% to part finance the Acquisitions; and
- (f) 6.4 million Units are issued to the Manager in payment of its Acquisition Fee at the TERP of HK\$3.20 per Unit.

Financial Year Ended 31 December 2008

Pro forma DPU, distribution yield and earnings or loss per Unit

The pro forma financial effects of the Acquisitions on the DPU, distribution yield and earnings or loss per Unit for FY 2008, as if Fortune REIT had purchased the Properties, completed the Rights Issue and incurred HK\$480.0 million of additional borrowings on 1 January 2008, and held and operated the Properties through to 31 December 2008, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
Distributable income (HK\$'000)	302,855	379,956
Units in issue and to be issued ('000)	820,819	1,653,986
DPU (HK cents)	37.02	22.97
Distribution yield (HK\$)	9.0% ⁽²⁾	7.2% ⁽³⁾
Earnings (loss) per Unit (HK cents) ⁽⁴⁾		
– Basic	(104.74)	(47.87)
– Fully diluted	(104.74)	(47.87)

Notes:

- (1) Based on the FY 2008 Audited Consolidated Financial Statements.
- (2) Based on the actual DPU divided by the Closing Price of HK\$4.10 per Unit.
- (3) Based on the adjusted DPU divided by the TERP of HK\$3.20 per Unit.
- (4) Based on the weighted average number of Units in issue during the period.

Pro forma NAV per Unit

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 31 December 2008, as if Fortune REIT had purchased the Properties, completed the Rights Issue and incurred additional borrowings of HK\$480.0 million on 31 December 2008, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
NAV (HK\$'000)	6,156,364	7,937,656
Units in issue and to be issued ('000)	820,819	1,652,080
NAV per Unit (HK\$)	7.50	4.80

Note:

(1) Based on the FY 2008 Audited Consolidated Financial Statements.

Six Months Ended 30 June 2009

Pro forma DPU and earnings or loss per Unit

The pro forma financial effects of the Acquisitions on the DPU and earnings or loss per Unit for the six months ended 30 June 2009, as if Fortune REIT had purchased the Properties, completed the Rights Issue and incurred HK\$480.0 million of additional borrowings on 1 January 2009, and held and operated the Properties through to 30 June 2009, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
Distributable income (HK\$'000)	161,698	199,432
Units in issue and to be issued ('000)	824,879	1,657,104
DPU (HK cents)	19.60	12.03
Earnings (loss) per Unit (HK cents) ⁽²⁾		
– Basic	51.73	27.57
– Fully diluted	51.73	27.57

Notes:

(1) Based on the 1H 2009 Unaudited Consolidated Financial Statements.

(2) Based on the weighted average number of Units in issue during the period.

Pro forma NAV per Unit

The pro forma financial effects of the Acquisitions on the NAV per Unit as at 30 June 2009, as if Fortune REIT had purchased the Properties, completed the Rights Issue and incurred additional borrowings of HK\$480.0 million on 30 June 2009, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
NAV (HK\$'000)	6,469,178	8,250,134
Units in issue and to be issued ('000)	824,879	1,656,141
NAV per Unit (HK\$)	7.84	4.98

Note:

(1) Based on the 1H 2009 Unaudited Consolidated Financial Statements.

Pro Forma Financial Effects of Acquiring Metro Town and Hampton Loft and the Rights Issue

While the Manager is targeting to complete the acquisition of Caribbean Bazaar on the date of issue of the Rights Units, the completion may be delayed or not occur as it is subject to the vendor, MTR Corporation Limited, obtaining the consent to assign from the Director of Lands of the Lands Department of the Hong Kong Government in respect of the commercial development, kindergarten and the wet market (which form part of Caribbean Bazaar) and the granting of such consent or the timing thereof is not within the control of the Manager and is uncertain.

In the event of a delay in the completion of the acquisition of Caribbean Bazaar, the completion of the acquisition of Metro Town and Hampton Loft will proceed as scheduled without Caribbean Bazaar on the date of issue of the Rights Units subject to the satisfaction of the conditions set out in the respective Sale and Purchase Agreements.

Should only the acquisitions of Metro Town and Hampton Loft proceed, the total purchase consideration (before adjustment for the consolidated net current assets or net current liabilities of MPI and Mega Gain as at Completion in the case of the acquisition of Metro Town) will be HK\$1,611.0 million. The total cost of acquiring these two Properties, inclusive of the acquisition fee payable to the Manager under the Trust Deed as well as the estimated stamp duty, professional and other fees and expenses incurred or to be incurred, is estimated to amount to HK\$1,643.1 million, of which HK\$1,627.0 million is to be paid in cash.

The Manager intends to finance this total cash cost with HK\$1,247.0 million from the Rights Issue proceeds and HK\$380.0 million from the Acquisition Facility.

The pro forma financial effects on the DPU and NAV per Unit presented below are purely for illustration purposes and have been prepared based on:

- (i) the FY 2008 Audited Consolidated Financial Statements;
- (ii) the unaudited financial statements of MPI for the year ended 31 December 2008 and unaudited management accounts of MPI for 1H 2009;
- (iii) the unaudited management accounts of Hampton Loft for the year ended 31 December 2008 and for 1H 2009; and
- (iv) the 1H 2009 Unaudited Consolidated Financial Statements;

and assuming:

- (a) the cash component of the total cost of acquiring Metro Town and Hampton Loft is HK\$1,627.0 million;
- (b) 824,879,427 Rights Units are issued at a Rights Issue Price of HK\$2.29 per Rights Unit;
- (c) net proceeds of HK\$1,802.4 million are raised in the Rights Issue after taking into account the estimated costs of the Rights Issue of HK\$86.6 million;
- (d) HK\$1,247.0 million of the net proceeds of the Rights Issue is used to part finance the Acquisitions, HK\$455.4 million is retained or used for working capital, debt related costs in relation to the New Facilities and general corporate purposes and HK\$100.0 million is retained for asset enhancement initiatives;
- (e) HK\$380.0 million of additional borrowing is incurred by Fortune REIT at an annual interest rate of HIBOR as at 30 June 2009 plus 2.0% to part finance the Acquisitions; and
- (f) 5.0 million Units are issued to the Manager in payment of its acquisition fee at the TERP of HK\$3.20 per Unit.

Financial Year Ended 31 December 2008

Pro forma DPU, distribution yield and earnings or loss per Unit

The pro forma financial effects on the DPU, distribution yield and earnings or loss per Unit for FY 2008, as if Fortune REIT had purchased Metro Town and Hampton Loft, completed the Rights Issue and incurred HK\$380.0 million of additional borrowings on 1 January 2008, and held and operated the Properties through to 31 December 2008, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
Distributable income (HK\$'000)	302,855	363,231
Units in issue and to be issued ('000)	820,819	1,652,250
DPU (HK cents)	37.02	21.98
Distribution yield (HK\$)	9.0% ⁽²⁾	6.9% ⁽³⁾
Earnings (loss) per Unit (HK cents) ⁽⁴⁾		
– Basic	(104.74)	(48.79)
– Fully diluted	(104.74)	(48.79)

Notes:

- (1) Based on the FY 2008 Audited Consolidated Financial Statements.
- (2) Based on the actual DPU divided by the Closing Price of HK\$4.10 per Unit.
- (3) Based on the adjusted DPU divided by the TERP of HK\$3.20 per Unit.
- (4) Based on the weighted average number of Units in issue during the period.

Pro forma NAV per Unit

The pro forma financial effects on the NAV per Unit as at 31 December 2008, as if Fortune REIT had purchased Metro Town and Hampton Loft, completed the Rights Issue and incurred additional borrowings of HK\$380.0 million on 31 December 2008, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
NAV (HK\$'000)	6,156,364	7,951,706
Units in issue and to be issued ('000)	820,819	1,650,740
NAV per Unit (HK\$)	7.50	4.82

Note:

(1) Based on the FY 2008 Audited Consolidated Financial Statements.

Six Months Ended 30 June 2009

Pro forma DPU and earnings or loss per Unit

The pro forma financial effects on the DPU and earnings or loss per Unit for the six months ended 30 June 2009, as if Fortune REIT had purchased Metro Town and Hampton Loft, completed the Rights Issue and incurred HK\$380.0 million of additional borrowings on 1 January 2009, and held and operated the Properties through to 30 June 2009, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
Distributable income (HK\$'000)	161,698	191,564
Units in issue and to be issued ('000)	824,879	1,655,564
DPU (HK cents)	19.60	11.57
Earnings (loss) per Unit (HK cents) ⁽²⁾		
– Basic	51.73	27.22
– Fully diluted	51.73	27.22

Notes:

(1) Based on the 1H 2009 Unaudited Consolidated Financial Statements.

(2) Based on the weighted average number of Units in issue during the period.

Pro forma NAV per Unit

The pro forma financial effects on the NAV per Unit as at 30 June 2009, as if Fortune REIT had purchased Metro Town and Hampton Loft, completed the Rights Issue and incurred additional borrowings of HK\$380.0 million on 30 June 2009, are as follows:

	Before the Acquisitions and Rights Issue⁽¹⁾	After the Acquisitions and Rights Issue
NAV (HK\$'000)	6,469,178	8,264,184
Units in issue and to be issued ('000)	824,879	1,654,801
NAV per Unit (HK\$)	7.84	4.99

Note:

(1) Based on the 1H 2009 Unaudited Consolidated Financial Statements.

Financial Review

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Year ended 31 December 2007 ("FY 2007") compared against the Financial Year ended 31 December 2006 ("FY 2006")

For FY 2007, total revenue rose 0.1% year-on-year to HK\$614.8 million. Property operating expenses were HK\$150.8 million, 7.5% lower than FY 2006 mainly due to the waiver of government rates in the second and third quarter of 2007, lower advertising and promotional expenses and repair and maintenance costs during the financial year. Cost to revenue ratio was 24.5% and the portfolio occupancy rate as at 31 December 2007 was 92.1% primarily due to vacancies arising from repositioning initiatives at Jubilee Court Shopping Centre, The Household Center and Smartland. The portfolio passing rent improved to HK\$25.2 psf as a result of higher rental achieved from existing renewals as well as new leases. Ma On Shan Plaza continued to perform well with a 12.2% improvement in total revenue while Waldorf Garden Property also registered a 6.9% increase in total revenue over FY 2006.

Net property income for FY 2007 was HK\$450.1 million, which was 2.9% higher than FY 2006. Borrowing costs for FY 2007 was HK\$112.7 million, which represented an increase of 5.3% over FY 2006. The weighted average borrowing cost for the year ended 31 December 2007 was 4.75% p.a. as compared to 4.42% p.a. for FY 2006. Out of the total borrowings of about HK\$2,348.7 million, the interest cost on about 78% of the debt had been fixed for various maturities.

Income available for distribution for FY 2007 was HK\$284.9 million which was 3.0% higher than FY 2006.

Financial Year ended 31 December 2008 ("FY 2008") compared against FY 2007

For FY 2008, total revenue rose 3.6% year-on-year to HK\$637.0 million. Property operating expenses were HK\$159.6 million, a 5.8% increase over FY 2007 mainly due to higher expenditure on leasing commissions, advertising and promotional expenses as well as high repair and maintenance expenses. Cost to revenue ratio was well managed at 25.0% despite the higher expenses. Overall tenant retention was maintained at a healthy 83.6% in 2008. In addition, a strong rental reversion of 18.8% was achieved for renewals in 2008.

Net property income for FY 2008 was HK\$463.1 million, which was 2.9% higher than FY 2007. Borrowing costs for FY 2008 was HK\$100.7 million, which represented a decrease of 10.6% over FY 2007 due to the lower interest rate environment in FY 2008. Losses of the Existing Property Companies were due to the fall in property valuation. However, it would not have any impact on income available for distribution.

Income available for distribution for FY 2008 was HK\$302.9 million. It was higher than the same period in 2007 by 6.3% mainly due to higher revenues, lower borrowing costs as well as a one-off write-back of deferred tax due to the change in Hong Kong tax rate from 17.5% to 16.5% which came into effect from April 2008.

Interim Financial Period 2009: 1H 2009 compared against the period from 1 January 2008 to 30 June 2008 ("1H 2008")

For 1H 2009, total revenue rose 8.2% to HK\$334.3 million. The higher revenue was mainly contributed by The Metropolis Mall, City One Shatin Property, Ma On Shan Plaza as well as Waldorf Garden Property. A rental reversion of 4.0% was achieved for 1H 2009.

Property operating expenses was HK\$88.5 million, 21.4% higher year-on-year mainly due to higher staff costs for leasing activities, advertising and promotional expenses as well as repair and maintenance expenses. Cost to revenue ratio was at 26.5%.

Net Property Income for 1H 2009 was HK\$238.4 million, a 4.1% increase over the same period in 2008. Borrowing costs was HK\$43.9 million for 1H 2009, which represented a decrease of 17.3% over the same period last year. The weighted average borrowing cost was 3.73% for 1H 2009.

Net profit of the Existing Property Companies was up 189.3%, mainly due to the increase in property valuation, higher revenues and lower borrowing costs. However, the increase in property valuation would not have any impact on income available for distribution.

Income available for distribution for 1H 2009 was HK\$161.7 million. It was higher than the same period in 2008 by 7.1% mainly due to higher revenues and lower borrowing costs.

Liquidity and Capital Resources

Selected financial data from the 2008 Audited Consolidated Financial Statements and the 1H 2009 Unaudited Consolidated Financial Statements is set out in **Appendix A** of this Offer Information Statement. Such selected financial data and information should be read together with the relevant notes to the Financial Statements, where applicable.

Financial Year ended 31 December 2008

There were no significant changes in the cash balance of Fortune REIT as at 31 December 2008 as compared to 31 December 2007. The cash balance increased by a modest HK\$1.2 million from HK\$242.1 million as at 31 December 2007 to HK\$243.4 million as at 31 December 2008. The increase was mainly due to cash generated from operating activities of HK\$405.6 million, interest received of HK\$7.7 million and the disposal of investment properties of HK\$1.1 million in total, off-set by cash outflow of HK\$20.0 million for asset enhancement works, the distribution paid to Unitholders of HK\$292.4 million as well as borrowing costs of HK\$100.7 million.

Interim Financial Period 2009: Period from 1 January 2009 to 30 June 2009

The cash balance for Fortune REIT increased by HK\$63.6 million from HK\$243.4 million as at 31 December 2008 to HK\$307.0 million as at 30 June 2009. The increase was mainly due to cash generated from operating activities of HK\$245.5 million, the drawdown of revolving credit facilities of HK\$30.0 million and the interest received of HK\$0.7 million in total, off-set by cash outflow of HK\$16.7 million for asset enhancement works, the distribution paid to Unitholders of HK\$151.9 million as well as payment of borrowing costs of HK\$43.9 million.

Business Prospects and Trend Information

The near term outlook for retail business will continue to be affected by the uncertainties surrounding the pace of economic recovery and the impact of H1N1. The revenue outlook for Fortune REIT will, to a certain extent, depend on the impact of the economic situation on Fortune REIT's existing tenants as well as demand for new retail space. Nevertheless, Fortune REIT which invests in Hong Kong decentralized retail properties tends to maintain a more resilient performance when compared to the overall market and economic conditions in general.

