

Press Release

Fortune REIT Records Strong Revenue Growth of 12.5%

*20.0% portfolio rental reversion
5.6%¹ annualised dividend yield*

Financial Results Overview

	YTD 3Q13	YTD 3Q12	% Change
Revenue (HK\$ million)	924.9	822.1	12.5%
Net property income (HK\$ million)	653.2	581.4	12.3%
Income available for distribution (HK\$ million)	460.3	407.0	13.1%
Distribution per unit (HK cents)	26.28	23.98	9.6%

11 November 2013. 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 the financial results of Fortune REIT for the nine months ended 30 September 2013 (“YTD 3Q13” or “Reporting Period”).

Sustained growth underpinned by three core strategies. Fortune REIT achieved another set of spectacular results for YTD 3Q13. Revenue and net property income surged by 12.5% and 12.3% year-on-year to historical highs of HK\$924.9 million and HK\$653.2 million respectively, continuing the strong growth momentum. The exceptional financial performance was attributed to the strong rental reversions across its entire portfolio; the full period income contribution from the improved performance of Provident Square and Belvedere Square acquired in February 2012; as well as remarkable returns from completed asset enhancement initiatives (“AEIs”).

Distributable income for the Reporting Period amounted to HK\$460.3 million, a year-on-year increase of 13.1%. The distribution per unit (“DPU”) was 26.28 Hong Kong cents, 9.6% higher than the DPU of 23.98 Hong Kong cents from the corresponding period in 2012. This represents an annualised distribution yield of 5.6%¹.

Strong leasing momentum with solid rental reversion. In the first nine months of 2013, new leases have been entered for about 30% of total gross rentable area (“GRA”) expiring in the year with only less than 8.3% of total GRA due for renewal in the rest of 2013. A solid rental reversion of 20.0% was recorded for all renewals in YTD 3Q13. Portfolio occupancy climbed further to 98.3% as at 30 September 2013.

¹ Based on HK\$ 6.245, the average closing unit price in Singapore and Hong Kong, as of 30 September 2013.

Press Release

Impressive return continued from AEIs. The HK\$20 million AEIs at the wet market of Fortune City One ("FCO Market") was completed with a return on investment ("ROI") exceeding 25%. The layout of the market has been improved and more variety of trades have been introduced. Occupancy of the FCO Market improved to above 90% from 75% previously.

The HK\$15 million AEIs at Ma On Shan Plaza has also generated encouraging results in third quarter of 2013. The works to downsize and subdivide the current supermarket for more retail and food & beverage outlets are scheduled for completion by the end of 2013. All newly-subdivided shops have attracted commitments. The ROI is estimated to be around 60%.

A healthy balance sheet. As at 30 September 2013, the gearing ratio of Fortune REIT was 20.1%. The weighted average effective cost of borrowing was 2.82% for YTD 3Q13. Subsequent to the third quarter, new facilities of HK\$5,025 million have been drawn down to finance in part the acquisition of Fortune Kingswood which was completed on 9 October 2013. The overall debt expiry profile is therefore further spread out with a weighted average term to maturity of the outstanding loan extending to 3.1 years and no refinancing needs until 2015.

Mr Anthony Ang, Chief Executive Officer of the Manager, "We are delighted that Fortune REIT continues to deliver significant growth driven by our continuous AEI projects as well as our efficient management. With the completion of the acquisition of Fortune Kingswood in October, the mall is now the largest property within Fortune REIT's portfolio and our total GRA has been increased substantially by 27.2% to 3.11 million square feet which provides us with a more diversified income stream."

Ms Justina Chiu, Deputy Chief Executive Officer of the Manager concluded, "With our 17 assets rooted in various private housing estates in Hong Kong providing necessity shopping facilities to the surrounding communities, we will continue to capitalise on the increasing retail demand in Hong Kong by actively executing AEIs to maintain our good growth track record."

Press Release

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 seventeen retail properties in Hong Kong, comprising approximately 3.11 million sq ft of retail space and 2,606 car parking lots. The retail properties are Fortune Kingswood, Fortune City One, Ma On Shan Plaza, Metro Town, Fortune Metropolis, Belvedere Square, Waldorf Avenue, Caribbean Square, Provident Square, Jubilee Square, Smartland, Tsing Yi Square, Nob Hill Square, Centre de Laguna, Hampton Loft, Lido Avenue and Rhine Avenue. 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
Director, 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