

Media Release
26 January 2010

FY09 distributable income rose 11.6% year-on-year
Portfolio occupancy at 96.4%, improved by 3.3% in 4Q09
Portfolio valuation up 4.8% from June 2009

26 January 2010. ARA Asset Management (Singapore) Limited (the “Manager” or “ARASL”), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the results for Fortune REIT for the quarter (“4Q09”) and year ended 31 December 2009 (“FY09” or “Reporting Period”).

“Following the acquisition of three new assets¹ in October 2009, we are pleased to see a stronger revenue and net property income in 4Q09. Together with the sustainable organic growth from our existing portfolio, Fortune REIT delivered a distributable income of HK\$337.8 million for FY09, an increase of 11.6% over last year. Portfolio occupancy improved to 96.4% as at 31 December 2009 - the 3.3% improvement in occupancy over the previous quarter was across-the-board for the whole portfolio. With a stronger balance sheet and no debt maturing until 2013, we will focus on driving operational performance through proactive asset management and at the same time, seek for attractive acquisition opportunities.” Justina Chiu, Chief Operating Officer of ARASL commented.

Summary of Fortune REIT Financial Results

	FY09	FY08	Variance
Total revenue (HK\$'000)	701,354	637,038	+10.1%
Net property income (“NPI”) ² (HK\$'000)	494,660	463,144	+6.8%
Income available for distribution (HK\$'000)	337,841	302,855	+11.6%
Distribution per Unit (“DPU”) (HK\$)	0.3020 ³	0.3702	-

¹ Fortune REIT completed the acquisitions of Metro Town, Hampton Loft and Caribbean Bazaar on 15 October 2009.

² After Manager's performance fee.

³ 824.9 million of rights Units and 6.4 million of acquisition fee in Units were issued on 15 October 2009 and 16 October 2009 respectively. DPU of FY09 of 30.20 HK cents is the total sum of 19.60 HK cents for 1H09 distribution based on 824.9 million units plus 10.60 HK cents for 2H09 distribution based on the income available for distribution from 1 July 2009 to 31 December 2009 divided by the enlarged number of units in issue of 1,661.6 million.

Strong results backed by a sustainable organic growth. Total revenue and NPI in FY09 grew by 10.1% and 6.8% year-on-year to HK\$701.4 million and HK\$494.7 million respectively. Accordingly, distributable income reached a record high of HK\$337.8 million, increased by 11.6% over FY08. The better performance was due to the income contribution from the three new assets acquired on 15 October 2009, higher rental revenue from the existing eleven malls as well as a lower borrowing cost for the Reporting Period. For the period from 1 July 2009 to 31 December 2009, Fortune REIT will pay out 10.60 Hong Kong cents per Unit on 26 February 2010, bringing the total DPU pay-out to 30.20 Hong Kong cents for the Reporting Period.

Solid operational results for a resilient portfolio. Fortune REIT's portfolio continued to record strong leasing commitments in 4Q09 as a result of our pro-active leasing strategy. As at 31 December 2009, the portfolio occupancy improved to 96.4% from 93.1% as at 30 September 2009. Nine out of the fourteen malls, including the three newly acquired properties, achieved 100% occupancy as at year end. A modest rental reversion of 4.2% was recorded for renewals in FY09.

Stronger balance sheet; enhanced financial flexibility. Fortune REIT's portfolio were valued at HK\$11.5 billion as of 31 December 2009, representing an overall increase of 4.8% over the valuation as of 30 June 2009. All the fourteen properties recorded revaluation surpluses, reflecting the recovery of retail market in Hong Kong and the improvement in Fortune REIT's asset performance. Benefited from the low interest rate environment, borrowing costs for FY09 amounted to HK\$88.2 million, 12.5% lower than last year, with an effective interest cost of 3.56%. Fortune REIT now has a stronger balance sheet with no refinancing needs until 2013. With a low gearing of 23.7% and HK\$2.2 billion worth of unencumbered assets⁴, Fortune REIT is well-positioned to grow its asset base by being able to respond quickly to acquisition opportunities.

Improved Economic Outlook. Hong Kong's economy improved further after a strong rebound during the second quarter, leading to a further tapering of the year-on-year decline in GDP to 2.4% in the third quarter. Accordingly, the government has revised the 2009 whole year forecast on GDP to -3.3%, improved from their previous forecast of -3.5% to -4.5%. The value of total retail sales in November 2009, provisionally estimated at HK\$22.9 billion, increased by 11.8% year-on-year. Non-discretionary spending such as supermarket and food and beverages registered a growth of 3.7% and 3.5% respectively for the period from January to November in 2009.

Fortune REIT which invests in suburban retail properties that mainly cater for the daily necessity needs of the nearby residents will continue to benefit from the economic recovery in Hong Kong.

END

⁴ Metro Town, Hampton Loft and Caribbean Bazaar will be unencumbered on 28 June 2010.

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 (Singapore) 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 on 12 August 2003.

Fortune REIT holds a portfolio of fourteen retail properties in Hong Kong, spread across Kowloon and the New Territories, through the ownership of property companies (“the Property Companies”), worth approximately HK\$11.5 billion. 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. Notable tenants include Park’N Shop, 7-Eleven, Aji Ichiban, Maxim’s Chinese Restaurant, Watsons, Mannings, Modern Beauty Salon, Fortress, McDonald’s, Kentucky Fried Chicken, Watami Japanese Restaurant, Centaline Property Agency, Midland Realty, DBS Bank, Bank of China (Hong Kong), HSBC, Japan Home Centre, Jumpin Gym U.S.A., International Christian School and the Hong Kong Jockey Club. More information can be found at www.fortunereit.com.

About ARASL, the Manager

Fortune REIT is managed by ARASL, a wholly owned subsidiary company of ARA Asset Management Limited, which is listed on the Mainboard of the SGX-ST. More information can be found at www.ara-asia.com.

Media and investor contacts

Justina Chiu
Chief Operating Officer
justinachiu@ara.com.hk

Jenny Hung
Manager, Investment and Investor Relations
jennyhung@ara.com.hk

Singapore Office Tel:
+65 6835 9232

Hong Kong Office Tel:
+852 2169 0928