Following a contraction of 7.8% in the first quarter of 2009, the decline of Hong Kong GDP narrowed, notably to 3.8% in the second quarter of 2009 year-on-year. The private consumption expenditure contracted slightly by 1.0% year-on-year in the second quarter of 2009, after the 6.0% fall in the previous quarter. The value of total retail sales decreased by 4.6% year-on-year for the first seven months in 2009. However, non-discretionary spending items such as supermarkets (+5.1%) and food and drinks (+3.2%) still recorded a growth.

Consumers were still cautious in spending on big-ticket items such as motor vehicles, yet retail sales of some other consumption items held stable or showed some relative improvement. The stabilization of the global economy together with the new round relief from the Government should help to support the consumer as well as the retail trade.

The abovementioned data and statistics are not necessarily indicative of the future or likely performance of Fortune REIT.

(See the section entitled "Risk Factors" in this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the Rights Entitlements and the Rights Units.)

INFORMATION RELATING TO FORTUNE REIT

Development of Fortune REIT

The general development of the business of Fortune REIT from the beginning of the period comprising the three most recent completed financial years to the Latest Practicable Date is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of Fortune REIT since the release of Fortune REIT's financial results for the period ended 30 June 2009.

Date	Significant developments
24 January 2006	: The Manager announced a DPU of 17.22 Hong Kong cents for the financial period from 28 June 2005 to 31 December 2005 to be paid on 28 February 2006.
24 January 2006	: The Manager announced that the value of the 11 properties owned by Fortune REIT was HK\$8,592.0 million as at 31 December 2005.
3 May 2006	: The Manager announced the appointment of Mr Yip Kam Thai as an Executive Director of the Manager.
25 July 2006	: The Manager announced a DPU of 17.53 Hong Kong cents for the financial period from 1 January 2006 to 30 June 2006 to be paid on 28 August 2006.
30 January 2007	: The Manager announced a DPU of 16.73 Hong Kong cents for the financial period from 1 July 2006 to 31 December 2006 to be paid on 28 February 2007.
30 January 2007	: The Manager announced that the value of the 11 properties owned by Fortune REIT was HK\$9,235.0 million as at 31 December 2006.
15 June 2007	: The Manager announced the appointment of Mr Sam Wu as the Chief Executive Officer of Fortune REIT.
31 July 2007	: The Manager announced a DPU of 17.70 Hong Kong cents for the financial period from 1 January 2007 to 30 June 2007 to be paid on 29 August 2007.
7 January 2008	: The Manager announced the appointment of Mr Stephen Chu as the Chief Executive Officer of Fortune REIT. Mr Chu replaced the incumbent Mr Sam Wu, who went on to undertake China business development responsibilities for the ARA Asset Management Limited group (of which the Manager is a subsidiary) (the " ARA Group ").
29 January 2008	: The Manager announced a DPU of 17.42 Hong Kong cents for the financial period from 1 July 2007 to 31 December 2007 to be paid on 29 February 2008.
29 January 2008	: The Manager announced that the value of the 11 properties owned by Fortune REIT was HK\$9,713.0 million as at 31 December 2007.

Date	Significant developments
11 March 2008	: The Manager announced the resignation of Mr Yip Kam Thai as an Executive Director of the Manager due to a management reassignment of him to another other business unit within the ARA Group.
24 April 2008	: The Manager announced the appointment of Mr Ma Lai Chee, Gerald as an Alternative Director to Mr Ip Tak Chuen, Edmond.
29 July 2008	: The Manager announced a DPU of 18.51 Hong Kong cents for the financial period from 1 January 2008 to 30 June 2008 to be paid on 29 August 2008.
1 September 2008	: The Manager announced the appointment of Ms Justina Chiu as a director (non-board member) of the Manager.
21 January 2009	: The Manager announced that the value of the 11 properties owned by Fortune REIT was HK\$8,602.0 million as at 31 December 2008.
21 January 2009	: The Manager announced a DPU of 18.51 Hong Kong cents for the financial period from 1 July 2008 to 31 December 2008 to be paid on 27 February 2009.
28 January 2009	: The Manager announced the appointment of Ms Justina Chiu as the Chief Operating Officer of the Manager.
29 January 2009	: The Manager announced that Mr Stephen Chu had resigned as the Chief Executive Officer of the Manager to take up other responsibilities within the ARA Group.
28 July 2009	: The Manager announced a DPU of 19.60 Hong Kong cents for the financial period from 1 January 2009 to 30 June 2009 to be paid on 28 August 2009.
28 July 2009	: The Manager announced that the value of the 11 properties owned by Fortune REIT was HK\$8,900.0 million as at 30 June 2009.
24 August 2009	: The Manager announced the proposed acquisitions of Metro Town, Caribbean Bazaar and Hampton Loft and the Rights Issue and issued the unitholders' circular dated 24 August 2009 (" Unitholders' Circular ") to convene the EGM to seek Unitholders' approval for, among other things, the Acquisitions and the Whitewash Resolution.
11 September 2009	: The Manager convened the EGM. All the resolutions were approved.

Latest Valuation

The Fortune REIT Properties have been revalued from HK\$8,602.0 million as at 31 December 2008 to HK\$8,900.0 million as at 30 June 2009, representing an increase of 3.5%.

The Manager of Fortune REIT

The manager of Fortune REIT is ARA Asset Management (Singapore) Limited and its registered office is located at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986. The names and addresses of the Directors are set out below.

Name	Position	Address
Mr Chiu Kwok Hung, Justin	Chairman and Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mr Lim Hwee Chiang, John	Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mr Ip Tak Chuen, Edmond	Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Ms Yeung, Eirene	Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mr Lim Lee Meng	Independent Director and Chairman of Audit Committee	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mr Cheng Mo Chi, Moses	Independent Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mrs Sng Sow-Mei (alias Poon Sow Mei)	Independent Director	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Mr Ma Lai Chee, Gerald	Alternate Director to Mr Ip Tak Chuen, Edmond	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986

Information on the Units

Number of Units

As at the Latest Practicable Date, there were 824,879,427 Units in issue.

Substantial Unitholders of Fortune REIT and their Unitholdings

The following table sets out the unitholdings of the Substantial Unitholders. Based on the Register of Substantial Unitholders maintained by the Manager, the Substantial Unitholders of Fortune REIT¹ and their interests in the Units as at the Latest Practicable Date are as follows:

Substantial Unitholder	Direct Interest No. of Units	%	Deemed Interest No. of Units	%
Focus Eagle Investments Limited	206,537,342	25.0	–	–
Ballston Profits Limited	56,278,000	6.8	–	–
PFZW (formerly known as PGGM)	103,855,000	12.6	–	–
DBS Bank Ltd	51,700,000	6.3	–	–
Schroder Investment Management Group	–	–	92,364,300 ⁽¹⁾	11.2
Cheung Kong (Holdings) Limited	–	–	262,815,342 ⁽²⁾	31.9
Hutchison Whampoa Limited	–	–	56,278,000 ⁽³⁾	6.8
DBS Group Holdings Ltd	–	–	51,700,000 ⁽⁴⁾	6.3
Temasek Holdings (Private) Limited	–	–	54,762,000 ⁽⁵⁾	6.6

Notes:

- (1) Schroder Investment Management Group is deemed to be interested in 92,364,300 Units of which:
 - (i) 42,262,000 Units are held by Schroder Investment Management Limited;
 - (ii) 41,802,000 Units are held by Schroder Investment Management (Singapore) Limited; and
 - (iii) 8,300,300 Units are held by Schroder Investment Management (Hong Kong) Limited.
- (2) Cheung Kong is deemed to be interested in 262,815,342 Units, of which:
 - (i) 206,537,342 Units are held by Focus Eagle Investments Limited (a wholly-owned subsidiary of Cheung Kong); and
 - (ii) 56,278,000 Units are held by Ballston Profits Limited (a wholly-owned subsidiary of Hutchison Whampoa Limited, which in turn is 49.9% owned by Cheung Kong).
- (3) Hutchison Whampoa Limited is deemed to be interested in 56,278,000 Units held by its wholly-owned subsidiary, Ballston Profits Limited.
- (4) DBS Group Holdings Ltd is deemed to be interested in 51,700,000 Units held by its subsidiary, DBS Bank Ltd.
- (5) Temasek Holdings (Private) Limited is deemed to be interested in 54,762,000 Units of which:
 - (i) 2,500,000 Units are held by Fullerton (Private) Limited (a subsidiary of Temasek Holdings (Private) Limited);
 - (ii) 471,000 Units are held by Temasek Fullerton Alpha Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited);
 - (iii) 51,700,000 Units are held indirectly by DBS Group Holdings Limited (Temasek Holdings (Private) Limited holds directly and indirectly 28.46% of total issued share capital of DBS Group Holdings Limited); and
 - (iv) 91,000 Units are held by Singapore Technologies Aerospace Limited (a subsidiary of Temasek Holdings (Private) Limited).

¹ The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

History of Issuance of Units

No Units have been issued by the Manager for cash or services within the 12 months immediately preceding the Latest Practicable Date, save for the issue of Units to the Manager as payment of the management fees in accordance with the terms of the Trust Deed as set out in the table below.

Date	Number of Units Issued
8 October 2008	2,441,418 Units were issued to the Manager at an issue price of HK\$3.0082 per Unit as payment of the Base Fee ⁽¹⁾ component of the management fees for the period from 1 July 2008 to 30 September 2008 (both dates inclusive).
9 January 2009	3,075,716 Units were issued to the Manager at an issue price of HK\$2.1148 per Unit as payment of the Base Fee ⁽¹⁾ component of the management fees for the period from 1 October 2008 to 31 December 2008 (both dates inclusive).
6 April 2009	2,299,231 Units were issued to the Manager at an issue price of HK\$2.7675 per Unit as payment of the Base Fee ⁽¹⁾ component of the management fees for the period from 1 January 2009 to 31 March 2009 (both dates inclusive).
10 July 2009	1,761,221 Units were issued to the Manager at an issue price of HK\$3.7796 per Unit as payment of the Base Fee ⁽¹⁾ component of the management fees for the period from 1 April 2009 to 30 June 2009 (both dates inclusive).

Note:

(1) "Base Fee" refers to the base fee payable to the Manager under the Trust Deed (being 0.3% per annum of the Property Value (as defined herein)).

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the twelve calendar months immediately preceding the Latest Practicable Date and for the period commencing on 1 September 2009 to the Latest Practicable Date are as follows:

Month	Price Range (HK\$ per Unit)		Average Daily Volume Traded Units
	Highest	Lowest	
September 2008	3.68	2.74	623,955
October 2008	3.14	1.79	990,429
November 2008	2.20	1.70	1,984,250
December 2008	1.99	1.61	2,399,900
January 2009	2.57	2.10	1,251,579
February 2009	2.27	2.06	818,850
March 2009	2.76	2.15	531,000
April 2009	3.12	2.78	606,190
May 2009	3.63	3.05	557,050
June 2009	4.00	3.69	940,818
July 2009	4.16	3.72	1,102,565
August 2009	4.13	3.67	1,746,550
1 September 2009 to 14 September 2009, being the Latest Practicable Date	3.72	3.60	1,263,200

Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent, for purposes of Section 249 (read with Section 302) of the SFA, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 (both read with Section 302) of the SFA. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Manager, the Joint Financial Advisers and Joint Lead Managers and Underwriters or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

Indebtedness

As at the Latest Practicable Date, HK\$2,348.7 million was outstanding under the Existing Term Facility, which matures on 28 June 2010. The Existing Revolving Facility of HK\$265.0 million which matures on 28 June 2010 is currently undrawn.

The Existing Term Facility and the Existing Revolving Facility bear interest rates of HIBOR plus a margin. Fortune REIT has entered into interest rate swap contracts to swap the floating rate borrowings into fixed rate borrowings. As at the Latest Practicable Date, Fortune REIT's average effective interest rate on its borrowings is 3.65% per annum.

As the margins of the New Facilities are higher than that of the Existing Term Facility and the Existing Revolving Facility, Fortune REIT's cost of borrowings may increase, and this may reduce Fortune REIT's DPU for future distributions.

RISK FACTORS

The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to Fortune REIT, the Manager, the Trustee, and the Rights Entitlements, the Rights Units or the Units. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may also impair the business operations of Fortune REIT. The business, financial condition or results of operations of Fortune REIT could be materially and adversely affected by any of these risks.

Risks Associated with Fortune REIT's Business

Unprecedented adverse global economic conditions could adversely affect the business, financial condition and results of operations of Fortune REIT

The global economy, including the economies of Singapore and Hong Kong have experienced an unprecedented level of volatility and uncertainty in recent times. This began with the deterioration of asset prices in the U.S. residential sub-prime residential mortgage market and the progressive deterioration of global credit and equity markets in mid-2007. The market worsened moving into 2008 with the U.S., Japan and numerous European countries entering technical recessions by year end.

There can be no assurance that Hong Kong's economy will stabilise as there is no assurance that the present unprecedented adverse global economic conditions will not continue or intensify further.

Fortune REIT owns a portfolio of retail and commercial properties in Hong Kong and is vulnerable to decreased consumer spending and reduced disposable income as a result of these unprecedented conditions. Fortune REIT may be adversely affected by, among other things:

- the potential reduced ability of its properties' tenants to pay rents in a timely manner or at all, reducing Fortune REIT's cash flow;
- the potential reduced demand for retail and commercial space, leading to vacancies or reductions in the space leased by tenants and a potential oversupply of such space;
- downward pressure on rental rates;
- reduced property values;
- reduced liquidity and potential difficulty in borrowing;
- the increased likelihood that one or more of Fortune REIT's lenders or insurers may be unable to honour their commitments to Fortune REIT; and
- an increase in counterparty risk.

Fortune REIT is subject to the risks relating to the conduct of its businesses in other countries

Fortune REIT invests in real estate in Hong Kong. Therefore, the business of Fortune REIT will be subject to fluctuation in the economic conditions as well as the regulatory controls, property and property-related market conditions in Hong Kong. Notwithstanding the countries referred to in this Offer Information Statement (i.e. Hong Kong and Singapore), Fortune REIT may in future expand its businesses in other countries. The risk profile of Fortune REIT will therefore encompass the risks involved in each of the countries or businesses that Fortune REIT operates. The businesses, financial condition, performance or prospects of Fortune REIT may be adversely affected by any of such risks.

Adverse economic and/or property and property-related developments locally, regionally and/or globally may then also have a material adverse effect on the businesses, financial condition, performance or prospects of Fortune REIT.

Fortune REIT is subject to the laws and regulations of the countries in which it operates

Fortune REIT's business is subject to certain applicable laws and regulations of the countries in which it operates should it in future expand its businesses in other countries. Real estate laws differ from country to country and Fortune REIT's business in these countries may not always enjoy the same level of legal rights or protection that it is afforded in Hong Kong. Furthermore, more stringent or onerous real estate laws may be adopted in the future in the countries where Fortune REIT operates its business, and that may restrict Fortune REIT's ability to operate its business.

