

Media release

6 Nov 2006

For Immediate Release



**Total revenue and NPI grown by 54% YTD;
Tax exempt yield of 5.8%;
Distributable income 40% higher YTD 3Q06 vs YTD 3Q05**

6 Nov 2006. ARA Asset Management (Singapore) Limited (“ARASL”), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the results for Fortune REIT for the period ended 30 Sep 2006.

“We are pleased to continue to deliver stable growth to Unitholders. To date, our revenue and net property income has grown by 53.7% and 53.8% respectively compared to the corresponding period last year. Rental reversions are a healthy 8.2% YTD and occupancy has risen to 95.5% as at 30 Sep 2006. As such, the distributable income for YTD 3Q06 over the corresponding period last year also improved by 40%. Going forward, our strategy remains focused on distributing sustainable returns to Unitholders whilst capitalizing on rental reversions and asset enhancements to fuel growth.” John Lim, Chief Executive Officer of ARASL commented.

Total revenue rose 53.7% in YTD06 over YTD05. Total revenue increased by 53.7% due to income contributions from the 11 retail properties and the strong rental reversions of 8.2% experienced across the portfolio in 2006. Despite rises in interest rates, Fortune REIT’s DPU grew by 2.3% YTD over the same corresponding period last year to 25.78 HK cents. Fortune REIT distributes dividends on a semi-annual basis.

Fortune REIT results for the 9 months ended 30 Sep 2006

	YTD 3Q 2006	YTD 3Q 2005	Variance
Total revenue (HK\$'000)	463,940	301,898	53.7%
Net property income (HK\$'000)	330,153	214,644	53.8%
Net profit of property companies (HK\$'000) ¹	206,114	149,359	38.0%
Income available for distribution (HK\$'000)	207,879	148,431	40.1%
Tax-Exempt distribution per unit (HK\$)	0.2578	0.2521	2.3%
Tax-Exempt distribution yield (annualised)	5.8% ²	5.6% ³	-

Notes:

1. After borrowing costs and Hong Kong taxation
2. Based on the closing price of HK\$5.90 on 30 Sep 2006 and units in issue of 806.2 million
3. Based on the closing price of HK\$6.00 on 30 Sep 2005 and units in issue of 801.9 million

Cost-to-revenue ratio improved by 0.4% YTD Sep 2006. Management will continue to focus on prudent cost rationalisation efforts to maintain a stable cost-to-revenue ratio that commensurates with a quality facility to tenants and visitors. The cost-to-revenue ratio for the portfolio was 26.6% for the period YTD Sep 06.

Tax-exempt yield of 5.8% achieved. The annualised tax-exempt yield was 5.8% at a unit price of HK\$5.90 as at 30 Sep 2006 or an equivalent of 7.1% on a pre-tax basis.

Discount to NAV of 22.3%, an opportunity to investors. Fortune REIT's net asset value per unit as at 30 Sep 2006 was HK\$7.59. At a unit price of HK\$5.90 as at 30 Sep 2006, Fortune REIT was trading at a 22.3% discount to its NAV. This makes Fortune REIT an attractive tax exempt investment opportunity for investors.

Actual portfolio occupancy rose to 95.5%; tenant retention improved to 74.9%. At the end of Sep 2006, Fortune REIT's portfolio of eleven malls and properties achieved an aggregate actual occupancy rate of 95.5%. In addition, the average passing rental rose to HK\$23.42 psf per month as at 30 Sep 2006.

To date, the Manager had renewed close to 610,000sf of leases which were due to expire in 2006, reflecting a strong tenant retention rate of 74.9%. The weighted average rental reversion rate of such renewals was 8.2% YTD. Amongst the top growth contributors were Ma On Shan Plaza, City One Shatin and Waldorf Garden which recorded YTD rental reversions of about 29%, 13% and 12% respectively.

Asset enhancement works in progress. Asset enhancement initiatives to improve revenue and shopping experience relating to thematic enhancement works at The Metropolis Mall, upgrading of air-conditioning system at City One Shatin's wet market and asset enhancement works at Waldorf Garden are on track.

The Metropolis Mall. The multi-use "wedding park" within the wedding zone of The Metropolis Mall is expected to be completed by Nov 2006. The European-themed wedding park was conceived to accentuate the wedding romance atmosphere in the mall to better serve tenants and customers. It also has revenue generating capabilities should tenants book the "wedding park" for events, activities and exhibitions. Such enhancements are a part of the Manager's strategy to put an otherwise wide walkway into more productive use.

City One Shatin. Improvement works to upgrade the air conditioning chiller system in the wet markets of City One Shatin are in progress to offer tenants and shoppers a more comfortable shopping environment. The wet markets are an integral part of the

shoppers' needs as City One Shatin is nestled within an immediate catchment of more than 10,000 households in the estate. The enhancements are expected to retain both tenants and shoppers to City One Shatin.

Waldorf Garden. Plans have been firmed to convert a large 33,000sf restaurant and 2 adjoining shops into 32 retail shops and 3 restaurants. This project will commence in Apr 2007 upon the expiries of the existing tenancies and rental income is expected to double thereafter. Retail offerings in the converted retail zone will improve with more fashion, beauty, household, personal services and F&B offerings.

Portfolio gearing at a low 26.8% with 78.5% debt fixed. Fortune REIT's gearing remains relatively low at 26.8%, of which 78.5% are fixed at various maturities to mitigate potential rises in market interest rates.

John Lim added, "Whilst we see interest rate stabilizing, we are also experiencing improved leasing conditions due to a stronger economy. This augurs well and will strengthen the returns from our property portfolio."

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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 shopping malls and properties in Hong Kong, through the ownership of the special purpose property ownership companies, worth approximately HK\$8.5 billion. The retail malls and properties are City One Shatin Property, The Metropolis Mall, Ma On Shan Plaza, Waldorf Garden Property, Smartland, The Household Center, Jubilee Court Shopping Centre, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. Together they housed a total of 821 tenants as at 30 September 2006 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, Fortress, McDonald's, Kentucky Fried Chicken, GOME, Bank of China (Hong Kong), DBS Bank, Standard Chartered Bank, Citibank, The Hongkong & Shanghai Banking Corporation Limited, Bluestar Exchange, 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 70% owned by Mr. John Lim, the Chief Executive Officer of the Manager, and 30% indirectly owned by Cheung Kong (Holdings) Limited.

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Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Fortune REIT.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market of the Units.