

Press Release

Fortune REIT's DPU up 15.6% year-on-year

20.8% portfolio rental reversion
Effective interest cost lowered to 2.87%
7.8%¹ annualised dividend yield

Financial Results Overview

	1Q2012	1Q2011	% Change
Revenue (HK\$ million)	259.2	218.8	18.5%
Net property income (HK\$ million)	185.3	161.0	15.1%
Income available for distribution (HK\$ million)	131.8	112.8	16.9%
Distribution per unit (HK cents)	7.78	6.73	15.6%

10 May 2012. 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 three months ended 31 March 2012 ("1Q2012" or "Reporting Period").

Fortune REIT fired up three growth engines. Fortune REIT has delivered a particularly good set of results for 1Q2012. Revenue and net property income grew by 18.5% and 15.1% to HK\$259.2 million and HK\$185.3 million respectively. The robust growth was underpinned by strong rental reversions across the portfolio, remarkable return from completed asset enhancement initiatives ("AEIs") as well as the additional income from two new properties acquired on 17 February 2012. While the contribution from Belvedere Square and Provident Square was only for half of the Reporting Period, it will be fully reflected from the present quarter onwards. Besides acquisition growth, Fortune City One ("FCO") and Ma On Shan Plaza ("MOSP") performed exceptionally well as a result of yield-enhancing AEIs.

Consequently, income available for distribution achieved a record high of HK\$131.8 million, up 16.9% from last year. The distribution per unit ("DPU") for 1Q2012 increased by 15.6% year-on-year to HK 7.78 cents, representing an annualised dividend yield of 7.8%¹.

Solid asset performance amid economic uncertainties. Fortune REIT's private housing estate retail portfolio demonstrates its resilience again by delivering a solid asset performance amidst the softening of the economy. A strong rental reversion of 20.8% was registered across the enlarged portfolio while passing rent for the existing 14 properties went up by 10.9% year-on-year. Leasing momentum remained robust with the occupancy rate maintained at a healthy 97.1%, despite frictional vacancies due to ongoing AEIs at FCO.

Completed AEIs fuelled growth at the 2 largest malls. The AEIs at FCO and MOSP started to contribute positively in 1Q2012. Fuelling by the completed AEIs, net property income for FCO and MOSP increased by 13.0% and 18.1% respectively for the reporting period compared with a year ago. The HK\$100 million project to fully renovate FCO commenced in October 2011 and the first phase was completed with enhanced rental starting to kick-in during 1Q2012. The remaining phases of AEIs at FCO

¹ Based on HK\$4.0, the average closing unit price in Singapore and Hong Kong, as of 30 March 2012.

Press Release

are progressing well and scheduled for completion by the end of 2012. The manager remains optimistic of achieving a ROI of not less than 15% for the project. On the other hand, the subdivision work of a 50,000 sq ft space in MOSP, previously occupied by a Chinese restaurant, was successfully completed in 4Q2011, achieving an impressive ROI of 73% with a capital expenditure of approximately HK\$12 million.

A robust balance sheet with lower interest cost. As at 31 March 2012, Fortune REIT's balance sheet remains healthy with a gearing of 25.9% and available revolving credit facilities of HK\$310 million. The effective interest cost for 1Q2012 has reduced substantially to 2.87%, 78 bps less than 3.65% for FY2011. The interest coverage ratio stands at a comfortable 5.3 times. Fortune REIT's weighted average term to maturity for its outstanding loan is approximately 3.7 years with no refinancing needs until 2015.

"We are delighted to report the remarkable performance of Fortune REIT in the first quarter of the year, setting a positive tone for the rest of 2012. The strong results were backed by a solid asset performance and additional income stream from newly acquired properties. Looking ahead, consumer sentiment in Hong Kong remains healthy, but we are cautious about Hong Kong's economic outlook given the unresolved euro-zone debt crisis and the faltering growth in the advanced economies. Notwithstanding, Fortune REIT's portfolio of necessity shopping malls has proven its resilience amidst uncertainties." commented **Mr. Anthony Ang**, Chief Executive Officer of the Manager.

Ms. Justina Chiu, Deputy Chief Executive Officer of the Manager concluded, "The progress of the AEs in FCO is encouraging. The recently completed first phase has achieved a greater-than-expected return to our Unitholders. We are positive that the entire project can be completed on schedule by the end of this year. FCO will continue to be one of our highlight projects in 2012 and an important revenue growth driver for the property and the overall portfolio."

Press Release

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 sixteen retail properties in Hong Kong, comprising approximately 2.45 million sq ft of retail space and 1,989 car parking lots. The retail properties are Fortune City One, Ma On Shan Plaza, Metro Town, Fortune Metropolis, Belvedere Square, Waldorf Avenue, Provident Square, Caribbean Square, Smartland, Tsing Yi Square, Jubilee Square, Nob Hill Square, Centre de Laguna, Hampton Loft, Lido Avenue and Rhine Avenue. 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.

Media and investor contacts

ARA Asset Management (Fortune) Limited

Justina Chiu
Deputy Chief Executive Officer
justinachiu@ara.com.hk
+852 2169 0928

Jenny Hung
Senior Manager, Investment and Investor Relations
jennyhung@ara.com.hk
+852 2169 0928

Strategic Financial Relations Limited

Mandy Go
mandy.go@sprg.com.hk
+852 2864 4812

Maggie Au
maggie.au@sprg.com.hk
+852 2864 4815