The properties held by Fortune REIT may be revalued downwards and the borrowing limit of Fortune REIT may be exceeded

Although the Fortune REIT Properties were not revalued downwards as at 30 June 2009, there can be no assurance that Fortune REIT will not be required to make downward revaluations of the Fortune REIT Properties in the future. The Fortune REIT Properties were valued at HK\$9,713.0 million at 31 December 2007, HK\$8,602.0 million at 31 December 2008 and HK\$8,900.0 million at 30 June 2009. Any fall in the gross revenue or net property income earned from the Fortune REIT Properties may result in a downward revaluation of the Fortune REIT Properties. Further downward revaluations could negatively impact Fortune REIT's gearing, which in turn could trigger certain loan covenants and/or impact Fortune REIT's ability to refinance its existing borrowings or its ability to secure additional borrowings.

Adverse business consequences of this impact on borrowings may include:

- an inability to fund capital expenditure requirements in relation to the Fortune REIT Properties;
- an inability to fund acquisitions of properties; and
- cash flow shortages which may have an adverse impact on Fortune REIT's ability to make distributions.

As at 30 June 2009, Fortune REIT's Aggregate Leverage is 25.7%. A downward revaluation of any of the Fortune REIT Properties or Fortune REIT's investments may result in a breach of the borrowing limit under the Property Fund Guidelines which limits the Aggregate Leverage of a REIT to 35.0% of the value of its Deposited Property. In the event of such a breach, Fortune REIT, through the Trustee, will be unable to incur further indebtedness. In such circumstances, while Fortune REIT may not be required to dispose of its assets to reduce its indebtedness, the inability to incur further indebtedness may constrain its operational flexibility.

In addition, Fortune REIT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the Fortune REIT Properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on Fortune REIT's financial results in the financial years where there is a significant decrease in the valuation of Fortune REIT Properties which will result in revaluation losses that will be charged to its statements of total return.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of Fortune REIT

The outbreak of infectious diseases such as Influenza A (H1N1-2009), avian influenza or Severe Acute Respiratory Syndrome in Asia and elsewhere, together with any resulting restrictions on travel and/or the imposition of quarantines, could have a negative impact on economic and business activity in Asia and elsewhere including consumer spending in Hong Kong, and could thereby adversely impact the revenues and performance of Fortune REIT. There can be no assurance that any precautionary measures taken against infectious diseases will be effective. A future outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could have an adverse effect on the business, financial condition and results of operations of Fortune REIT.

Fortune REIT may have a higher level of gearing than certain other types of unit trusts and may experience limited availability of funds and face risks associated with debt financing and refinancing

Fortune REIT may require additional financing to fund working capital requirements, to support the future growth of its business including acquisitions, asset enhancement and capital expenditure and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to Fortune REIT. Factors that could affect Fortune REIT's ability to procure financing include the cyclical nature of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. The recent sub-prime mortgage financial crisis also had an adverse impact on availability and cost of funding and hence may also hinder Fortune REIT's ability to obtain additional financing. In addition, further consolidation in the banking industry in Singapore, Hong Kong and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. Fortune REIT's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trust, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments.

Fortune REIT has at the Latest Practicable Date a HK\$265.0 million revolving credit facility and a total of approximately HK\$2,348.7 million of borrowings due for refinancing in 2010 and will be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings, particularly in light of current uncertainty and instability in the global market conditions. In addition, Fortune REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and Fortune REIT's ability to make distributions to Unitholders. Such covenants may also restrict Fortune REIT's ability to acquire properties or undertake other capital expenditure and asset enhancements or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which may adversely affect Fortune REIT's cash flow and the amount of distributions Fortune REIT could make to Unitholders.

Fortune REIT may be adversely affected by the illiquidity of real estate investments

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the ability of Fortune REIT to manage its portfolio in response to changes in economic or other conditions. This could have an adverse effect on Fortune REIT's financial condition and results of operations, with a consequential

adverse effect on Fortune REIT's ability to make expected returns. Moreover, Fortune REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity.

In addition, if Fortune REIT defaults in its payment obligations, mortgagees to any of the affected properties could foreclose or require a forced sale of any of the affected properties with a consequent loss of income and asset value to Fortune REIT. The amount to be received upon a foreclosure sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the Fortune REIT Properties is illiquid and there can be no assurance that any of the Fortune REIT Properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale will be sufficient for Fortune REIT to meet its obligations pursuant to its borrowings.

Exchange rate fluctuations may adversely affect the value of the Units and any distributions payable to the Unitholders

Units are listed in Hong Kong dollars on the SGX-ST. Distributions will be declared in Hong Kong dollars. However, unless Unitholders elect prior to each distribution date to receive the distributions in Hong Kong dollars, such distributions will be paid in the Singapore dollar equivalent of the Hong Kong dollar distribution declared. The value of the proceeds in which a Unitholder receives upon the sale of his Units in Singapore dollar and the value of distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rate between the Hong Kong dollar and the Singapore dollar. Unitholders are exposed to the risk of foreign exchange rate fluctuations when they subsequently sell their Units which are listed in Hong Kong dollars.

The Manager may change Fortune REIT's investment strategy

Fortune REIT's policies with respect to certain activities including investments and acquisitions will be determined by the Manager. While the Manager has stated its intention to invest primarily in real estate in Hong Kong (used or substantially used) for retail purposes, the Trust Deed gives the Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Hong Kong and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

The Manager may not be able to implement its investment strategy

The Manager's investment strategy includes expanding Fortune REIT's portfolio of properties and providing regular and stable distributions to Unitholders. There can be no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand Fortune REIT's portfolio at all, or at any specified rate or to any specified size. The Manager may not be able to make investments or acquisitions on favourable terms or within a desired time frame.

Fortune REIT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all, particularly in light of current unprecedented global market conditions. Even if Fortune REIT were able to successfully make additional property investments, there can be no assurance that Fortune REIT will achieve its intended return on such investments. Since the amount of debt that Fortune REIT can incur to finance acquisitions is limited by the Property Fund Guidelines, such acquisitions will largely be dependent on Fortune REIT's ability to raise equity capital, which may result in a dilution of Unitholders' holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including commercial property development companies, private investment funds and other REITs whose investment policy is also to invest in properties used for retail purposes. There can be no assurance that Fortune REIT will be able to compete effectively against such entities.

The Manager may not be able to implement its asset enhancement strategy

One of the Manager's strategies for growth is to increase yields and total returns through a combination of the addition and/or optimisation of retail space at the relevant property. Any asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to any of such asset enhancement initiatives and/or their outcomes being materially different from the original projections or plans. There can be no assurance that the Manager will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiatives will enhance the value of the relevant property. In addition, any proposed asset enhancement initiatives are subject to Fortune REIT obtaining the approvals of the relevant authorities and fellow subsidiary proprietors where relevant. Furthermore, the Manager may not be able to carry out the proposed asset enhancement initiatives within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiatives may be reduced or lost. Even if the asset enhancement initiatives are successfully carried out, there can be no assurance that Fortune REIT will achieve its intended return or benefit from such asset enhancement initiatives.

Fortune REIT depends on certain key personnel and the loss of any key personnel may adversely affect its financial condition and results of operations

Fortune REIT's success depends, in part, upon the continued service and performance of members of the management team of the Manager and certain key senior personnel. These key personnel may leave the Manager in the future and compete with the Manager and Fortune REIT. The loss of any of these key individuals, or of one or more of the Manager's other key employees, could have a material adverse effect on Fortune REIT's financial condition and results of operations.

Future performance of Fortune REIT depends largely on Fortune REIT's ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on Fortune REIT's businesses, financial condition and results of operations.

Fortune REIT may be involved in legal and other proceedings from time to time

Fortune REIT may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers, service providers and other partners involved in the occupancy, asset enhancement, operation and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause Fortune REIT to suffer additional costs and delays. In addition, Fortune REIT may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses and/or delay the construction or completion of its projects.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of Fortune REIT

Although there have been no such incidents in Hong Kong in recent years, there has been an increasing number of bombings and similar politically or ideologically motivated attacks on large retail and commercial properties in recent years. Terrorist activities, acts of violence or war and adverse political developments could materially and adversely disrupt or even halt the operations of Fortune REIT and/or affect the Hong Kong economy, and may adversely affect the operations, revenues and

profitability of Fortune REIT. These events and their consequences are unpredictable, and Fortune REIT may not be able to take adequate precautions, and the necessary insurance coverage may be unavailable or commercially unfeasible.

Risks Associated with the Operating of the Properties Held by Fortune REIT

The Fortune REIT Properties may face competition from other properties

There is keen competition between the Fortune REIT Properties and other existing and new retail properties for tenants. Whenever competing properties in the vicinity of the Fortune REIT Properties are developed or substantially upgraded and refurbished, the attractiveness of the Fortune REIT Properties to prospective tenants may be affected. New retail projects are also expected to compete with the Fortune REIT Properties for retailers and tenants.

Factors that affect the ability of a commercial property to attract or retain tenants include the attractiveness of the building and its surrounding areas to prospective tenants and their customers or clients and the quality of the building's existing tenants. The income from and market value of the Fortune REIT Properties will be largely dependent on the ability of the Fortune REIT Properties to compete against other commercial properties in the relevant localities in attracting and retaining tenants. Historical operating results of the Fortune REIT Properties may not be indicative of future operating results and historical market values of the Fortune REIT Properties may not be indicative of future market values of the Fortune REIT Properties.

The loss of tenants may adversely affect the business, financial condition and results of operations of Fortune REIT

Fortune REIT's financial condition, results of operations, ability to lease properties and/or make distributions and the value of its property portfolio may be adversely affected by the bankruptcy and/or insolvency of tenants or downturn in the business of tenants, including the decision by such tenants not to renew their leases or terminate their leases before they expire.

The loss of anchor tenants could directly and indirectly reduce the future cash flows of Fortune REIT

Each of the Fortune REIT Properties is, and each of the Acquisitions will be, substantially dependent on its anchor tenants. Fortune REIT's ability to sell its properties and the value of such properties could be adversely affected by the loss of an anchor tenant in the event that such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business, including the decision by any such tenants not to renew their leases.

Space that has been vacated by an anchor tenant can reduce the demand for and value of other properties because of the loss of the departed anchor tenant's customer drawing power. In addition, as some of the Fortune REIT's anchor tenants may be related to each other or occupy space in multiple Fortune REIT Properties and/or Properties, the risk of such loss is concentrated and could affect some or all of the Fortune REIT Properties if it should occur. Any of these events could materially and adversely affect Fortune REIT's businesses, financial condition and results of operation.

The Fortune REIT Properties are all located in Hong Kong and are all retail and commercial properties, which may result in a higher level of risk compared to REITs with more diversified holdings

The Fortune REIT Properties are all located in Hong Kong and are all retail and commercial properties. Such investment in properties in the same locality may pose a higher level of risk for Fortune REIT as compared to some other REITs that have properties spread out globally and/or in different types of real

estate. A concentration of investments in a portfolio of commercial properties in the same locality will cause Fortune REIT to be susceptible to a downturn in the micro-property market in such locality, particularly where there is a decline in the rental rates or the capital value of commercial properties in the micro-property market.

Fortune REIT may suffer an uninsured loss

Fortune REIT maintains insurance policies in line with general business practices in Hong Kong in the real estate and commercial properties industries, with policy specifications and insured limits which Fortune REIT believes are practical and adequate. Risks insured against include property damage, terrorism and public liability. There are, however, certain types of losses (such as from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, Fortune REIT could be required to pay compensation, suffer loss capital invested in the relevant property, or anticipated future revenue from that property. Fortune REIT would also remain liable for any debt that is with recourse to Fortune REIT and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the results of operations and financial condition of Fortune REIT. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for Fortune REIT will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The gross revenue earned from, and the value of, the Fortune REIT Properties may be adversely affected by a number of factors

The gross revenue earned from, and the value of, the Fortune REIT Properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce Fortune REIT's gross revenue and its ability to recover certain operating costs through service charges;
- the inability of the property managers of Fortune REIT to collect rent from tenants on a timely basis or at all;
- tenants requesting rental rebates due to the impact of the current economic downturn;
- tenants requesting waiver of interest on late payment of rent;
- events affecting the Fortune REIT Properties which could result in the inability of the relevant tenants to operate on such properties and thereby resulting in the inability of such tenants to make timely payments of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income at all, or delays in the termination of the tenant's lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for retail space, changes in market rental rates and operating expenses for the Fortune REIT Properties);
- increased competition from existing and new retail properties in surrounding areas;

- the Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- competition for tenants from other similar properties which may affect rental income or occupancy levels at the Fortune REIT Properties;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and
- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Manager.

The Fortune REIT Properties may be subject to increases in property expenses

Fortune REIT's ability to make distributions to Unitholders could be adversely affected if property expenses, such as maintenance charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses include but are not limited to any:

- increase in the amount of maintenance and sinking fund contributions payable on the Fortune REIT Properties;
- increase in agent commission expenses for procuring new tenants;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in sub-contracted service costs;
- increase in the rate of inflation;
- increase in insurance premiums; and
- increase in costs relating to adjustment of the tenant mix.

Fortune REIT is exposed to general risks associated with relying on third-party contractors to provide various services

Fortune REIT engages or will engage third-party contractors to provide various services in connection with any commercial developments it may have and with the day to day operation of its properties and physical asset enhancement works, including construction, building and property fitting-out work, alterations and additions, interior decoration and installation of air-conditioning units and lifts. Fortune REIT is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and Fortune REIT may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to Fortune REIT. Fortune REIT also engages external property managers to provide

property management services in respect of the Fortune REIT Properties. There can also be no assurance that the services rendered by such third parties will be satisfactory or match Fortune REIT's targeted quality levels. All of these factors could adversely affect Fortune REIT's businesses, financial condition and results of operations.

Risks Associated with the Rights Issue

An active trading market may not develop for the Rights Entitlements and, if a market does develop, the Rights Entitlements may be subject to greater price volatility than the Unit

A trading period for the Rights Entitlements has been fixed for 23 September 2009 to 1 October 2009. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the Rights Entitlements trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if active markets develop, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the Rights Entitlements of the Ineligible Unitholders, the sales may give pressure to the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

Unitholders who do not or are not able to accept their Rights Entitlements will experience a dilution in their interest in Fortune REIT

If Unitholders do not or are not able to accept their Rights Entitlements, their proportionate interest in Fortune REIT and their share of distributions made by Fortune REIT will be reduced. They may also experience a dilution in the value of their Units. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in Fortune REIT as a result of the Rights Issue.

Exchange rate fluctuations may adversely affect the value of any refunds payable to the Unitholders

Acceptances of and/or applications for and payment for the Rights Units and/or Excess Rights Units are in Hong Kong dollars. The exchange rate used by the Participating Banks to convert Singapore dollars to Hong Kong dollars may vary from bank to bank and from day to day. However, refunds made by Participating Banks for any unsuccessful Excess Rights Units and/or rejected applications will be made in Singapore dollars based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund. As such, the value of refunds made to Unitholders for any unsuccessful Excess Rights Units and/or rejected applications may be adversely affected by fluctuations in the exchange rate between the Hong Kong dollar and the Singapore dollar. In accepting their Rights Entitlements and (if applicable) applying for Excess Rights Units, Unitholders should also note that the exchange rate between the Hong Kong dollar and the Singapore dollar may be different from bank to bank and from day to day.

