



Asset Management (Singapore) Limited

Manager of



4 November 2008

**Revenue and DPU improved by 9.1% and 10.1% respectively
Portfolio occupancy at 94.4% and passing rent improved by 7.8%**

4 November 2008. ARA Asset Management (Singapore) Limited (“ARASL” or (“Manager”)), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the results for Fortune REIT for the quarter ended 30 September 2008 (“3Q08”).

“We are pleased to report that Fortune REIT’s portfolio of eleven retail malls continue to deliver stable and sustainable growth for 3Q08. The total revenue and Distribution per Unit (“DPU”) rose some 9.1% and 10.1% respectively over 3Q07. As at 30 September 2008, the portfolio occupancy improved to 94.4% and the portfolio passing rent has also grown 7.8% year-on-year to HK\$26.96 psf. Although we see more challenges ahead due to the global financial market turbulence, we expect Fortune REIT which invests in Hong Kong decentralized retail properties to maintain a more resilient performance when compare to the prime retail properties.” Stephen Chu, Chief Executive Officer of ARASL commented.

Total revenue and DPU rose 9.1% and 10.1% respectively Total revenue was up 9.1% from a year ago to HK\$161.9 million for 3Q08. DPU for 3Q08 also increased by 10.1% over 3Q07 to HK\$0.0865, representing an annualized yield of 12.0%, based on the unit price of HK\$3.01 as at 30 September 2008. This was mainly attributed to the strong organic growth resulted from the positive rental reversions achieved across the portfolio of properties. City One Shatin Property, Ma On Shan Plaza and Waldorf Garden Property continued to perform strongly in 3Q08 and showed increases of 8.4%, 14.9% and 43.6% respectively in total revenue over 3Q07. The extraordinary growth in Waldorf Garden Property was due primarily to the completion of the two-phased asset enhancement works at the property.

Fortune REIT Financial Results

	3Q08	3Q07	Variance	YTD3Q08	YTD3Q07	Variance
Total revenue (HK\$'000)	161,916	148,382	9.1%	470,857	456,620	3.1%
Net property income ¹ (HK\$'000)	112,841	107,615	4.9%	341,804	336,487	1.6%
Income available for distribution (HK\$'000)	71,162	63,691	11.3%	222,075	207,284	7.1%
DPU (HK\$)	0.0865 ²	0.0786 ³	10.1%	0.2716 ²	0.2556 ³	6.3%
Annualized tax-exempt distribution yield	-	-	-	12.0% ²	5.4% ³	-

Notes:

1. After Manager's performance fee
2. Based on the closing Unit price of HK\$3.01 on 30 September 2008 and Units in issue of 817.7 million
3. Based on the closing Unit price of HK\$5.85 on 28 September 2007 and Units in issue of 810.9 million

Solid operating statistics. Fortune REIT's portfolio of eleven retail properties continue to record strong leasing commitment as a result of our proactive communication with tenants and targeted marketing strategies. As at 30 September 2008, the portfolio occupancy grew to 94.4% from 92.6% a quarter earlier. Tenant retention was maintained at a healthy 83.0%. In addition, a strong rental reversion of 19.3% was achieved for the first nine months of 2008. Portfolio passing rent also climbed to a record high of HK\$ 26.96 psf as at 30 September 2008, an improvement of 7.8% over a year ago.

Prudent financial management. Fortune REIT has currently a very strong balance sheet and maintains a low gearing of 23.6%. Fortune REIT has no refinancing pressure in the near future as the total debt of about HK\$2.3 billion is under a term loan expiring in June 2010. The weighted average cost of debt for the first nine months of 2008 was 4.3%. During the quarter, we have entered into a plain vanilla swap for the remaining floating rate debt at 2.38%. As at 30 September 2008, 100% of the interest cost of the loan has been fully hedged through plain vanilla swaps of various maturities.

Asset enhancement works continues. Asset enhancement continues to be one of the fundamental drivers to improve Unitholder's return. Asset enhancement initiatives to improve revenue and shopping experience are in progress with major initiatives at City One Shatin Property, the largest property in the portfolio. In addition, various energy saving measures have been put in place to rationalize the operating costs throughout the portfolio, thereby improving the net income for the REIT.

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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 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\$9.7 billion. The retail malls are City One Shatin Property, Ma On Shan Plaza, The Metropolis Mall, 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 832 tenants as at 30 September 2008 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, Watson's, Mannings, Modern Beauty Salon, Fortress, McDonald's, Kentucky Fried Chicken, Watami Japanese Restaurant, Centaline Property Agency, Midland Realty, DBS Bank, Standard Chartered Bank, HSBC, Japan Home Centre, Jumpin Gym U.S.A., International Christian School 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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