

Press Release

Fortune REIT signs New Facilities of HK\$4,500 Million at a Lower Rate

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No Refinancing Needs until 2018 Enhanced Flexibility for Further Growth

10 August 2016. 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 signing of loan facilities amounting to HK\$4,500 million (the "New Facilities") today.

The New Facilities, comprising of a HK\$3,800 million term loan facility and a HK\$700 million revolving credit facility, for a term of 5 years, will be mainly used to refinance the existing loan facilities due in 2017 (the "Existing Facilities") ahead of their maturities. The New Facilities will bear an interest margin of 1.15% per annum over HIBOR¹, and interest cost savings can be expected upon the drawdown of the New Facilities in the third quarter of 2016.

The New Facilities will extend Fortune REIT's weighted average term to maturity of debt to 4 years and there will be no further refinancing needs until 2018. In addition, Fortune REIT's financial flexibility is notably enhanced with Fortune Kingswood, the largest asset in the portfolio, unencumbered through this refinancing exercise.

Ms. Justina Chiu, Chief Executive Officer of the Manager said, "We are very pleased to have proactively refinanced the Existing Facilities, which account for approximately 40% of our total banking facilities, with more favourable terms. With the signing of the New Facilities, Fortune REIT's financial position and debt flexibility are notably enhanced, enabling us to achieve further growth going forward. Looking ahead, we are dedicated to sustain a proactive capital management strategy by closely monitoring interest rate movements and regularly reviewing the REIT's hedging profile, with an aim to strengthen our financial position and enhance the financial flexibility of Fortune REIT."

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¹ HIBOR refers to the Hong Kong Interbank Offer Rate

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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 is primary listed on The Stock Exchange of Hong Kong Limited and secondary listed on the Singapore Exchange Securities Trading Limited. Fortune REIT is 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 3.18 million sq.ft. of retail space and 2,713 car parking spaces. The retail properties are Fortune City One, Fortune Kingswood, Ma On Shan Plaza, Metro Town, Fortune Metropolis, Laguna Plaza, Belvedere Square, Waldorf Avenue, Caribbean Square, Provident Square, Jubilee Square, Smartland, Tsing Yi 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, Asia's premier integrated real estate fund manager 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
Chief Executive Officer
justinachiu@ara.com.hk

Jenny Hung
Director, Investments and Investor Relations
jennyhung@ara.com.hk

Frederick Chan
Manager, Investments and Investor Relations
frederickchan@ara.com.hk

Strategic Financial Relations Limited

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

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