Risks Associated with the Acquisitions

Caribbean Bazaar is subject to certain conditions under the Government Lease

The Government Lease granted in respect of Caribbean Bazaar imposes certain obligations on Genuine Joy Limited including the obligation not to assign or otherwise dispose of or part with possession of, except as a whole, the undivided shares allocated to parts of the commercial development comprised in Caribbean Bazaar. Such restriction and obligation imposed by the Government Lease on the Genuine Joy Limited may have an adverse effect on Fortune REIT's operation and its ability to dispose of Caribbean Bazaar or the shares in Genuine Joy Limited.

The completion of the acquisition of Caribbean Bazaar requires a consent to assign from the Lands Department

The grantee, MTR Corporation Limited, is restricted from entering into any agreement or assign any part of the lot on which the Caribbean Bazaar stands without the consent from the Director of Lands of the Lands Department of the Hong Kong Government prior to compliance of all the conditions contained in the Government Lease. If a certificate of compliance was issued in respect of the lot, then the consent to sell or consent to assign from the Director of Lands of the Lands Department of the Hong Kong Government is not required. The consent to assign in respect of the 117 commercial carparking spaces was issued on 21 May 2008. While the consent to enter into the agreement for sale and purchase in respect of the commercial development, kindergarten and the wet market (forming part of the Caribbean Bazaar) has been given on 27 July 2009, the completion of the Caribbean Bazaar is still subject to MTR Corporation Limited obtaining the consent to assign from the said Director of Lands in respect of the commercial development, kindergarten and the wet market. The completion of the acquisition of Caribbean Bazaar may be delayed or cancelled as it is subject to the vendor, MTR Corporation Limited, obtaining the aforementioned consent to assign and the granting of such consent or the timing thereof is not within the control of the Manager and is uncertain.

The operation of the wet market in the form of a supermarket in Caribbean Bazaar is subject to the subsistence of a waiver letter

A waiver letter registered in the Land Registry by Memorial No.06032901870139 has been granted by the Lands Department of the Hong Kong Government to MTR Corporation Limited so as to permit the operation of the wet market (forming part of Caribbean Bazaar) in the form of a supermarket (the “**Waiver Letter**”). The waiver is for a term of three years from 16 February 2006 to 15 February 2009 subject to payment of an annual waiver fee to the Hong Kong Government and a deposit as security for the due performance and observance of the terms of the Waiver Letter for the first three years of the term and thereafter the term will be quarterly at a revised waiver fee payable quarterly and subject to payment of a revised deposit. The Waiver Letter may be terminated by either party giving to the other party not less than three calendar months’ prior notice in writing. The Waiver Letter is now in subsistence. The wet market is now being let to A.S. Watson Group (HK) Limited for the operation of a supermarket for the term from 1 February 2006 to 31 January 2012 at a monthly basic rent plus a turnover rent (the “**Wet Market Lease**”). The Wet Market Lease provides that the subsistence and the continuation of the Wet Market Lease are subject to the subsistence and continuation of the Waiver Letter. The Wet Market Lease is connected with the lease of the adjoining premises (“**Connected Lease**”) also leased to A.S. Watson Group (HK) Limited for a term of six years at a monthly basic rent plus turnover rent from 1 February 2006 such that the Connected Lease will automatically terminate upon the termination of the Wet Market Lease. Since the subsistence and the continuation of the Wet Market Lease are subject to the subsistence and continuation of the Waiver Letter, there may be a risk that the Wet Market Lease and the Connected Lease may be terminated if the Waiver Letter is terminated by the Hong Kong Government.

The common area of Metro Town includes a covered footbridge of which Fortune REIT will have no legal title

Metro Town comprises of, among other things, a covered footbridge. It is a term of the agreement for sale and purchase dated 22nd November 2006 Memorial No.06120801360015 that legal title to the covered footbridge will vest in Mega Gain Resources Limited insofar as MTR Corporation Limited has the title and right to assign and is capable of taking effect, but in so far as MTR Corporation Limited does not have the title and right to assign, Mega Gain Resources Limited shall be granted such right to use occupy and enjoy the covered footbridge as MTR Corporation Limited is subject to the obligations to maintain and manage the same. As the covered footbridge is outside the boundary of the lot on which Metro Town stands, MTR Corporation Limited does not actually have title to assign the same and accordingly, Fortune REIT will not on completion have title to the same. Mega Gain

Resources Limited has agreed with MTR Corporation Limited (i) to, at its own costs and expenses, manage, repair and maintain in good repair and condition the structures associated with the footbridge, the covered footbridge and the pedestrian walkway all forming part of Metro Town; (ii) to indemnify MTR Corporation Limited from and against all liabilities and claims arising out of or in connection with the same and deal with and resolve any complaints, disputes or claims from any third party arising in connection with or incidental to the use or operation or control of the same; and (iii) that in the event that Metro Town ceases to be held by one single owner, the structures associated with the footbridge, the covered footbridge and the pedestrian walkway shall form part of the common areas of Metro Town and the co-owners of Metro Town shall contribute to the management, repair and maintenance expenses.

The Manager is an affiliate of Cheung Kong. There are potential conflicts of interest between Fortune REIT, the Manager and Cheung Kong

Cheung Kong, its subsidiaries and affiliates (including ARA Asset Management Limited, the parent company of the Manager) are engaged in, and/or may engage in, amongst other things, investment in, and the development and management of, retail shopping malls in Hong Kong and elsewhere as well as portfolio management. In addition, certain members of the board of directors of the Manager are representatives of Cheung Kong. Furthermore, Goodwell-Fortune Property Services Limited, which is a subsidiary of Cheung Kong, is the property manager of the Existing Properties (the “**Property Manager**”) and will be similarly appointed as the property manager of the Properties to assist the Manager in the management of the properties held by Fortune REIT in Hong Kong, including services in respect of the renewal of tenancies and the finding of new or replacement tenants for such properties.

Cheung Kong and the parent company of the Manager have entered into financial transactions and may continue to do so in the future. As a result, the strategy and activities of Fortune REIT may be influenced by the overall interests of Cheung Kong. There can be no assurance that conflicts of interest will not arise between Fortune REIT and Cheung Kong in the future, including in relation to the acquisition of properties as well as competition for tenants within the Hong Kong market or that the interests of Fortune REIT will not be subordinated to those of Cheung Kong in such circumstances.

Conflicts related to the acquisition of properties from Cheung Kong

The Properties to be acquired by Fortune REIT consist of properties owned directly and indirectly by Cheung Kong (with the exception of Caribbean Bazaar of which Cheung Kong has an interest in part of its purchase consideration). Each of the Properties has been appraised by the Independent Valuers, Knight Frank, which has been appointed by the Trustee, and Savills, which has been appointed by the Manager, and the purchase price of each Property is lower than the lower of the two valuations by the Independent Valuers. However, there can be no assurance that the terms of acquisition of the Properties and other terms and conditions relating to the purchase of the Properties (in particular with respect to the representations, warranties and/or indemnities agreed) will not be adverse to Fortune REIT or will reflect an arm’s length acquisition of the Properties by Fortune REIT.

Fortune REIT’s ability to make distributions to Unitholders is dependent on the financial position of the Property Companies¹ and the Existing Property Companies

It is intended that Fortune REIT own and operate the Properties and the Existing Properties through the Property Companies and the Existing Property Companies respectively. In order to meet its payment obligations and to pay distributions to Unitholders, Fortune REIT will be relying on the receipt of dividends and advances from the Property Companies and the Existing Property Companies. The ability of the Property Companies and the Existing Property Companies to make such payments may

¹ “**Property Companies**” refers to the respective owners of the Properties (being Mega Gain, a wholly-owned subsidiary of MPI which directly holds Metro Town and the special purpose vehicles established by Fortune REIT for the purpose of directly holding the other Properties (each a “**Property Company**”)).

be restricted by, among other things, the Property Companies' and the Existing Property Companies' respective business and financial positions, the availability of distributable profits, applicable laws and regulations or the terms of agreements to which they are, or may become, a party.

There can be no assurances that any of the Property Companies or the Existing Property Companies will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to Fortune REIT. The level of profit or surplus of each Property Company available for distribution by way of dividend to Fortune REIT may be affected by a number of factors, including:

- operating losses incurred by the Property Companies and/or the Existing Property Companies in any financial year;
- losses arising from a revaluation of any of the Properties and/or the Existing Properties following any diminution in value of any of the relevant Properties and/or the Existing Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the relevant Property Company and/or the relevant Existing Property Company may distribute dividends;
- changes in accounting standards, taxation regulations, corporation laws and regulations relating thereto, in Hong Kong, Singapore and/or British Virgin Islands, where the Property Companies and the Existing Property Companies are incorporated; and
- insufficient cash flows received by the Property Companies and the Existing Property Companies from the Properties and the Existing Properties.

The Acquisitions may be subject to risks associated with the acquisition of Properties and/or shares in property holding companies

While the Manager believes that reasonable due diligence have been conducted with respect to the Property Companies (in the case of Metro Town) and the Properties prior to their acquisitions, there can be no assurance that the Properties or the Property Companies will not have defects or deficiencies other than those disclosed in this Offer Information Statement. In addition, some of the Properties may not comply with certain regulatory requirements or may be in breach of laws and administrative regulations including those in relation to real estate that the due diligence carried out by the Manager did not uncover. As a result, Fortune REIT may incur additional financial or other obligations in relation to such defects or deficiencies.

Fortune REIT holds properties through the property companies on long-term Government leases and these leases contain certain provisions which may have an adverse effect on the financial condition and results of operations of Fortune REIT

Each of the properties of Fortune REIT is held under a Government Lease which contains terms and conditions ordinarily found in grants or leases granted by the Hong Kong Government such as provisions requiring the lessee:

- to develop or redevelop the land in compliance with the buildings and town planning legislations and regulations;
- not to exceed the permitted gross floor area or permitted plot ratio and site coverage;
- to use the land and buildings erected on the land for the permitted use;
- to maintain the land and all buildings erected on the land in good and substantial repair and condition;

- to maintain and repair any roads, slopes, retaining walls, footbridge, seawall, marine structures, supports, foundations or other structures whether on the land or on adjoining land and in accordance with the relevant guidelines issued from time to time by the relevant government authorities;
- to pay the yearly government rent and discharge all taxes, rates, charges and assessments imposed on the land; and
- not to encroach upon or occupy any adjoining Government land.

The Hong Kong Government has a right to terminate a Government Lease and re-enter the land in the event the lessee fails to observe or perform the terms and conditions of the Government Lease.

One or more of the Fortune REIT Properties may be acquired compulsorily by the Hong Kong Government

The Hong Kong Government has the power to compulsorily acquire any land in Hong Kong (including the Existing Properties as well as the Properties) pursuant to the provisions of applicable legislation including but not limited to the Lands Resumption Ordinance (Cap. 124) of Hong Kong, Roads (Works, Use and Compensation) Ordinance (Cap. 370) of Hong Kong, Railways Ordinance (Cap. 519) of Hong Kong, Land Acquisition (Possessory Title) Ordinance (Cap. 130) of Hong Kong, Land Drainage Ordinance (Cap. 446) of Hong Kong, Urban Renewal Authority Ordinance (Cap. 563) of Hong Kong and the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Cap. 276) of Hong Kong.

For compulsory acquisitions of property in Hong Kong, the amount of compensation to be awarded is based on the open market value of a property and will be assessed on the basis prescribed in the respective ordinances. In the event of any compulsory acquisition of the Fortune REIT Properties, the level of such compensation may be less than the market price of such property compulsorily acquired that may be received upon the sale of such property in the open market. Furthermore, the amount of compensation received may be less than the consideration paid by Fortune REIT for the property.

Fortune REIT's operations and ownership of the Properties may be affected by the economic, political and legal environment in Hong Kong

As the Existing Properties and the Properties are located in Hong Kong, the performance of these properties, the financial condition of the Property Companies and, in turn, Fortune REIT's operations, *inter alia*, are dependent to a large extent on the economic growth and political stability in Hong Kong. Any adverse changes in the economic, political and legal environments in Hong Kong, including the outbreak of communicable diseases or political unrest, may have an adverse effect on Fortune REIT's financial performance and operating results. Specifically, where laws, policies and regulations in Hong Kong continue to evolve and change, such changes may ultimately have a positive or negative impact on Fortune REIT's business operations and financial results.

Most of the Properties' and the Existing Properties' leases are for periods of up to three years, which exposes them to significant rates of lease expiries each year

Most of the tenancies for the Properties and the Existing Properties are for periods of up to three years, which reflects the general practice in the Hong Kong retail property market for tenancies. As a result, each of the Properties and the Existing Properties experiences lease cycles in which a significant number of leases expire each year. This exposes Fortune REIT to certain risks, including risks of reduced occupancy levels resulting from vacancies following the expiry or non-renewal of leases. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases. If a large number of tenants do not renew their leases in a year

with a high rate of lease expiries, or if new tenants do not enter into leases on terms that are as or more favourable as the terms of the expiring leases, it could have a material adverse effect on the relevant property and affect Fortune REIT's financial performance and distributable income.

Fortune REIT is reliant on some of the Properties and the Existing Properties for a substantial portion of its property income and a decline in the income distribution from such of the Properties and the Existing Properties will adversely affect Fortune REIT

Fortune REIT is currently dependent on City One Shatin Property, Ma On Shan Plaza and The Metropolis Mall for a substantial portion of its property income. After the Acquisitions, Fortune REIT is expected to depend on City One Shatin Property, Ma On Shan Plaza, Metro Town and The Metropolis Mall for a substantial portion of its property income for Fortune REIT. Significant disruptions to the businesses and operations of City One Shatin Property, Ma On Shan Plaza, Metro Town and The Metropolis Mall would have a greater effect on Fortune REIT's financial condition and results of operations than similar occurrences at the other Properties and Existing Properties.

The actual performance of Fortune REIT, the Existing Properties and the Properties could differ materially from the pro forma statements in this Offer Information Statement

This Offer Information Statement contains pro forma statements regarding the pro forma financial performance of Fortune REIT, the Existing Properties and the Properties. These pro forma statements are based on historical data and a number of assumptions. As a result, actual results and performances of Fortune REIT, the Existing Properties or the Properties may differ materially from that forecast in these pro forma statements.

Properties held by Fortune REIT may be subject to increases in operating and other expenses

Fortune REIT's ability to make distributions to Unitholders could be adversely affected if operating and other expenses increase without a corresponding increase in revenues or tenant reimbursements of operating and other costs.

Factors which could increase operating and other costs include:

- increases in annual rents payable to the Hong Kong Government under the Government leases and management fees payable to the manager under the relevant Deeds of Mutual Covenant for the Properties and the Existing Properties;
- increases in payroll expenses and energy costs;
- increases in property taxes and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in sub-contracted service costs;
- increases in the rate of inflation;
- increases in insurance premiums; and
- defects affecting the Properties which need to be rectified, leading to unforeseen capital expenditure.

