

Press Release

Fortune REIT Records Remarkable 3Q11 Results with NPI and DPU Up 14.1% and 16.0% Respectively

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Portfolio passing rent up 14.8%

ROI of 73% achieved from Ma On Shan Plaza AEIs

Annualised distribution yield at 7.6%¹

Financial Results Overview

	3Q11	3Q10	% Change	YTD 3Q11	YTD 3Q10	% Change
Revenue (HK\$ '000)	232,152	205,710	+12.9%	678,989	619,519	+9.6%
Net property income (HK\$ '000)	162,153	142,157	+14.1%	481,680	444,456	+8.4%
Income available for distribution (HK\$ '000)	112,336	96,255	+16.7%	327,141	300,826	+8.7%
Distribution per unit ("DPU") (HK cents)	6.68	5.76	+16.0%	19.48	18.03	+8.0%

11 November 2011. ARA Asset Management (Fortune) Limited (the "Manager"), as the 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 quarter ended 30 September 2011 ("3Q11").

Fortune REIT has continued to deliver robust performance following the first half-year interim results. In particular, Fortune City One ("FCO")'s income has shown a remarkable increase over the previous year mainly attributed to the enhanced rental from the completed asset enhancement initiatives (AEIs) at Fortune City One Plus¹. Overall, revenue and net property income for 3Q11 grew by 12.9% and 14.1% year-on-year to HK\$232.2 million and HK\$162.2 million respectively.

The distribution per unit ("DPU") for 3Q11 was up 16.0% year-on-year to 6.68 HK cents, as a result of better underlying performance and a lower borrowing cost from the refinancing executed in April 2011. Based on the average closing unit price² as at 30 September 2011, the DPU of Fortune REIT for the first nine months of 2011 ("YTD 3Q11") represents an annualised yield of 7.6%.

Strong operating metrics. Fortune REIT maintained a solid portfolio occupancy rate of 93.5% despite some frictional vacancies resulted from renovation at our two largest properties (i.e. FCO and Ma On Shan Plaza ("MOSP")). Rental reversion for renewals in YTD 3Q11 recorded a firm 15.0%. Portfolio passing rent increased 14.8% year-on-year to HK\$31.8 per sq.ft. We continue to see active leasing momentum and keen

¹ Formerly known as Ngan Shing Commercial Centre.

² Based on HK\$3.415, the average closing unit price in Singapore HK\$3.39 and Hong Kong HK\$3.44, as at 30 Sep 2011.

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renewal interest. Year-to-date, most of the lease expiries in 2011 has already been locked-up, only about 6% of gross rentable area is left to close within this year.

Lower effective interest cost kicked-in. Subsequent to the one-time write-off of an unamortised commitment fee in the second quarter due to the early refinancing initiative, the savings achieved from lower interest margin has begun to make positive contribution to the income available for distribution in 3Q11. The borrowing cost fell 11.0% in 3Q11 when compared to the same period a year earlier. As a result, the effective interest cost for YTD 3Q11 has gradually decreased to 4.0% from 4.4% from the previous quarter.

AEIs to unlock potential of our two largest assets. Yield-enhancing AEIs have been embarked at our two largest properties, namely FCO and MOSP, and have resulted in some short term vacancies in the two properties during 3Q11. With a capital expenditure of approximately HK\$100 million and targeting a return on investment ("ROI") of 15%, the AEIs at FCO commenced in August 2011. The renovation is to be carried out in phases in order to minimise the rental disruption and downtime.

In MOSP, the AEIs to subdivide the former Chinese restaurant are expected to be completed by the end of this year. The subdivision is planned to create a refreshing shopping ambiance with more interesting retail offerings. Latest results are encouraging as the renovated area is fully pre-committed. With a capital expenditure of approximately HK\$12 million, an ROI of 73% is achieved.

"We are pleased that Fortune REIT has delivered strong results for 3Q11 which were backed by a solid asset performance and an even stronger balance sheet. Although consumer sentiment in Hong Kong presently remains healthy, we are cautious about Hong Kong's economic outlook given the worsening economic situation in the US and Europe. Notwithstanding this, Fortune REIT's portfolio of necessity shopping malls has proven its resilience during the global financial crisis." commented by Mr. Anthony Ang, Chief Executive Officer of the Manager.

Ms. Justina Chiu, Deputy Chief Executive Officer of the Manager concluded, "Given our previous successful track record of executing AEIs, we are confident we can create significant value to our Unitholders upon the completion of the on-going AEIs in FCO and MOSP. Consistent with our strategy in executing AEIs, we are proud to again pre-commit 100% of renovated space ahead of completion at MOSP. Looking ahead, FCO's AEIs will be one of our highlight projects in 2012 and an important revenue growth driver for the property and the overall portfolio."

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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 Fortune City One (formerly known as City One Shatin Property), Ma On Shan Plaza, Metro Town, Fortune Metropolis (formerly known as The Metropolis Mall), Waldorf Avenue (formerly known as Waldorf Garden Property), Caribbean Square (formerly known as Caribbean Bazaar), Smartland, Tsing Yi Square (formerly known as Tsing Yi Square Property), Jubilee Square (formerly known as Jubilee Court Shopping Centre), Nob Hill Square (formerly known as The Household Center), Centre de Laguna (formerly known as Centre de Laguna Property), Hampton Loft, Lido Avenue (formerly known as Lido Garden Property) and Rhine Avenue (formerly known as 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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