

Press Release

**Fortune REIT Achieved Sustainable Growth
with Revenue and DPU Up 8.0% and 4.3% Respectively**

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***Passing rent up 10.3% year-on-year while occupancy rate climbed further to 98.1%;
Portfolio valuation up 18.0% from December 2010;
Annualised distribution yield at 6.7%¹***

Financial Results Overview

	1H2011	1H2010	% Change
Revenue (HK\$ million)	446.8	413.8	+8.0%
Net property income (HK\$ million)	319.5	302.3	+5.7%
Income available for distribution (HK\$ million)	214.8	204.6	+5.0%
Distribution per unit ("DPU") (HK cents)	12.80	12.27	+4.3%

25 July 2011. 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 six months ended 30 June 2011 ("1H2011").

Fortune REIT continued to deliver robust results, demonstrating its sustained growth. Revenue and net property income grew by 8.0% and 5.7% year-on-year to HK\$446.8 million and HK\$319.5 million respectively. The advanced financial performance was mainly attributed to a further improvement in both occupancies and rental rates across the portfolio. In addition, the overall performance of City One Shatin Property has been significantly lifted compared to last year due to the completion of renovation at Ngan Shing Commercial Centre ("NSCC") in September 2010.

Leasing momentum remained strong as the portfolio occupancy climbed further to 98.1% as at 30 June 2011 (30 June 2010: 96.2%) while the portfolio passing rent rose by 10.3% from a year ago to HK\$30.3 per Sq.ft. Rental reversion for renewals for 1H2011 was 13.8%. The income available for distribution continued to grow and the interim DPU for 1H2011 was 12.80 HK cents (1H2010: 12.27 HK cents), representing an annualised distribution yield of 6.7%.

¹ Based on HK\$3.835, the average closing unit price in Singapore HK\$3.82 and Hong Kong HK\$3.85, as at 30 June 2011.

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Solid financials for sustainable growth. Fortune REIT's retail properties were appraised at a valuation of HK\$15,688 million² as at 30 June 2011, representing an increase of 18.0% over end of 2010. The higher valuation was attributed to Fortune REIT's improved asset performance and reduction in capitalization rates. As a result, gearing ratio and aggregate leverage were further reduced to 18.1%.

Subsequent to the successful refinancing of its entire loan facilities of HK\$3,100 million under more favourable terms on 15 April 2011, Fortune REIT's financial position has been significantly strengthened by a lower interest margin (91 bps over HIBOR), extended debt maturity (until 2016) and an enlarged revolving credit facility (up to HK\$970 million). With these new financial flexibilities, Fortune REIT has ample financial resources to undertake asset enhancement initiatives (AEIs) in the pipeline and respond quickly to acquisition opportunities.

The AEIs bring higher yield. Fortune REIT has achieved satisfactory returns for its various completed AEIs. Notably, the AEIs at NSCC last year achieved a return on investment of 22%. While the planned AEIs at City One Plaza of City One Shatin Property are expected to commence during the third quarter this year and complete by end of 2012, the Manager is planning to roll out yield-enhancing AEIs to other properties in the portfolio. In particular, in response to the strong leasing demand in Ma On Shan Plaza, the Manager is planning a 50,000 Sq.ft. layout reconfiguration to downsize the Chinese restaurant and efficiently subdividing the available space to accommodate more diversified retail offerings and provide better services to the community. More than 50% of the space has been already pre-committed prior to works commencing in August 2011. The subdivision will take about three months and is expected to be completed by the end of 2011.

A new brand name - Fortune Malls. On 13 July 2011, the Manager announced its face-lifting rebranding scheme for all 14 shopping malls under management, which will be placed under a new "Fortune Malls" asset brand. Leveraging the buoyant retail environment, the new brand name-Fortune Malls has been launched to highlight our commitment to build a sustainable business environment for our malls and tenants.

"The Manager is positive that the domestic demand will remain prosperous in the year ahead, which will continue to present growth opportunities for Fortune REIT's portfolio of 14 private housing estate retail properties. Through implementation of effective leasing and tenant repositioning strategies as well as execution of various AEIs, the Manager is confident to grow Fortune REIT's revenue. The Manager continues to prudently seek acquisition opportunities that are in line with its investment objectives and to provide long term benefit to the Unitholders of Fortune REIT." concluded Ms Justina Chiu, Deputy Chief Executive Officer of the Manager.

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² By Knight Frank Petty Limited

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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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