Fortune REIT may cease to be exempt from certain taxes imposed by Singapore which would have a material adverse effect on the tax position of Fortune REIT

Fortune REIT has obtained tax rulings from the Inland Revenue Authority of Singapore and the Singapore Ministry of Finance confirming that its dividend income received from Marvel Point Investments Limited, the Property Companies (other than Mega Gain) and the Existing Property Companies that is paid out of income which is subject to Hong Kong profits tax of at least 15.0% is exempt from Singapore income tax (the “**Tax Rulings**”). However, should the profits tax rate in Hong Kong fall below 15.0% in the future, such dividend income will no longer be tax-exempt when received or deemed received in Singapore, but will instead be subject to Singapore income tax at the prevailing corporate income tax rate, which is currently 17.0%¹. There can be no assurance that rates of taxation in Hong Kong will not change in a manner that may adversely affect the Tax Rulings or Fortune REIT’s tax position.

Hong Kong profits tax rate may rise above 16.5% which could have a material adverse effect on Fortune REIT’s income

Fortune REIT will primarily rely on dividend payments from the Property Companies and the Existing Property Companies for its income. Should the profits tax rate in Hong Kong rise above the current rate of 16.5% in the future, the level of after-tax profit or surplus of each of the Property Companies and the Existing Property Companies available for distribution (by way of dividend payment) to Fortune REIT could be reduced substantially. There can be no assurance that the profits tax rate in Hong Kong will not change in a manner which may adversely affect Fortune REIT’s income.

Fortune REIT may be unable to comply with the terms of the Tax Rulings or the Tax Rulings may be revoked or amended

The Tax Rulings issued by the Inland Revenue Authority of Singapore and the Singapore Ministry of Finance are premised on Fortune REIT being a tax resident of Singapore on the basis that the Trustee and the Manager are resident in Singapore. A change in the tax residence status of Fortune REIT as a result of the Trustee or the Manager not being resident in Singapore is a breach of the terms of the Tax Rulings. Consequently, in such an event, the tax exemption would no longer be applicable and Fortune REIT would be subject to Singapore income tax on all income accrued in or derived from Singapore including income received in Singapore from outside Singapore at the prevailing corporate income tax rate in Singapore.

The Tax Rulings, either in part or in whole, may be revoked or their terms may be reviewed and amended by the Inland Revenue Authority of Singapore and/or the Singapore Ministry of Finance at any time. If the Tax Rulings are revoked or if the terms and conditions attached to the Tax Rulings are amended and cannot be complied with, Fortune REIT may be subject to Singapore income tax on its dividend income receivable from the Property Companies and the Existing Property Companies that are paid out of income which is already subject to Hong Kong profits tax. In such event, tax will be assessed on and collected from the Trustee. In these circumstances, distributions from such income will be capital in nature and not be subject to tax when received by the Unitholders.

Risks Associated with an Investment in the Units

The trading price of the Units has been, and may continue to be, volatile

The trading price of the Units has been, and may continue to be, subject to large fluctuations. The trading price of the Units may increase or decrease in response to a number of events and factors, including:

¹ Announced in Singapore Budget 2009, but not yet promulgated into law.

- quarterly variations in operating results;
- changes in estimates and recommendations by securities analysts;
- the operating and stock price performance of companies in the real estate industry and other REITs;
- developments affecting Fortune REIT, its tenants or its competitors;
- valuations of the properties held by Fortune REIT;
- changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- changes in general economic conditions; and
- other events or factors described in this Offer Information Statement.

This volatility may adversely affect the trading price of the Units regardless of Fortune REIT's operating performance.

Fortune REIT may not be able to make distributions or the level of distributions may fall

The income which Fortune REIT earns from its real estate investments depends on, among other things, its debt-servicing requirements, the amount of rental income received, and the level of property expenses and operating expenses incurred. If the properties held by Fortune REIT do not generate sufficient income, its cash flow and ability to make distributions will be adversely affected. There can be no assurance that the level of distributions will be maintained or increased over time, that there will be contractual increases in rent under the leases of the properties held by Fortune REIT or that the receipt of rental revenue in connection with any enhancement of the properties held by Fortune REIT or future acquisitions of properties will increase Fortune REIT's income available for distribution to Unitholders.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions

The SFA and the Code contains certain provisions that may delay, deter or prevent a future take-over or change in control of Fortune REIT. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in:

- (i) 30.0% or more of the total Units; or
- (ii) when holding not less than 30.0% but not more than 50.0% of the total Units, more than 1.0% of the total Units in any six-month period,

will be required to make a general offer for the remaining Units. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of Fortune REIT. Some of the Unitholders may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Units at a price above the prevailing market price.

GENERAL INFORMATION

Legal and Arbitration Proceedings

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of Fortune REIT.

Material Contracts

There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in Fortune REIT's ordinary course of business, for the period of two years ending on the day before the date of lodgement of this Offer Information Statement, save for the Underwriting Agreement entered into between the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters in relation to the Rights Issue.

Breach of Terms and Conditions or Covenants of Credit Arrangement or Bank Loan

To the best of the Manager's knowledge and belief, Fortune REIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect Fortune REIT's financial position and results or business operations, or the investments by Unitholders.

Significant Changes

Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 June 2009, being the last day of the period covered by the 1H 2009 Unaudited Consolidated Financial Statements to the Latest Practicable Date, which may have a material effect on the financial position and results of Fortune REIT.

Trading of Units

The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

The Manager believes that Units are regularly traded on the SGX-ST.

Statement by Experts

Valuations of the Properties

The valuation of the Properties were prepared by the following licensed valuers, as the Independent Valuers:

Valuer	Address	Properties Valued
Knight Frank.....	4th Floor, Shui On Centre 6-8 Harbour Road, Wanchai Hong Kong	(i) Metro Town, (ii) Caribbean Bazaar and (iii) Hampton Loft
Savills.....	23rd Floor, Two Exchange Square Central, Hong Kong	(i) Metro Town, (ii) Caribbean Bazaar and (iii) Hampton Loft

The respective valuations of the Properties by Knight Frank and Savills dated 30 June 2009, as set out in “Information Relating to the Acquisitions”, were prepared by Knight Frank and Savills for the purpose of, among others, incorporation in the Offer Information Statement. Knight Frank and Savills, as the Independent Valuers, have each given, and have not, before the lodgement of this Offer Information Statement, withdrawn their respective written consent to the issue of this Offer Information Statement with the inclusion of its name and all references to name and the valuation of the Properties prepared by it in the form and context in which they are included in the Offer Information Statement.

Consents from Issue Managers and Underwriters

Each of Cazenove Singapore and DBS Bank has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as a Joint Financial Adviser and Joint Lead Manager and Underwriter for the Rights Issue.

Authority to Issue Rights Units

The Manager’s authority to issue the Rights Units is based on the recent measure introduced by the SGX-ST on 19 February 2009 allowing for a *pro rata* rights issue of units of a REIT of up to 100.0% of the issued units of the REIT, without the requirement for either a general or specific mandate from unitholders¹.

Miscellaneous

Fortune REIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at www.mas.gov.sg.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of Fortune REIT or Unitholders.

Other than the Rights Entitlements, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled “Risk Factors” in this Offer Information Statement for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled “Eligibility of Unitholders to Participate in the Rights Issue” in this Offer Information Statement for further information.

¹ As clarified by SGX-ST in its advisory. There is also no inconsistency with the Trust Deed in this regard.

Dated 17 September 2009

**Directors of ARA Asset Management (Singapore) Limited
(as manager of Fortune Real Estate Investment Trust)**

Mr Chiu Kwok Hung, Justin
Chairman and Director

Mr Lim Hwee Chiang, John
Director

Mr Ip Tak Chuen, Edmond
Director

Ms Yeung, Eirene
Director

Mr Lim Lee Meng
Independent Director and
Chairman of Audit Committee

Mr Cheng Mo Chi, Moses
Independent Director

Mrs Sng Sow-Mei (alias Poon Sow Mei)
Independent Director

Mr Ma Lai Chee, Gerald
Alternate Director to
Mr Ip Tak Chuen, Edmond

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

1H 2008	:	The first six months ended 30 June 2008
1H 2009	:	The first six months ended 30 June 2009
2006 Audited Consolidated Financial Statements	:	The audited financial statements of Fortune REIT for the financial year ended 31 December 2006
2007 Audited Consolidated Financial Statements	:	The audited financial statements of Fortune REIT for the financial year ended 31 December 2007
2008 Audited Consolidated Financial Statements	:	The audited financial statements of Fortune REIT for the financial year ended 31 December 2008
1H 2009 Unaudited Consolidated Financial Statements	:	The unaudited management accounts of Fortune REIT for the six months ended 30 June 2009
Acquisition Facility	:	The HK\$480.0 million term loan facility which will, along with part of the Rights Issue net proceeds, be used to finance the Acquisitions, and will be HK\$380.0 million if Fortune REIT proceeds only with the acquisitions of Metro Town and Hampton Loft
Acquisition Fee	:	The acquisition fee payable to the Manager under the Trust Deed in respect of the Acquisitions
Acquisitions	:	The acquisitions by the Trustee, by itself and through special purpose vehicles of Fortune REIT, of the Properties pursuant to the terms of the respective Sale and Purchase Agreements
Aggregate Excess Rights Units	:	Excess Rights Units taken up by Focus Eagle and Ballston and/or through the Cheung Kong Subsidiaries and the Hutchison Subsidiaries (as the case may be)
Aggregate Leverage	:	The ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property
Aggregate Purchase Consideration	:	The aggregate purchase consideration of HK\$2,039.0 million for the Properties (before adjustment for the consolidated net current assets or net current liabilities of MPI and Mega Gain as at Completion in the case of the acquisition of Metro Town)
ARA Group	:	ARA Asset Management Limited group (of which the Manager is a subsidiary)
ARE	:	The application form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
ARS	:	The application form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
ATM	:	Automated teller machine of a Participating Bank

Authority	:	Monetary Authority of Singapore
Ballston	:	Ballston Profits Limited
Ballston Pro Rata Undertaking	:	The undertaking dated 24 August 2009 provided by Ballston to the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Ballston will accept and subscribe for the Ballston Pro Rata Units
Ballston Pro Rata Units	:	Ballston's provisional allocation of Rights Units being 56,278,000 Rights Units
Ballston Sub-Underwriting Agreement	:	The sub-underwriting agreement dated 24 August 2009 entered into between Ballston, Hutchison and the Joint Financial Advisers and Joint Lead Managers and Underwriters pursuant to which Ballston has agreed to sub-underwrite 6.8% of the total number of Rights Units to be issued under the Rights Issue, being the number of the Ballston Pro Rata Units, such obligation being set off by the number of the Ballston Pro Rata Units that are taken up pursuant to the Ballston Pro Rata Undertaking
Base Fee	:	The base fee payable to the Manager under the Trust Deed (being 0.3% per annum of the Property Value)
BVI	:	British Virgin Islands
Caribbean Bazaar	:	Caribbean Bazaar at 1 Kin Tung Road, Tung Chung, Hong Kong comprises the commercial development, kindergarten, wet market and 117 commercial carparking spaces in Phase VI car park of the residential development called "Caribbean Coast"
Cazenove Singapore	:	Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company)
CDP	:	The Central Depository (Pte) Limited
Centre de Laguna Property	:	The property comprising the commercial area on the Ground Floor of the commercial development known as "Centre De Laguna", and the kindergarten of Block 32 to 38 of Laguna City located at the junction of Cha Kwo Ling Road and Sin Fat Road, Kowloon, Hong Kong
Cheung Kong	:	Cheung Kong (Holdings) Limited
Cheung Kong Subsidiaries	:	Subsidiaries of Cheung Kong
City One Shatin Property	:	The property comprising the following commercial portion and car parking spaces at City One Shatin, Shatin, New Territories, Hong Kong: <ul style="list-style-type: none"> (a) the free standing commercial podium known as Ngan Shing Commercial Centre (Commercial Block A) at the Ground Floor, 4th Floor and the Roof;

		(b) the free standing commercial podium known as City One Plaza (Commercial Block B) at the Ground Floor, 1st Floor and portion of the Roof, Roof Garden, Centre Garden and kiosks thereof;
		(c) the wet market and kindergarten below residential tower blocks 34–36, at ground floor level only;
		(d) various single shops and non-domestic units dispersed throughout the development at the Ground Floor level of 12 individual tower blocks; and
		(e) 658 car parking spaces within the development
Closing Date	:	(i) 7 October 2009 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and/or excess application and payment for the Rights Units under the Rights Issue through CDP;
		(ii) 7 October 2009 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and/or excess application and payment for the Rights Units under the Rights Issue through an ATM of a Participating Bank;
		(iii) 7 October 2009 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounee (if acceptance is made through CDP); or
		(iv) 7 October 2009 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounee (if acceptance is made through an ATM of a Participating Bank)
Closing Price	:	The last traded price of HK\$4.10 per Unit on the SGX-ST on 21 August 2009
Code	:	The Singapore Code on Take-overs and Mergers
Commitment Rights Units	:	149,624,371 Rights Units being 43.2% of the total number of Rights Units less the total number of Focus Eagle Pro Rata Units
Completion	:	The completion of the sale and purchase of the MPI Shares, Caribbean Bazaar, and/or (as the case may be) Hampton Loft, pursuant to the respective Sale and Purchase Agreements
Connected Lease	:	The lease of the adjoining premises to the wet market connected to the Wet Market Lease

Controlling Unitholder	:	A person who: (a) holds directly or indirectly, 15.0% or more of the nominal amount of Units; or (b) in fact exercises control over Fortune REIT.
DBS Bank	:	DBS Bank Ltd
Deposited Property	:	The total assets of Fortune REIT, including all its authorised investments held or deemed to be held under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EEA	:	European Economic Area
EGM	:	The extraordinary meeting of Unitholders held on 11 September 2009 at 2.30 p.m.
Electronic Application	:	Acceptance of the Rights Units and (if applicable) applications for Excess Rights Units under the Rights Issue made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
Eligible Unitholders	:	Unitholders with Units standing to the credit of their Securities Account (but do not include securities sub-accounts) and whose registered addresses with CDP are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, and such Unitholders who the Manager, on behalf of Fortune REIT, and in consultation with the Joint Financial Advisers and Joint Lead Managers and Underwriters determine, may be offered Rights Units without breaching applicable securities laws
Excess Rights Units	:	The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the provisional allotments or the purchasers of Rights Entitlements
Existing Properties	:	The Fortune REIT Properties
Existing Property Companies	:	The respective property companies which are wholly-owned by Fortune REIT and which hold the Existing Properties
Existing Revolving Facility	:	The HK\$265.0 million revolving credit facility due on 28 June 2010, under which HK\$30.0 million was outstanding as of 30 June 2009
Existing Term Facility	:	The existing term loan facility of Fortune REIT of HK\$2,348.7 million due on 28 June 2010

