

Press Release

Fortune REIT Refinances Its Loan Facility at Lower Cost

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5-years New Facilities of HK\$3,800 million due in April 2016

Enhanced debt flexibility for acquisition opportunities

11 April 2011. ARA Asset Management (Fortune) Limited (the “Manager”), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”; SEHK: 778; SGX: F25U), is pleased to announce that Fortune REIT, has today successfully refinanced the whole of its current loan facilities of HK\$3,100 million.

- **The new facilities will extend Fortune REIT’s outstanding debt maturity to April 2016;**
- **Interest margin will be substantially reduced to 0.91% per annum over Hong Kong Interbank Offer Rate (“HIBOR”);**
- **The revolving credit facilities will be expanded to HK\$970 million, which will enhance the funding flexibility for acquisition opportunities and other yield enhancing asset enhancement initiatives (“AEIs”).**

The New Facilities

On 11 April 2011, eleven property holding companies of Fortune REIT entered into a syndicated credit agreement (the “**Credit Agreement**”) with Australia and New Zealand Banking Group Limited, DBS Bank Ltd. and Standard Chartered Bank (Hong Kong) Limited as the mandated coordinating arrangers and bookrunners. The Credit Agreement relates to a Hong Kong Dollar 5-year term loan and revolving credit facilities of up to an aggregate principal amount of HK\$3,800 million (the “**New Facilities**”), comprising a HK\$2,830 million term loan facility and a HK\$970 million revolving credit facility. The New Facilities will bear an interest margin of 0.91% per annum over HIBOR, and will mature on 11 April 2016.

The current facilities of HK\$3,100 million (comprising a HK\$2,828.7 million term loan facility and a HK\$270 million revolving credit facility) is due on 15 October 2013. The New Facilities will be used in part to refinance the existing facilities, and the balance for financing the corporate funding requirements of Fortune REIT including any acquisition opportunities and AEIs.

Financial position further strengthen

The opportunity window in the credit environment to strengthen Fortune REIT’s financial position has come to the Manger’s attention and this refinancing exercise is completed well ahead of the existing facilities’ maturity and at a more favourable rate. The interest margin under the Credit Agreement will be substantially lowered to 0.91% over HIBOR (from 2% per annum over HIBOR under the existing facilities). The New Facilities,

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which will be due by April 2016, will extend the outstanding debt maturity of Fortune REIT from 2.5 years to 5 years. The enhanced revolving credit facility of HK\$970 million will act as standby funding for potential acquisition opportunities and value-added asset enhancement initiatives in the pipeline. Together with cash on hand of HK\$500 million¹ and HK\$2.5 billion worth of unencumbered assets, Fortune REIT has ample financial resources to respond quickly to acquisition opportunities.

Ms Justina Chiu, Deputy Chief Executive Officer of the Manager said, "We have been closely monitoring the credit market and is committed in lowering the cost of financing for Fortune REIT. We have proactively refinanced the loan well ahead of the maturity in view of current opportunities in the credit market. With the successful completion of the subject refinancing, Fortune REIT will have no refinancing needs until 2016. Most importantly, this exercise also enables Fortune REIT to enjoy greater debt flexibility and an even stronger capital structure for future growth."

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¹ As at 31 December 2010.

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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 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. 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.

Media and investor contacts

ARA Asset Management (Fortune) Limited

Justina Chiu
Deputy Chief Executive Officer
justinachiu@ara.com.hk
+852 2169 0928

Jenny Hung
Senior Manager, Investment and Investor Relations
jennyhung@ara.com.hk
+852 2169 0928

Strategic Financial Relations Limited

Mandy Go
mandy.go@sprg.com.hk
+852 2864 4812

Maggie Au
maggie.au@sprg.com.hk
+852 2864 4815