

Media release

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Revenue up 114.5% in 3Q 2005 vs 3Q 2004. Newly acquired 6 malls achieved rental reversions of 19.1% in 3Q 2005

10 November 2005. ARA Asset Management (Singapore) Limited (“ARASL”), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the results for Fortune REIT for the year to third quarter 2005.

Fortune REIT acquired six properties in June 2005, making the number of properties and malls totalling eleven in Hong Kong. These properties are mainly malls concentrated in the New Territories.

“Fortune REIT’s revenue rose strongly to see an increase of over 100% in the third quarter 2005 against same quarter 2004. The six newly acquired malls are asset and revenue growth enhancing. Rental reversions are on an upward trend in line with the strong growth of Hong Kong economy. The successful opening of Disneyland in September this year attracted tourists into Hong Kong. This will have long term positive impact on the retail sector of the economy.” John Lim, CEO of ARASL commented.

Distribution per unit (“DPU”). Fortune REIT’s DPU outperformed by 5% against forecast YTD September 2005 due to strong rental reversions.

Fortune REIT results

	3Q05 Actual	3Q04 Actual	Variance	YTD Actual	YTD Forecast ¹	Variance
Rental Revenue & charge out	144,702	67,464	114.5%	292,278	284,652	2.7%
Net property income (HK\$'000)	103,083	51,815	98.9%	214,644	209,237	2.6%
Net profit of property companies ² (HK\$'000)	66,550	38,137	74.5%	149,359	141,382	5.6%
Income available for distribution (HK\$'000)	66,137	37,834	74.8%	148,431	139,791	6.2%
Distribution per unit (tax-exempt) (HK\$)	0.08247	0.07962	3.6%	0.2521	0.2402	5.0%
Distribution yield (tax-exempt, annualised) ³				5.6%	5.4%	3.7%

Notes:

1. Derived from, and based on, the forecasts stated in the Unitholders’ Circular dated 13 May 2005 and using best estimates by the Manager so as to allow like-for-like comparisons with the actual results
2. After borrowing costs and Hong Kong taxation
3. Based on the closing price of HK\$6.00 on 30 Sep 2005 and units in issue of 801.9 million

Distribution tax-exempt yield of 5.6%. Fortune REIT's above forecast distribution yield of 5.6% was attributed to lower cost to revenue ratios and rental revenue growth. On a pre-tax basis of 6.8 %, it has the highest yield among the REITs in Asia ex-Australia.

Strong Net Property Income. Revenue grew by 114.5% in 3Q 2005 vs 3Q 2004. Net property income rose by 2.6% against forecast. Several factors contributed to the strong growth:

- Rising rental reversions of overall portfolio:
 - Our portfolio saw approximately 75% of tenants renewed with weighted average of 11.6% rental reversion achieved year to September.
 - Newly acquired 6 malls experienced strong rental reversions for renewals of 19.1% in the third quarter.
 - Passing rental of the portfolio's eleven properties at the end of September was HK\$22.3 psf per month.

- Acquisition of 6 malls in June 2005
 - The 6 malls acquired were City One Shatin Property, Waldorf Garden Property, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. City One Shatin and Tsing Yi Square were amongst the strongest performers for year to third quarter against forecast.

Metropolis Weds Taiwan's Bridal Group. In August 2005, the Taiwan Wedding Group, IdoWedding, signed a 6-year lease to rent 16,774 sf of space in Metropolis. This takes up the occupancy levels in Metropolis to 98.2% as at end of September 2005 versus 91.8% at end June 2005.

City One Shatin Asset Enhancement. There is ongoing conversion work on the mall to create greater rentable area. For example, the fountain area will be converted to a rentable space for exhibition events or kiosks.

Ma On Shan Plaza sees strong rental reversion. Ma On Shan's strong customer traffic benefited from the operating of the rail link, thereby enabling Fortune REIT to renew leases at higher rental rates. Weighted average rental reversion rate for renewals was strong in the 9 months to 2005, with occupancy levels at 96.0%. The mall has been focusing on higher paying trades for example, finance and real estate sector which now accounts for 9.8% of GRA verses 8.0% in December 2004. Shopper traffic continues to be buoyant at 23% growth over the nine months verses last year.

Gearing ratio at 30%; 75% of debt hedged on fixed terms. Interest rates in Hong Kong continue to be volatile driven by the rising interest rates in the US. The short term liquidity crunch led by several large initial public offerings in Hong Kong also exacerbated the situation. Fortune REIT's gearing is relatively low and 75% of its debt has been fixed at various maturities. This should mitigate the impact of any further rises in market interest rates.

Unit price below NAV. Fortune REIT at HK\$6.00, is trading at a discount against NAV of HK\$6.68¹, as at end of September 2005.

John Lim, commented, "Our enlarged property portfolio after the acquisition is well placed to benefit from the rise in consumer spending in Hong Kong as the economy remains buoyant. This, coupled with Fortune REIT's discount to NAV and high yield enhances its attractiveness as a long term investment to investors."

END

¹ Net asset value is calculated based on net assets of the Group excluding hedging reserve.

About Fortune REIT

Fortune Real Estate Investment Trust ("Fortune REIT") was established under a Trust Deed dated 4 July 2003 made between ARA Asset Management (Singapore) Limited, as Manager, and HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited), as Trustee. Fortune REIT was listed on Singapore Exchange Securities Trading Limited on 12 August 2003.

Fortune REIT holds a portfolio of eleven shopping malls and properties in Hong Kong, through the ownership of the special purpose property ownership companies, worth more than HK\$7.8 billion. The retail malls and properties are City One Shatin Property, The Metropolis Mall, Ma On Shan Plaza, Waldorf Garden Property, The Household Center, Smartland, Jubilee Court Shopping Centre, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. Together they housed a total of 844 tenants as at 30 September 2005 from diverse trade sectors, including supermarkets, food and beverage outlets, bank and real estate services, and education providers. Tenants include Park'N Shop, Maxim's Chinese Restaurant, Watson's, Fortress, McDonald's, Café de Coral, Bank of China (Hong Kong), DBS Bank, Standard Chartered Bank, Baleno, Bluestar Exchange, International Christian School Limited, and the Hong Kong Jockey Club.

More information can be found at www.fortunereit.com.

About ARASL, the Manager

Fortune REIT is managed by ARA Asset Management (Singapore) Limited, a wholly owned subsidiary company of ARA Asset Management Limited, which is 70% owned by Mr. John Lim, the Chief Executive Officer of the Manager, and 30% indirectly owned by Cheung Kong (Holdings) Limited.

Media and investor contacts

John Lim
CEO

johnlim@ara.com.hk

Tel: +65 6512 2788

Elizabeth Soon
Executive Director

elizabethsoon@ara.com.hk

Tel: +852 2169 0928

Cheryl Seow, CPA
Finance Manager

cherylseow@ara.com.hk

Tel: +65 6835 9232

Justina Chiu
Manager, Investment & Investor Relations

justinachiu@ara.com.hk

Tel: +852 2169 0928

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Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Fortune REIT.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market of the Units.