Existing Unit	:	Each Unit in issue as at the Rights Issue Books Closure Date
Financial Statements	:	The 2006 Audited Consolidated Financial Statements, the 2007 Audited Consolidated Financial Statements, the 2008 Audited Consolidated Financial Statements and the 1H 2009 Unaudited Consolidated Financial Statements
Focus Eagle	:	Focus Eagle Investments Limited
Focus Eagle Pro Rata Undertaking	:	The undertaking dated 24 August 2009 provided by Focus Eagle to the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters, pursuant to which Focus Eagle will accept, and/or procure any one or more of the Cheung Kong Subsidiaries to subscribe for the Focus Eagle Pro Rata Units
Focus Eagle Pro Rata Units	:	Focus Eagle's provisional allocation of Rights Units being 206,573,342 Rights Units
Focus Eagle Sub-Underwriting Agreement	:	The sub-underwriting agreement dated 24 August 2009 entered into between Focus Eagle, Cheung Kong and the Joint Financial Advisers and Joint Lead Managers and Underwriters pursuant to which Focus Eagle has agreed to, either directly or by procuring one or more of the Cheung Kong Subsidiaries to do so, sub-underwrite 43.2% of the total number of Rights Units to be issued under the Rights Issue, such obligation being set off by the number of the Focus Eagle Pro Rata Units that are taken up pursuant to the Focus Eagle Pro Rata Undertaking and the number of any Excess Rights Units and Nil-Paid Rights Units that are taken up by any one or more of the Cheung Kong Subsidiaries and/or the Hutchison Subsidiaries
Foreign Purchasers	:	Purchasers whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
Fortune REIT	:	Fortune Real Estate Investment Trust
Fortune REIT Properties	:	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
FSMA	:	Financial Services and Markets Act 2000
FY	:	Financial year
FY 2006	:	Financial year ended 31 December 2006
FY 2007	:	Financial year ended 31 December 2007
FY 2008	:	Financial year ended 31 December 2008
GDP	:	Gross domestic product

Hampton Loft	:	Hampton Loft at 11 Hoi Fan Road, Kowloon, Hong Kong comprises the commercial units on level five and level six and 35 commercial carparking spaces on level one of the residential development called “Hampton Place”
HIBOR	:	Hong Kong Interbank Offer Rate
Hong Kong	:	Hong Kong Special Administrative Region of the People’s Republic of China
Hong Kong Government	:	Government of Hong Kong
Hutchison	:	Hutchison Whampoa Limited
Hutchison Subsidiaries	:	Subsidiaries of Hutchison
Independent Valuers	:	Knight Frank and Savills (each an “ Independent Valuer ”)
Independent Unitholders	:	Unitholders other than Cheung Kong, parties acting in concert with it and parties which are not independent of Cheung Kong
Ineligible Unitholders	:	Unitholders other than Eligible Unitholders
Joint Financial Advisers and Joint Lead Managers and Underwriters	:	Cazenove Singapore and DBS Bank Ltd, as joint financial advisers and joint lead managers and underwriters for the Rights Issue
Jubilee Court Shopping Centre	:	The commercial property (comprising retail premises and parking spaces) called “Jubilee Court Shopping Centre” located at Jubilee Gardens, Nos. 2–18 Lok King Street, Shatin, New Territories, Hong Kong
Knight Frank	:	Knight Frank Petty Limited
Latest Practicable Date	:	14 September 2009, being the latest practicable date prior to the lodgment of this Offer Information Statement with the Authority
Lido Garden Property	:	The property comprising 12 shop units on a portion on the Ground Floor at the northern fringe of the side boundary of the commercial/residential development called “Lido Garden” located at No. 41–63 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories, Hong Kong
Listing Manual	:	The Listing Manual of the SGX-ST
Listing Rules	:	The rules of the Listing Manual
Lock-Up Period	:	The period from the date on which the Rights Units are listed on the SGX-ST to the date falling 180 days after the date on which the Rights Units are listed on the SGX-ST
Manager	:	ARA Asset Management (Singapore) Limited, in its capacity as manager of Fortune REIT
Ma On Shan Plaza	:	The commercial property (comprising a podium of retail premises and public parking spaces) called “Ma On Shan Plaza”, located at Bayshore Towers, No. 608 Sai Sha Road, Shatin, New Territories, Hong Kong

Market Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Mega Gain	:	Mega Gain Resources Limited
Metro Town	:	Metro Town at 8 King Ling Road, Tseung Kwan O, Hong Kong, is located on top of the MTR Tiu Keng Leng Station. It comprises the commercial development on the ground level, level one, level two, level three and level five, and the covered footbridge as well as the whole commercial car park (with 74 commercial carparking spaces) on level two of the residential development called “Metro Town”
MPI	:	Marvel Point Investments Limited
MPI Shares	:	The entire issued share capital of MPI
MTR	:	Mass Transit Railway
Nan Fung	:	Nan Fung Development Limited
NAV	:	Net asset value
New Facilities	:	Comprises: <ul style="list-style-type: none"> (i) the Acquisition Facility; (ii) the Refinancing Facility; and (iii) the New Revolving Facility
New Revolving Facility	:	A HK\$270.0 million revolving loan facility which will be used for corporate funding purposes
New Territories	:	The area being north of Boundary Street to the Shenzhen River and 235 islands
Nil-Paid Rights Units	:	The Rights Units taken up after the Rights Entitlements acquired by the Cheung Kong Subsidiaries and the Hutchison Subsidiaries on the open market are exercised
Offer Information Statement	:	This offer information statement to Unitholders dated 17 September 2009
Participating Banks	:	See Appendix D for the list of Participating Banks
Properties	:	Metro Town, Caribbean Bazaar and Hampton Loft (each a “ Property ”)
Property Companies	:	The respective owners of the Properties (being Mega Gain, a wholly-owned subsidiary of MPI which directly holds Metro Town and the special purpose vehicles established by Fortune REIT for the purpose of directly holding the other Properties)
Property Funds Guidelines	:	The guidelines for real estate investment trusts as found in Appendix 2 of the Code on Collective Investment Schemes issued by the Authority
Property Manager	:	Goodwell-Fortune Property Services Limited

Property Value	:	The value of all real estate properties of Fortune REIT whether directly held by the Trustee or indirectly held by the Trustee through a property holding company
Pro Rata Undertakings	:	The Focus Eagle Pro Rata Undertaking and the Ballston Pro Rata Undertaking
Pro Rata Units	:	The Focus Eagle Pro Rata Units and the Ballston Pro Rata Units
Prospective Directive	:	Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State
Refinancing Facility	:	A HK\$2,830.0 million term loan facility which will be drawn down on or before 28 June 2010 and will be used to refinance the Existing Term Facility of Fortune REIT due on 28 June 2010 and the Acquisition Facility
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust
Related Party Transaction	:	A transaction which is an “interested person transaction” (as defined in the Listing Manual) and an “interested party transaction” (as defined in the Property Funds Guidelines)
Relevant Member State	:	Each member state of the EEA which has implemented the Prospective Directive
Rhine Garden Property	:	The property comprising various retail portions on the Ground Floor of the 3-storey podium of a commercial/residential development with ancillary car parking and recreational facilities known as “Rhine Garden” located at No. 38 Castle Peak Road, Sham Tseng, Tsuen Wan, New Territories, Hong Kong
Rights Entitlements	:	The “nil-paid” provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
Rights Issue	:	The issue of new Units on a fully underwritten and renounceable basis to Eligible Unitholders on the basis of one Rights Unit for every one Existing Unit held as at the Rights Issue Books Closure Date at the Rights Issue Price
Rights Issue Books Closure Date	:	5.00 p.m. on 17 September 2009 being the time and date on which the Transfer Books and Register of Unitholders are closed to determine the Rights Entitlements
Rights Issue Price	:	HK\$2.29 being the issue price for each Rights Unit
Rights Units	:	The new Units to be issued for the purpose of the Rights Issue
Sale and Purchase Agreements	:	The sale and purchase agreements dated 24 August 2009 in relation to the acquisition of Properties or MPI Shares by the Trustee by itself and through special purpose vehicles of Fortune REIT, from the respective Vendors (each a “ Sale and Purchase Agreement ”)
Savills	:	Savills Valuation and Professional Services Limited

Securities Account	:	Securities accounts with CDP (but do not include securities sub-accounts)
Securities Act	:	U.S. Securities Act of 1933, as amended
SFA	:	Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	:	Singapore Exchange Securities Trading Limited
SGXNET	:	SGXNET Corporate Announcement Systems
Smartland	:	The majority portion, being 80.9% of the collective strata title shares, in the four-storey commercial portion of the East Asia Garden development (comprising parking spaces and a podium of retail premises), called “Smartland”, located at East Asia Gardens, Nos. 36–60 Texaco Road, Nos. 1 and 3–21 Tsuen Fu Street, Nos. 16 and 24 Tsuen Wah Street and Nos. 2 and 4 Tsuen Wing Street, Tsuen Wan, New Territories, Hong Kong
SRS	:	Supplementary Retirement Scheme
Substantial Unitholders	:	Unitholders with an interest in not less than 5.0% of all Units in issue
Sub-Underwriting Agreements	:	The Focus Eagle Sub-Underwriting Agreement and the Ballston Sub-Underwriting Agreement
Sub-Underwriting Commission	:	<p>The commission pursuant to the Sub-Underwriting Agreements, which the Joint Financial Advisers and Joint Lead Managers and Underwriters agree to pay to Focus Eagle and Ballston, from the Underwriting Commission:</p> <ul style="list-style-type: none"> (i) a fee of 1.75% of the Rights Issue Price multiplied by the number of Focus Eagle Pro Rata Units of 206,537,342 Units, representing 25.0% of the Rights Units (which is equivalent to HK\$8.3 million); (ii) a fee of 1.75% of the Rights Issue Price multiplied by the number of Ballston Pro Rata Units of 56,278,000 Units, representing 6.8% of the Rights Units (which is equivalent to HK\$2.3 million; and (ii) a fee of 2.25% of the Rights Issue Price multiplied by the number of Commitment Rights Units of 149,624,371 Units, representing 18.2% of the Rights Units (which is equivalent to HK\$7.7 million), <p>together with any goods and services tax payable thereon (where applicable)</p>
Tax Rulings	:	The tax ruling dated 28 July 2009 issued by the Inland Revenue Authority of Singapore and the tax rulings dated 10 June 2003 and 11 April 2005 issued by the Singapore Ministry of Finance on the taxation of Fortune REIT and its Unitholders

TERP	:	The theoretical ex-rights price of HK\$3.20 which is calculated as follows:
		$\text{TERP} = \frac{\text{Market capitalisation of Fortune REIT based on the Closing Price} + \text{Rights Issue gross proceeds}}{\text{Units in issue after the Rights Issue}}$
The Household Center	:	The commercial property (comprising commercial units and commercial parking spaces) called “The Household Center”, located at Nob Hill, No. 8 King Lai Path, Kwai Chung, New Territories, Hong Kong
The Metropolis Mall	:	The commercial property (comprising commercial units and parking facilities) called “The Metropolis Mall”, located at No. 6 Metropolis Drive, The Metropolis, Kowloon, Hong Kong
Total Acquisition Cost	:	The total cost of the Acquisitions, inclusive of the Aggregate Purchase Consideration, the Acquisition Fee payable to the Manager under the Trust Deed in respect of the Acquisitions as well as the estimated stamp duty, professional and other fees and expenses to be incurred in connection with the Acquisitions, is estimated to amount to HK\$2,091.4 million
Trust Deed	:	The trust deed constituting Fortune REIT entered into between the Trustee and the Manager on 4 July 2003 (as amended by an amending and restating deed dated 29 June 2005 and a supplemental deed dated 20 April 2006)
Trust Deed Amendment to Facilitate Equity Fund Raisings	:	The amendment to the Trust Deed for the purpose of allowing the Manager to obtain Unitholders’ approval for the issue of Units exceeding the limit (if any), set out in any applicable laws, regulations and the Listing Rules, relating to the issue of Units, where such approval is required under the Trust Deed, by way of an Ordinary Resolution instead of an Extraordinary Resolution
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Fortune REIT
Tsing Yi Square Property	:	The property comprising 48 shops on the Ground Floor, 29 shops on the 1st Floor and 27 car parking spaces on the basement of a commercial/residential development known as Tsing Yi Garden located at No. 7–19 Tsing Luk Street, Tsing Yi, New Territories, Hong Kong
Underwriting Agreement	:	The management and underwriting agreement entered into between the Manager and the Joint Financial Advisers and Joint Lead Managers and Underwriters on 24 August 2009
Underwriting Commission	:	The underwriting commission which the Joint Financial Advisers and Joint Lead Managers and Underwriters will be entitled to pursuant to the Underwriting Agreement which comprise: <ul style="list-style-type: none"> (i) 1.75% of the Rights Issue Price multiplied by the number of the Pro Rata Units of 262,815,342 Units, representing 31.9% of the Rights Units (which is equivalent to HK\$10.5 million); and

- (ii) 2.50% of the Rights Issue Price multiplied by 562,064,085 Units, representing 68.1% of the Rights Units being 824,879,427 Units which are fully underwritten by the Joint Financial Advisers and Joint Lead Managers and Underwriters under the terms of the Underwriting Agreement less the Pro Rata Units of 262,815,342 Units (which is equivalent to HK\$32.2 million),

together with goods and services tax payable thereon

Unit	:	A unit representing an undivided interest in Fortune REIT
Unitholders	:	Holder of Units
Unitholders' Circular	:	The unitholders' circular dated 24 August 2009
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Unit Share Market	:	Ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
U.S. or United States	:	United States of America
Vendors	:	McBride International Limited and Natisone Investments Limited in the case of Metro Town, MTR Corporation Limited in the case of Caribbean Bazaar and Global Coin Limited in the case of Hampton Loft
Waiver Letter	:	The waiver letter registered in the Land Registry by Memorial No.06032901870139 granted by the Lands Department of the Hong Kong Government to MTR Corporation Limited so as to permit the operation of the wet market (forming part of Caribbean Bazaar) in the form of a supermarket
Waldorf Garden Property	:	The property comprising the following shops and car parking spaces located at No. 1 Tuen Lee Street, Tuen Mun, New Territories, Hong Kong: (a) a retail floor on Level 3 of a 4-storey commercial/parking/recreational podium of a residential development known as "Waldorf Garden"; (b) 73 car parking spaces with two car parking spaces located on Level 1 of the podium, 67 car parking spaces on Level 2 and four lorry parking spaces on Level 1; (c) Bicycle Parking Area on Level 1; and (d) Bicycle Parking Area on Level 2
Wet Market Lease	:	The lease of the wet market to A.S. Watson Group (HK) Limited for the operation of a supermarket for the term from 1 February 2006 to 31 January 2012 at a monthly basic rent plus a turnover rent

Whitewash Resolution	:	The whitewash resolution for the waiver of the rights of Independent Unitholders to receive a mandatory offer from Cheung Kong and parties acting in concert with it for all the remaining Units not owned or controlled by Cheung Kong and parties acting in concert with it, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Code as a result of the acquisition by (a) Focus Eagle and/or the Cheung Kong Subsidiaries and (b) Ballston and/or the Hutchison Subsidiaries of:
		(a) the Pro Rata Units; and/or
		(b) the Commitment Rights Units; and/or
		(c) the Aggregate Excess Rights Units; and/or
		(d) the Nil-Paid Rights Units.
HK\$ and HK cents	:	Hong Kong Dollars and Hong Kong Cents
S\$ and cents	:	Singapore dollars and cents
“€” or “euro”	:	The single currency adopted in the region comprised of the member states of the European Union in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957) as amended
%	:	Per centum or percentage

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded off.

The information contained in the Manager’s website does not constitute part of this Offer Information Statement.

