

Press Release

**Fortune REIT realises solid results
with revenue and net property income up 23.5% and 24.5% respectively**

**Occupancy rate at all-time high of 98.0%
Annualised dividend yield of 6.2%¹; Renovation at NSCC completed**

8 Nov 2010. ARA Asset Management (Fortune) Limited (the "Manager"), as manager of Fortune Real Estate Investment Trust ("Fortune REIT"; SEHK: 778; SGX: F25U), is pleased to announce the financial results of Fortune REIT for the quarter ended 30 September 2010 ("3Q10").

"Our portfolio continued to deliver strong and sustainable growth following the first half results. Revenue and net property income grew by 23.5% and 24.5% to HK\$619.5 million and HK\$444.5 million respectively for the first nine months of 2010 ("YTD 3Q10"). Distributable income consequently grew by 23.8% to HK\$300.8 million. Fortune REIT's proactive leasing efforts resulted in occupancy rate reaching 98.0%, surpassing the previous high set in the first quarter. Rental reversion remained strong at 10.5%." said Mr Anthony Ang, Chief Executive Officer of the Manager.

"With local consumption continuing to strengthen, Hong Kong retail sales registered 13 consecutive months of year-on-year increases from September 2009 to September 2010. The latest figures for the first 9 months of 2010 saw the value of Hong Kong retail sales increased by 17.9% over the same period a year ago. As local consumer sentiment remained firm on the back of rising income, better job prospects and recovery in the stock market, this will give fresh impetus to the performance of Fortune REIT's portfolio." added Mr. Ang.

Overview of Fortune REIT's financial results

	3Q10	3Q09	% Change	YTD 3Q10	YTD 3Q09	% Change
Revenue (HK\$ '000)	205,710	167,442	22.9%	619,519	501,775	23.5%
Net property income (HK\$ '000)	142,157	118,592	19.9%	444,456	357,007	24.5%
Income available for distribution (HK\$ '000)	96,255	81,212	18.5%	300,826	242,910	23.8%
Distribution per unit (HK cents) ²	5.76	9.75	-	18.03	29.35	-

¹ Based on the average closing unit price in Singapore and Hong Kong of HK\$3.86 as at 30 September 2010.

² DPU for 3Q10 and YTD 3Q10 are calculated based on the total enlarged units in issue, which included 824.9 million of rights units and 6.4 million of acquisition fee in units issued on 15 October 2009 and 16 October 2009 respectively.

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A stellar performance – Occupancy rate reached new high. The portfolio occupancy rate climbed to a new high of 98.0% since Fortune REIT was founded in 2003. Eight of fourteen properties were fully occupied, with five other malls achieved higher quarter-on-quarter occupancies. As most of the properties are close to or at full occupancy, the Manager will focus on the leasing and tenant repositioning strategy going into 2011, particularly at Ma On Shan Plaza and The Metropolis Mall, where around 50% of the tenants will be up for renewal.

Prudent financial management. Fortune REIT stands out from its peers as one of the lowest geared REITs in the region with a gearing ratio of 21.9%. This provides debt headroom of HK\$2.6 billion³, thus facilitating future acquisition activities. In addition, benefited from the low interest rate environment, the effective interest rate has been further reduced to 3.94%.

Encouraging results from asset enhancement initiatives (AEIs). The AEIs at City One Shatin Property reached a remarkable milestone as the upgrading of Ngan Shing Commercial Center (“NSCC”) was completed as scheduled. Tenants started moving in from September 2010 onwards. Committed occupancy for NSCC was 100% as at 30 September 2010, which effectively boosted the committed occupancy for City One Shatin Property to 98.6% (current occupancy: 93.2%). The two ParknShops (formerly one ParknShop at each side of NSCC and City One Plaza (“COP”)) have now merged into a new ParknShop Superstore at NSCC and becomes the only supermarket serving over 10,000 households in City One Shatin. Not only does it offer more variety of goods to City One Shatin’s residents, it also brings substantial footfall to NSCC. The former ParknShop space at COP is now being subdivided for higher paying tenants.

“The successful completion of renovation at NSCC has paved a solid foundation for the next phase of AEIs to be embarked at the other side of the property – COP. This will become one of our highlight projects in 2011 and an important revenue growth driver going forward. In addition, the Manager will continue to prudently seek for acquisition opportunities that bring long term benefits to Fortune REIT’s unitholders.” concluded Ms Justina Chiu, Deputy Chief Executive Officer of the Manager.

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³ Debt headroom before the statutory borrowing limit of 35%.

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About Fortune REIT. Fortune Real Estate Investment Trust ("Fortune REIT") is a real estate investment trust constituted by a Trust Deed entered into on 4 July 2003 (as amended) made between ARA Asset Management (Fortune) Limited, as the Manager of Fortune REIT, and HSBC Institutional Trust Services (Singapore) Limited, as the Trustee of Fortune REIT. Fortune REIT was listed on the Singapore Exchange Securities Trading Limited and The Stock Exchange of Hong Kong Limited on 12 August 2003 and 20 April 2010 respectively.

Fortune REIT holds a portfolio of fourteen retail properties in Hong Kong, spread across Kowloon and the New Territories, comprising approximately 2.0 million square feet of retail space and 1,660 car parking lots. The retail properties are City One Shatin Property, Ma On Shan Plaza, Metro Town, The Metropolis Mall, Waldorf Garden Property, Caribbean Bazaar, Smartland, Tsing Yi Square Property, Jubilee Court Shopping Centre, The Household Center, Centre de Laguna Property, Hampton Loft, Lido Garden Property and Rhine Garden Property. They house tenants from diverse trade sectors such as supermarkets, food and beverage outlets, banks, real estate agencies, and education providers. More information can be found at www.fortunereit.com.

About ARA Asset Management (Fortune) Limited, the Manager. Fortune REIT is managed by ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of ARA Asset Management Limited, which is listed on the Main Board of the Singapore Exchange Securities Trading Limited. More information can be found at www.ara-asia.com.

Disclaimer. The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for Units in Fortune REIT in Hong Kong, Singapore or any other jurisdiction.

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