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Media Release

6 November 2007

For Immediate Release



Strong Rental Reversions Of 15.9% YTD Attractive Tax Exempt Yield Of 5.84%

6 November 2007. ARA Asset Management (Singapore) Limited (“ARASL” or “Manager”), as the Manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the results for Fortune REIT for the period ended 30 September 2007 (“YTD”).

“Fortune REIT’s portfolio of properties continue to deliver stable returns. Net property income (“NPI”) for the quarter ended 30 Sep 2007 (“3Q07”) and YTD grew by 0.6% and 1.9% respectively over the corresponding periods last year. This is despite a lower revenue contribution of 1.6% YTD due to various repositioning initiatives and asset enhancement projects. Demand remained healthy as expiring leases renewed at rental reversions of 15.9% YTD. In addition, we are pleased that the asset enhancement initiative (“AEI”) at Waldorf Garden Property was successfully completed recently with higher rents achieved. Occupancy rate has also remained stable at 94.2% and passing rent has grown 6.8% year on year (“Y-o-Y”) to HK\$25.01 psf as at 30 September 2007 across the portfolio of properties,” said Sam Wu, CEO of ARASL.

“Fortune REIT currently delivers an attractive tax exempt yield of 5.84%¹. We believe the retail sector will remain buoyant if positive consumer sentiments subsist. It is our strategy to continue to capitalize on sound organic growth as well as income enhancing projects to fuel growth,” he added.

NPI rose by 1.9% YTD despite slight dip in total revenue. The NPI YTD was 1.9% higher despite a dip in total revenue of 1.6% Y-o-Y. Total revenue was

¹ Based on the closing Unit price of HK\$5.85 as at 28 September 2007

marginally lower due to frictional vacancies arising from various repositioning initiatives in The Metropolis Mall, Smartland, and ongoing AElS in Waldorf Garden Property in the reporting period.

Fortune REIT results for 9 months ended 30 September 2007

	YTD 2007	YTD 2006	Variance
Total revenue (HK\$'000)	456,620	463,940	-1.6%
Net property income (HK\$'000)	336,487	330,153	1.9%
Net profit of property companies (HK\$'000) ¹	208,745	206,114	1.3%
Income available for distribution (HK\$'000) ²	207,284	204,882	1.2%
Tax-exempt distribution per Unit (HK\$)	0.2556	0.2541	0.6%
Tax-exempt distribution yield (annualised)	5.8% ³	5.8% ⁴	-

Notes:

1. After borrowing costs and Hong Kong taxation
2. Before the gain on disposal of investment property of approximately HK\$3 million arising from the sale of 314 carpark lots in City One Shatin Property in 2006
3. Based on the Unit closing price of HK\$5.85 on 28 September 2007 and Units in issue of 810.9 million
4. Based on the Unit closing price of HK\$5.90 on 29 September 2006 and Units in issue of 806.2 million

Cost-to-revenue ratio effectively managed at 24.0%. The Manager will continue to focus on prudent cost rationalization efforts to maintain a stable cost-to-revenue ratio that commensurate with quality facilities and an enjoyable shopping ambience for shoppers. The cost-to-revenue ratio for the portfolio was 24.0% YTD.

Attractive tax exempt yield of 5.84%. Fortune REIT delivers an attractive annualized tax-exempt yield of 5.84% at the closing Unit price of HK\$5.85 as at 28 Sep 2007. As the Fortune REIT properties are held directly under local companies in Hong Kong, the portfolio income has been subjected to Hong Kong taxes and distributed net of tax in Singapore to Unitholders. On a pre-tax basis, the distribution yield was 7.11%.

Discount to net asset value (“NAV”) of 30%, an opportunity for investors. At the closing Unit price of HK\$5.85 as at 28 Sep 2007, Fortune REIT was trading at a 30% discount to NAV of HK\$8.41 per Unit. This makes Fortune REIT an attractive tax-exempt investment opportunity for investors.

Strong rental reversion of 15.9%. The portfolio YTD rental reversions were a strong 15.9% for renewal leases. Amongst the top growth contributors were Ma On Shan

Plaza and Waldorf Garden Property which recorded YTD rental reversions of 32.3% and 22.9% respectively.

Portfolio passing rent rose by 6.8% to HK\$25.01; committed occupancy at 94.2%. The portfolio passing rent rose by 6.8% Y-o-Y to HK\$25.01 psf as at 30 September 2007. Actual portfolio occupancy also improved from 90.7% as at 30 June 2007 to 93.1% as at 30 September 2007. Taking into account new leases committed in the reporting period, the committed occupancy as at 30 September 2007 was a healthy 94.2%.

Asset enhancement initiatives, an ongoing focus. The AEI in Waldorf Garden Property, which was completed in August 2007, was very successful as new rents were about 200% higher than preceding rents. The Manager intends to capitalize on rising rents and improving economic sentiments to develop more AEIs within the portfolio for higher rental contributions going forward.

Ma On Shan Plaza continues to be one of the best performing malls. The rental reversions for the leases that were renewed in 3Q07 were a robust 31% on average and occupancy rate in the mall is a high 99.8%. To further boost rental growth and shopping variety in the mall, the Manager intends to capitalize on the strong demand for retail space in Ma On Shan Plaza to generate additional revenue from underutilized areas. As such, planning is currently underway to create a new “Kids Paradise” zone on the ground floor atrium area to attract new retail elements and footfall to the mall. New retail trades targeting families and kids such as toys, games, confectionery and enrichment services will improve retail offerings and expand shopper flow.

Thematic zoning plans in The Metropolis Mall gains momentum. The Wedding zone in The Metropolis Mall grew by some 40% to about 50,000 sq ft after an existing tenant leased a further 15,000 sq ft in their expansion drive to offer a more comprehensive one-stop array of wedding services to customers. The Education zone in the mall also expanded to about 42,000sf as HKCyber University opened their first off-campus centre. The Manager will continue to strategically fine-tune the tenant mix in the mall with the view to improve rental returns.

Portfolio gearing of 24.7% offers financing flexibility. The low gearing ratio of 24.7% offers Fortune REIT a debt flexibility of approximately HK\$1.5 billion to HK\$3.5 billion for opportunistic acquisitions, assuming a gearing ratio of between 35% to 45% of total assets. As part of the Manager’s prudent debt management

strategy, the interest cost on about 78% of existing debt has been fixed at various maturities to mitigate potential risk in the volatility in interest rates.

End

About Fortune REIT

Fortune Real Estate Investment Trust ("Fortune REIT") was established under a Trust Deed dated 4 July 2003 (as amended by the Amending and Restating Deed dated 29 June 2005 and a 2nd Supplemental Deed dated 20 April 2006) made between ARA Asset Management (Singapore) Limited, as Manager, and HSBC Institutional Trust Services (Singapore) Limited, as Trustee. Fortune REIT was listed on Singapore Exchange Securities Trading Limited on 12 August 2003.

Fortune REIT now holds a portfolio of eleven retail malls in Hong Kong, spread across Kowloon and the New Territories, through the ownership of property companies ("the Property Companies"), worth approximately HK\$9.2 billion. The retail malls 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 house a total of 817 tenants as at 30 September 2007 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, Yeh Lam Kwok Restaurant, Watson's, Modern Beauty Salon, Fortress, McDonald's, Kentucky Fried Chicken, 3G Shop, GOME, Bank of China (Hong Kong), DBS Bank, Standard Chartered Bank, Citibank, The Hongkong & Shanghai Banking Corporation Limited, Japan Home Centre, Jumpin Gym U.S.A., 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 listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). More information can be found at www.ara-asia.com.

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