CERTAIN FINANCIAL INFORMATION RELATING TO FORTUNE REIT

Selected financial data from the 2006 Audited Consolidated Financial Statements, the 2007 Audited Consolidated Financial Statements, the 2008 Audited Consolidated Financial Statements and the 1H 2009 Unaudited Consolidated Financial Statements including the line items in the statement of total return, the distribution statements, consolidated balance sheets and the cash flow statements of Fortune REIT, is set out in this Appendix A. Financial data relating to DPU and earnings or loss per Unit is also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of Fortune REIT at www.fortunereit.com and are also available for inspection during normal business hours at the registered office of the Manager at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

The information contained on the website of Fortune REIT does not constitute part of this Offer Information Statement.

¹ Prior appointment with the Manager will be appreciated.

Consolidated Statement of Total Return and Distribution Statement

	1H 2009 HK\$'000	1H 2008 HK\$'000	FY 2008 HK\$'000	FY 2007 HK\$'000	FY 2006 HK\$'000
Total revenue	334,314	308,941	637,038	614,757	614,054
Property Operating Expenses	(88,525)	(72,897)	(159,570)	(150,791)	(162,939)
Net Property Income (before manager's performance fee)	245,789	236,044	477,468	463,966	451,115
Manager's performance fee	(7,374)	(7,081)	(14,324)	(13,911)	(13,533)
Net Property Income	238,415	228,963	463,144	450,055	437,582
Changes in fair value of properties	281,282	–	(1,130,590)	460,507	706,638
Borrowing costs	(43,943)	(53,142)	(100,711)	(112,682)	(107,046)
Profit (loss) before Tax	475,754	175,821	(768,157)	797,880	1,037,174
Hong Kong taxation	(31,419)	(22,236)	(52,484)	(58,226)	(57,278)
Net Profit (loss) of Existing Property Companies	444,335	153,585	(820,641)	739,654	979,896
Gain (loss) on disposal of investment property	–	(195)	(225)	–	2,940
Manager's Base Fee	(13,020)	(14,450)	(28,299)	(28,069)	(26,262)
Foreign exchange (loss)/gain	43	986	(172)	1,243	2,120
Trust expenses	(5,204)	(8,269)	(17,624)	(15,209)	(25,032)
Non tax-exempt income	655	6,563	13,441	7,671	6,800
Singapore taxation	(110)	(1,165)	(1,355)	(1,588)	(1,298)
Net Profit (loss) of Group	426,699	137,055	(854,875)	703,702	939,164
Non-tax deductible items and other adjustments	(265,001)	13,861	1,157,730	(418,826)	(662,543)
Income available for distribution⁽¹⁾ ..	161,698	150,916	302,855	284,876	276,621
Distribution per Unit (HK cents)	19.60	18.51	37.02	35.12	34.26
Earnings (loss) per Unit (HK cents)⁽²⁾					
— Basic	51.73	16.81	(104.74)	86.88	116.62
— Fully Diluted	51.73	16.81	(104.74)	86.88	116.62

Notes:

(1) Distribution for 1H 2009 has been accrued.

(2) Based on the weighted average number of Units in issue during the period under review.

Consolidated Balance Sheet

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Current Assets		
Cash and bank balances	306,961	243,361
Trade and other receivables	34,121	36,914
Total Current Assets	341,082	280,275
Non-Current Assets		
Investment properties	8,900,000	8,602,000
Fixed assets	80	117
Derivative asset	5,785	–
Total Non-Current Assets	8,905,865	8,602,117
Total Assets	9,246,947	8,882,392
Current Liabilities		
Trade and other payables	202,030	194,461
Borrowings	2,374,675	–
Derivative liability	45,674	11,472
Provision for taxation	33,778	9,209
Total Current Liabilities	2,656,157	215,142
Non-Current Liabilities		
Borrowings	–	2,342,663
Deferred tax liabilities	121,612	114,777
Derivative liability	–	53,446
Total Non-Current Liabilities	121,612	2,510,886
Total Liabilities	2,777,769	2,726,028
Net Assets	6,469,178	6,156,364
Unitholders' Equity		
Issued equity	4,383,551	4,370,531
Unit issue costs	(173,097)	(173,097)
Hedging reserve	(39,889)	(64,918)
Revenue reserve	2,298,613	2,023,848
Total Unitholder's Equity	6,469,178	6,156,364
Units in issue ('000) (including issuable Units)	824,879	820,819
Net asset value per Unit (HK\$)	7.84	7.50

Cash Flow Statement

	6 months ended 30 June 2009 HK\$'000	Year ended 31 December 2008 HK\$'000
Operating Activities		
Profit (loss) before taxation.....	458,228	(801,036)
Adjustments for:		
Changes in fair value of properties.....	(281,282)	1,130,590
Changes in fair value of derivative asset.....	–	(5,729)
Amortisation of debt front end fee	2,012	4,025
Loss on disposal of investment properties.....	–	225
Depreciation	37	74
Allowance for doubtful debts.....	2,138	2,078
Base Fee paid in units	13,020	28,299
Interest income.....	(655)	(7,712)
Borrowing costs.....	43,943	100,711
Operating Profit before changes in working capital.....	237,441	451,525
Decrease (increase) in trade and other receivables	530	(3,569)
Increase in trade and other payables	7,569	2,495
Cash generated from operating activities	245,540	450,451
Income taxes paid	–	(44,889)
Cash flows from operating activities	245,540	405,562
Investing Activities		
Disposal of investment properties	–	1,143
Upgrading of investment properties.....	(16,718)	(20,054)
Interest received	655	7,712
Cash flow used in investing activities	(16,063)	(11,199)
Financing Activities		
Distribution paid	(151,934)	(292,409)
Bank loan.....	30,000	–
Borrowing costs paid	(43,943)	(100,711)
Cash flow used in financing activities	(165,877)	(393,120)
Net increase in cash and cash equivalents	63,600	1,243
Cash and cash equivalents at beginning of the period/year ...	243,361	242,118
Cash and cash equivalents at end of the period/year	306,961	243,361

PROCEDURES FOR ACCEPTANCE, PAYMENT, RENUNCIATION AND EXCESS APPLICATION FOR RIGHTS UNITS BY ELIGIBLE UNITHOLDERS

1. Introduction

- 1.1 Eligible Unitholders are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement.
- 1.2 The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed of Fortune REIT and the instructions contained in the ARE.

The number of Rights Units provisionally allotted to each Eligible Unitholder is indicated in the ARE. The Securities Accounts of Eligible Unitholders have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Unitholders may accept their Rights Entitlements in whole or in part. Full instructions for the acceptance of and payment for the Rights Entitlements are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Eligible Unitholder wishes to accept his provisional allotment of Rights Units specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units in addition to the Rights Units which have been provisionally allotted to him, he may do so by completing the relevant portions of the ARE or by way of an Electronic Application. An Eligible Unitholder should ensure that the ARE is accurately and correctly completed, failing which his acceptance of the provisional allotment of Rights Units and (if applicable) application for Excess Rights Units may be rejected.

An Eligible Unitholder may accept his provisional allotment of Rights Units specified in the ARE and (if applicable) apply for Excess Rights Units either through CDP or by way of an Electronic Application through an ATM of a Participating Bank as described below.

Where an acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other forms of acceptance and/or application (including an Electronic Application) for Rights Units and/or Excess Rights Units or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance or does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Eligible Unitholder's Securities Account is not credited with or is credited with less than the relevant number of Rights Units accepted as at the last date and time for acceptance, excess application and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted by an Eligible Unitholder for the acceptance of the provisional allotment of Rights Units and, where applicable, application for Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of the provisional allotment of Right Units and (if applicable) application for Excess Rights Units.

- 1.4 **SRS investors who had purchased Units using their SRS accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and/or apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance, (if applicable) application and payment on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of the provisional allotments of the Rights Units directly from the market.**
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. Mode of Acceptance and Application

2.1 *Acceptance/Application through CDP*

If the Eligible Unitholder wishes to accept the provisional allotment of Rights Units and (if applicable) apply for Excess Rights Units through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Section (A) of the ARE the number of Rights Units accepted and in Section (B) of the ARE the number of Excess Rights Units applied for; and
- (b) deliver the duly completed and signed ARE accompanied by A SINGLE REMITTANCE for payment in full for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for:
 - (i) by hand to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**; or
 - (ii) by post in the enclosed self-addressed envelope provided, AT THE SENDER'S OWN RISK, to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 7 October 2009**.

The payment for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Rights Issue Price must be made in Hong Kong currency in the form of a Banker's Draft drawn on a bank in Hong Kong¹ and made payable to "**CDP — FORTUNE REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Banker's Draft.

NO COMBINED BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

For SRS investors and investors who hold Units through finance companies or Depository Agents, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units must be done through the relevant approved banks in which they hold their SRS accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective banks in which they hold their SRS accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance, (if applicable) application and payment on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.2 *Insufficient Payment*

The attention of the Eligible Unitholder is drawn to paragraphs 1.3 and 5.2 of this Appendix B which set out the circumstances and manner in which the Manager and CDP shall be entitled to determine and appropriate all amounts received by CDP on the Manager's behalf whether under the ARE, the ARS or any other application form for the acceptance of Rights Units and/or application for Excess Rights Units.

2.3 *Acceptance/Application by way of Electronic Application(s) through an ATM of a Participating Bank*

Instructions for Electronic Applications through ATMs to accept the Rights Units provisionally allotted and (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C to this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

If an Eligible Unitholder makes Electronic Application(s), he would have irrevocably authorised the Participating Bank to deduct the full amount payable from his bank account with such Participating Bank in respect of such application.

In the case of an Eligible Unitholder who has accepted the Rights Units by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or the Electronic Application(s) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

¹ For persons accepting through CDP with Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong, such Banker's Drafts may be obtained from certain banks in Singapore. Such persons should check with the relevant banks in Singapore to purchase the Banker's Draft from them.

For SRS investors and investors who hold Units through finance companies or Depository Agents, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units must be done through the relevant approved banks in which they hold their SRS accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective banks in which they hold their SRS accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance, (if applicable) application and payment on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.4 *Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements*

An Eligible Unitholder may choose to accept his provisional allotment of Rights Units specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his provisional allotment of Rights Units and trade the balance of his provisional allotment of Rights Units on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Units provisionally allotted which he wishes to accept and submit the signed ARE together with payment in the prescribed manner as described in paragraph 2.1 above through CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Units by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.3 above.

The balance of his provisional allotment of Rights Units may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the Rights Entitlements trading period from 23 September 2009 to 1 October 2009 should note that the Rights Entitlements will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Units, or any other board lot size which the SGX-ST may require. Such Eligible Unitholders may start trading in their Rights Entitlements as soon as dealings therein commence on the SGX-ST.

Upon the issuance and listing and quotation of the Rights Units on the Main Board of the SGX-ST, Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 1,000 Units) and who wish to trade in odd lots of Units in board lots of one Unit can do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Units with a minimum size of one Unit.

For SRS investors and investors who hold Units through finance companies or Depository Agents, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units must be done through the relevant approved banks in which they hold their SRS accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective banks in which they hold their SRS accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance, (if applicable) application and payment on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.5 *Purchasers of Rights Entitlements*

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as recorded with CDP.

Purchasers should ensure that their ARS are accurately and correctly completed, failing which the acceptances of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement, may obtain the same from CDP during the period up to **5.00 p.m. on 7 October 2009**.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

Purchasers should inform their finance companies or Depository Agents if their purchases of such Rights Entitlements are settled through these intermediaries. In such cases, if the Purchasers wish to accept the Rights Units represented by the Rights Entitlements purchased, they are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them, in order for such intermediaries to accept the Rights Entitlements on their behalf.

2.6 *Renunciation of Rights Entitlements*

Eligible Unitholders who wish to renounce their entire or part of their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Account with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires three Market Days to effect such renunciation, an Eligible Unitholder who wishes to renounce is advised to do so early to allow sufficient time for CDP to send the ARS, on behalf of the Manager, to the renounee and for the renounee to accept his provisional allotment of Rights Units. The last date and time for acceptance of and payment for the Rights Units by the renounee is **5.00 p.m. on 7 October 2009** (if acceptance is made through CDP) or **9.30 p.m. on 7 October 2009** (if acceptance is made through an ATM of a Participating Bank).

2.7 *Acceptance/Application using SRS Funds*

Unitholders with SRS accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, will need to instruct their relevant approved banks in which they hold their SRS accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective approved banks before instructing their respective approved banks to accept their Rights Entitlements and/or to make application for Excess Rights Units. SRS monies may not, however, be used for the purchase of the Rights Entitlements directly from the market.

Any acceptance and (if applicable) application made by the above-mentioned Unitholders directly to CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

3. Combination Application

In the event that an Eligible Unitholder accepts the Rights Units by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s) through an ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance of Rights Units and/or application for Excess Rights Units (including Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4. Illustrative Examples

As an illustration, if an Eligible Unitholder has 10,000 Units standing to the credit of the “Free Balance” of his Securities Account as at the Books Closure Date, the Eligible Unitholder will be provisionally allotted 10,000 Rights Units as set out in his ARE. The Eligible Unitholder’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

- (a) Accept his entire provisional allotment of Rights Units and (if applicable) apply for Excess Rights Units

Procedures to be taken

- (i) **By way of Electronic Application.** Accept his entire provisional allotment of 10,000 Rights Units and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 7 October 2009**; or
- (ii) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 10,000 Rights Units and (if applicable) the number of Excess Rights Units applied for and forward the ARE together with a single remittance for HK\$22,900 (or, if applicable, such higher amount in respect of the total number of Rights Units accepted and Excess Rights Units applied for) by way of a Banker’s Draft in Hong Kong currency drawn on a bank in Hong Kong¹ and made payable to **“CDP — FORTUNE REIT RIGHTS ISSUE ACCOUNT”** and crossed **“NOT NEGOTIABLE, A/C PAYEE ONLY”** for the full amount due on acceptance and (if applicable) application, by

¹ For persons accepting through CDP with Banker’s Draft in Hong Kong currency drawn on a bank in Hong Kong, such Banker’s Drafts may be obtained from certain banks in Singapore. Such persons should check with the relevant banks in Singapore to purchase the Banker’s Draft from them.

Alternatives

Procedures to be taken

hand to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post, at his own risk, in the enclosed self-addressed envelope provided to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 7 October 2009** and with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Banker's Draft.

No combined banker's draft for different securities accounts or other form of payment (including the use of a personal cheque, postal order or money order issued by a post office in Singapore) will be accepted.

(b) Accept a portion of his provisional allotment of Rights Units, for example 5,000 of his entitlement to 10,000 provisionally allotted Rights Units, and reject the balance

- (i) **By way of Electronic Application.** Accept the provisional allotment of 5,000 Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 7 October 2009**; or
- (ii) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 5,000 Rights Units and forward the ARE together with a single remittance for HK\$11,450 in the prescribed manner described in alternative (a)(ii) above to CDP so as to arrive not later than **5.00 p.m. on 7 October 2009**.
- (iii) The balance of the provisional allotment of 5,000 Rights Units which is not accepted by the Eligible Unitholder will be deemed to have been declined and will forthwith lapse and become void, and cease to be available for acceptance by that Eligible Unitholder if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 7 October 2009** or if an acceptance is not made through CDP by **5.00 p.m. on 7 October 2009**.

