

Press Release

Fortune REIT Refinances its Loan Facilities at a Lower Rate

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5-year New Facilities of HK\$1,800 million due in April 2019 Enhanced Debt Flexibility for Further Growth

8 April 2014. 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 its existing loan facilities of HK\$1,400 million ahead of its maturity in February 2015.

- **The New Facilities are for a term of five years and will be repayable on or about 8 April 2019;**
- **Interest margin will be substantially reduced to 1.40% per annum over the Hong Kong Interbank Offer Rate (“HIBOR”); and**
- **The revolving credit facilities will be expanded to HK\$700 million, which will enhance funding flexibility for general corporate exercise and other yield enhancing asset enhancement initiatives (“AEIs”).**

The New Facilities

On 8 April 2014, certain subsidiaries of Fortune REIT entered into a credit agreement (the “**Credit Agreement**”) with Australia and New Zealand Banking Group Limited, Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and Sumitomo Mitsui Banking Corporation as the mandated lead arrangers and bookrunners. The Credit Agreement relates to a 5-year term loan and revolving credit facilities of up to an aggregate principal amount of HK\$1,800 million (the “**New Facilities**”), comprising a HK\$1,100 million term loan facility and a HK\$700 million revolving credit facility. The New Facilities will bear an interest margin of 1.40% per annum over HIBOR, and will be repayable on or about 8 April 2019.

The New Facilities will be used in part to early refinance the current HK\$1,400 million facilities (comprising a HK\$1,100 million term loan facility and a HK\$300 million revolving credit facility, the “**Existing Facility**”) which is due on 14 February 2015, and the balance for financing the corporate funding requirements of Fortune REIT. It is expected that the New Facilities or a part thereof will be drawn on or about 15 April 2014 to refinance the Existing Facilities.

Financial position further strengthened

The opportunity window in the credit environment to strengthen Fortune REIT’s financial position has come to the Manager’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 1.40% over HIBOR (from 2% per annum over HIBOR under the existing facilities). The New Facilities, which will be due by April 2019, will extend the weighted average term to maturity of Fortune REIT’s debt from 2.5 years to 3 years. The enhanced revolving credit facility of HK\$700 million will act as standby funding for general corporate exercise and value-added AEIs in the pipeline.

Press Release

Ms Justina Chiu, Deputy Chief Executive Officer of the Manager said, "We have been closely monitoring the credit market with the goal of lowering the financing cost for Fortune REIT. We are pleased to have proactively refinanced the loan well ahead of its maturity date in view of current opportunities in the credit market. With the successful completion of the refinancing exercise, Fortune REIT will have no refinancing needs until 2016. Most importantly, the strengthened financial position and enhanced funding flexibility that Fortune REIT now enjoys will enable it to achieve further growth going forward."

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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. Listed on 12 August 2003 on the Singapore Exchange Securities Trading Limited with a dual primary listing on The Stock Exchange of Hong Kong Limited on 20 April 2010, Fortune REIT was Asia's first cross-border REIT and also the first REIT to hold assets in Hong Kong.

Fortune REIT currently holds a portfolio of 17 private housing estate retail properties in Hong Kong, comprising of 3.11 million Sq.ft. of retail space and 2,606 car parking spaces. The retail properties are Fortune City One, Fortune Kingswood, 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, Hampton Loft, Centre de Laguna, 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 Singapore-listed ARA Asset Management Limited ("ARA"). ARA is an Asian real estate fund management company focused on the management of publicly listed REITs and private real estate funds. 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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