Alternatives

- (c) Accept a portion of his provisional allotment of Rights Units, for example 5,000 of his entitlement to 10,000 provisionally allotted Rights Units, not apply for Excess Rights Units and trade the balance on the SGX-ST

- (d) Renounce a portion or all of or his entire provisional allotment of Rights Units in favour of a third party

Procedures to be taken

- (i) **By way of Electronic Application.** Accept the provisional allotment of 5,000 Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 7 October 2009**; or
- (ii) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 5,000 Rights Units, and forward the ARE together with a single remittance for HK\$11,450 in the prescribed manner described in alternative (a)(ii) above to CDP, so as to arrive not later than **5.00 p.m. on 7 October 2009**.

The balance of the provisional allotment of 5,000 Rights Units may be traded on the SGX-ST during the Rights Entitlements trading period. **Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, with each board lot comprising provisional allotments of 1,000 Rights Units, or any other board lot size which the SGX-ST may require during the provisional allotment trading period.**

Upon the issuance and listing and quotation of the Rights Units on the Main Board of the SGX-ST, Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 1,000 Units) and who wish to trade in odd lots of Units in board lots of one Unit can do so on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Units with a minimum size of one Unit.

Complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisionally allotted Rights Units which he wishes to renounce. Such renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Account with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires three Market Days to effect such renunciation, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS, on behalf of the Manager, to the renounee and for the renounee to accept his provisional allotment of Rights Units.

Alternatives

Procedures to be taken

The last date for acceptance of and payment for the Rights Units by the renounee is **5.00 p.m. on 7 October 2009** (if acceptance is made through CDP) or **9.30 p.m. on 7 October 2009** (if acceptance is made through an ATM of a Participating Bank).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

The last time and date for acceptances and (if applicable) excess applications and payment for the Rights Units under the Rights Issue is:

- (A) 5.00 P.M. on 7 October 2009, if acceptance and (if applicable) excess application and payment for the Rights Units is made through CDP; and**
- (B) 9.30 P.M. on 7 October 2009, if acceptance and (if applicable) excess application and payment for the Rights Units is made through an ATM of a Participating Bank.**

If acceptance and payment for the Rights Units in the prescribed manner as set out in the ARE or the ARS (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 7 October 2009**, or through CDP by **5.00 p.m. on 7 October 2009**, from any Eligible Unitholder or Purchaser, the Rights Entitlements shall be deemed to have been declined and shall forthwith lapse and become void, and cease to be capable of acceptance and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned or refunded by CDP on behalf of the Manager to the Eligible Unitholders or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom **(a) by crediting their bank accounts with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund at the Eligible Unitholders' or Purchasers' own risk (as the case may be) if they accept and (if applicable) apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder or (b) by means of a Banker's Draft (in Hong Kong currency drawn on a bank in Hong Kong¹) and sent BY ORDINARY POST AT THE ENTITLED UNITHOLDERS' OR PURCHASERS' OWN RISK (as the case may be) to their mailing addresses as recorded with CDP without interest or any share of revenue or other benefit arising therefrom, if they accept and (if applicable) apply through CDP, within 14 days after the Closing Date.**

If any Eligible Unitholder or Purchaser is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

¹ For persons accepting through CDP with Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong, such Banker's Drafts may be obtained from certain banks in Singapore. Such persons should check with the relevant banks in Singapore to purchase the Banker's Draft from them.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix B, an Eligible Unitholder should note that:

- (a) by accepting his provisional allotment of Rights Units and/or applying for Excess Rights Units, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to the Manager in respect of his acceptance of the Rights Units and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units, differs from the amount actually received by CDP, or
 - (ii) the amount as stated in (A) and (B) in the ARE, (A) in the ARS and/or any other application form for Rights Units and/or Excess Rights Units differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Units and (if applicable) in respect of his application for the Excess Rights Units,

the Manager and CDP shall be entitled and deemed authorised to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Units; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. Without prejudice to the above, the Manager and CDP shall be entitled to make such appropriation for each application based on the amount received for that application, notwithstanding payment (or overpayment) made in this or other application(s). The determination and appropriation by the Manager and/or CDP shall be conclusive and binding; and

- (b) in the event that the Eligible Unitholder accepts the Rights Units by way of the ARE and/or the ARS and/or applies for Excess Rights Units by way of the ARE and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance of Rights Units and/or application for Excess Rights Units (including Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Application for Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the Offer Information Statement, (if applicable) the Trust Deed of Fortune REIT, and the instructions contained in the ARE. Applications for Excess Rights Units will, at the Directors' absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders and the original allottee(s) or their respective renounee(s) or the Purchaser(s), together with any unsold Rights Entitlements (if any) of Foreign Unitholders and any Rights Units that are otherwise not allotted for whatever reason, in accordance with the terms and conditions contained in the Offer Information Statement, (if applicable) the Trust Deed of Fortune REIT, and the instructions contained in the ARE. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of Fortune REIT. CDP takes no responsibility for any decisions that the Directors may make. In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots, and

Directors and Substantial Unitholders shall rank last in priority. The Manager reserves the right to reject any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Units allotted to the Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to such Eligible Unitholders, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, (a) by crediting their bank accounts with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund at THEIR OWN RISK if they apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder or (b) by means of a Banker's Draft (in Hong Kong currency drawn on a bank in Hong Kong¹) sent BY ORDINARY POST AT THEIR OWN RISK to their mailing addresses as recorded with CDP without interest or any share of revenue or other benefit arising therefrom, if they apply through CDP.

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the Rights Entitlements is made by the Eligible Unitholders or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 7 October 2009**; or
- (b) the duly completed and signed ARE or ARS accompanied by A SINGLE REMITTANCE for the full amount payable for the relevant number of Rights Units accepted and (if applicable) Excess Rights Units applied for at the Rights Issue Price, made in Hong Kong currency in the form of a Banker's Draft drawn on a bank in Hong Kong¹ and made payable to "**CDP — FORTUNE REIT RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" and with the names and Securities Account numbers of the Eligible Unitholders or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Banker's Draft is submitted by hand to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the enclosed self-addressed envelope provided, AT THE SENDER'S OWN RISK, to **ARA ASSET MANAGEMENT (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 7 October 2009**,

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned or refunded to the Eligible Unitholders or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom (a) by crediting their bank accounts with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund

¹ For persons accepting through CDP with Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong, such Banker's Drafts may be obtained from certain banks in Singapore. Such persons should check with the relevant banks in Singapore to purchase the Banker's Draft from them.

AT THE ENTITLED UNITHOLDERS' OR PURCHASERS' OWN RISK (as the case may be) if they accept and (if applicable) apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder or (b) by means of a Banker's Draft (in Hong Kong currency drawn on a bank in Hong Kong¹) sent BY ORDINARY POST AT THE ENTITLED UNITHOLDERS' OR PURCHASERS' OWN RISK to their mailing address as recorded with CDP (as the case may be) without interest or any share of revenue or other benefit arising therefrom, if they accept and (if applicable) apply through CDP, within 14 days after the Closing Date.

No combined banker's draft for different securities accounts or other form of payment (including the use of a personal cheque, postal order or money order issued by a post office in Singapore) will be accepted.

5.5 Exchange rate fluctuations may adversely affect the value of any refunds payable to the Unitholders.

Acceptances of and/or applications for and payment for the Rights Units and/or Excess Rights Units are in Hong Kong dollars. The exchange rate used by the Participating Banks to convert Singapore dollars to Hong Kong dollars may vary from bank to bank and from day to day. However, refunds made by Participating Banks for any unsuccessful Excess Rights Units and/or rejected applications will be made in Singapore dollars based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund. As such, the value of refunds made to Unitholders for any unsuccessful Excess Rights Units and/or rejected applications may be adversely affected by fluctuations in the exchange rate between the Hong Kong dollar and the Singapore dollar. In accepting their Rights Entitlements and (if applicable) applying for Excess Rights Units, Unitholders should also note that the exchange rate between the Hong Kong dollar and the Singapore dollar may be different from bank to bank and from day to day.

¹ For persons accepting through CDP with Banker's Draft drawn in Hong Kong currency, such Banker's Draft may be obtained from certain banks in Singapore. Such persons should check with the relevant banks in Singapore to purchase the Banker's Draft from them.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (“**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Entitlements and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Eligible Unitholder or the Purchaser who accepts or (as the case may be) who applies for the Rights Units through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

For SRS investors and investors who hold Units through finance companies or Depository Agents, acceptances of the Rights Units and (if applicable) applications for Excess Rights Units must be done through the relevant approved banks in which they hold their SRS accounts and the respective finance companies or Depository Agents, respectively. Such investors are advised to provide their respective approved banks in which they hold their SRS accounts, finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptance, (if applicable) application and payment on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

For renounees of Eligible Unitholders or Purchasers whose Rights Entitlements are settled through finance companies or Depository Agents, acceptances of the Rights Units represented by the Rights Entitlements must be done through the respective finance companies or Depository Agents. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions no later than the deadlines set by them in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptances of the Rights Units made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application for the Rights Units, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his provisional allotment of Rights Units and (as the case may be) application for Excess Rights Units under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he authorises CDP to give, provide, divulge, disclose or reveal any information pertaining to his Securities Account maintained in CDP's record, including without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number, address(es), the number of Units standing to the credit of his Securities Account(s), the number of Rights Units provisionally allotted to him, his acceptance of his provisional allotment of Rights Units and (if applicable) application for Excess Rights Units and any other information to the Manager, the Joint Financial Advisers and Joint Lead Managers and Underwriters, and any other relevant parties as CDP may deem fit for the purpose of the Rights Issue and his acceptance of the provisional allotment of Rights Units and (if applicable) application for Excess Rights Units.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the relevant particulars to the relevant parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Units using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank based on the relevant Participating Bank's prevailing foreign exchange board rate.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Units provisionally allotted and Excess Rights Units applied for as stated on the Transaction Record or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
4. If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Units accepted, and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units accepted and/or Excess Rights Units applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Units both by way of the ARE and/or the ARS (as the case may be) and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Manager and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Units which the

Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Units which are standing to the credit of the "Free Balance" of his Securities Account as at the close of the Rights Issue and the aggregate number of Rights Units which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM. The Manager and/or CDP, in determining the number of Rights Units which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Units, whether by way of Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong accompanying the ARE and/or the ARS, or by way of the acceptance through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's acceptance.

6. If applicable, in the event that the Applicant applies for Excess Rights Units both by way of the ARE and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Manager and/or CDP may, in their/its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has given valid instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of the ARE and/or by way of application through Electronic Application through an ATM of a Participating Bank. The Manager and/or CDP, in determining the number of Excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Units, whether by way of Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong accompanying the ARE, and/or by way of application through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
7. The Applicant irrevocably requests and authorises the Manager to:
 - (a) register or to procure the registration of the Rights Units and (if applicable) the Excess Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application to accept his provisional allotment of Rights Units and (if applicable) to apply for Excess Rights Units not be accepted by the Manager for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund within 14 days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Units be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund within 14 days after the Closing Date.
8. **By making an Electronic Application, the Applicant confirms that he is not accepting/ applying for the Rights Units as a nominee of any other person.**
9. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of

God, mistakes, losses and theft (in each case whether or not within the control of the Manager, CDP, the Joint Financial Advisers and Joint Lead Managers and Underwriters and/or the Participating Banks) and any other events whatsoever beyond the control of the Manager, CDP, the Joint Financial Advisers and Joint Lead Managers and Underwriters and/or the Participating Banks, and if, in any such event, the Manager, CDP, the Joint Financial Advisers and Joint Lead Managers and Underwriters and/or the Participating Banks do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 7 October 2009**, or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Manager, CDP, the Joint Financial Advisers and Joint Lead Managers and Underwriters and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.

10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. and 9.30 p.m., excluding public holidays.**
11. Electronic Applications shall close at **9.30 p.m. on 7 October 2009**.
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the relevant parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through an ATM of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application is not accepted, it is expected that the amount of the acceptance/application monies will be returned or refunded in Singapore dollars based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
15. In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 7 October 2009**, and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Manager, CDP, the Joint Financial Advisers and Joint Lead Managers and Underwriters, nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;

- (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the provisionally allotted Rights Units and (if applicable) acceptance of his application for Excess Rights Units;
 - (e) in respect of the Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts the provisionally allotted Rights Units and (if applicable) applies for Excess Rights Units, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded, based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:
- (a) by means of a Banker's Draft in Hong Kong currency drawn on a bank in Hong Kong sent BY ORDINARY POST AT HIS OWN RISK to their mailing address as recorded with CDP without interest or any share of revenue or other benefit arising therefrom, if he accepts and (if applicable) applies through CDP; and
 - (b) by crediting the Applicant's bank account with the relevant Participating Bank based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund AT HIS OWN RISK if he accepts and (if applicable) applies through an ATM of that Participating Bank the receipt by such bank being a good discharge to the Manager and CDP for their obligations, if any, thereunder.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Units represented by the provisional allotment of Rights Units which he can validly accept, the Manager and/or CDP are entitled, and the Applicant hereby authorises the Manager and/or CDP, to take into consideration:

- (a) the total number of Rights Units represented by the provisional allotment of Rights Units which the Applicant has validly accepted, whether under the ARE, the ARS, and/or any other form of acceptance (including Electronic Application through an ATM) for Rights Units and/or Excess Rights Units;
 - (b) the total number of Rights Units represented by the provisional allotment of Rights Units standing to the credit of the "Free Balance" of the Applicant's Securities Account with CDP which is available for acceptance; and
 - (c) the total number of Rights Units represented by the provisional allotment of Rights Units which has been disposed of by the Applicant. The Applicant hereby acknowledges that the Manager's and/or CDP's determination shall be conclusive and binding on him.
20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Units accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for.
21. Where any acceptance and/or application and/or payment does not conform strictly to the instructions set out under the Offer Information Statement, the ARE, the ARS and/or any other application form for Rights Units and/or Excess Rights Units, or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance or does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Eligible Unitholder's or the Purchaser's (as the case may be) Securities Account is not credited with or is credited with less than the relevant number of Rights Units accepted as at the last date and time for acceptance, excess application and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Units, and where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Unitholder, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Units and (if applicable) application for Excess Rights Units.

22. The Applicant hereby acknowledges that acceptances of and/or applications for and payment for the Rights Units and/or Excess Rights Units are in Hong Kong dollars. The exchange rate used by the Participating Banks to convert Singapore dollars to Hong Kong dollars may vary from bank to bank. However, refunds made by Participating Banks for any unsuccessful Excess Rights Units and/or rejected applications will be made in Singapore dollars based on the relevant Participating Bank's foreign exchange board rate prevailing at the time of refund. As such, the value of refunds made to Unitholders for any unsuccessful Excess Rights Units and/or rejected applications may be adversely affected by fluctuations in the exchange rate between the Hong Kong dollar and the Singapore dollar. In accepting his Rights Entitlements and (if applicable) applying for Excess Rights Units, he should also note that the exchange rate between the Hong Kong dollar and the Singapore dollar may be different from bank to bank and from day to day.

LIST OF PARTICIPATING BANKS

- DBS Bank Ltd. (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

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FORTUNE
置富產業信託 **REIT**

FORTUNE REAL ESTATE INVESTMENT TRUST

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