

## Press Release

---

# Fortune REIT grew Interim DPU by 10.4% 100% payout with 6%<sup>1</sup> yield

## *Fuelling future growth with two AEIs projects*

6 August 2021. **ARA Asset Management (Fortune) Limited** (the “Manager”), the manager of **Fortune Real Estate Investment Trust** (“Fortune REIT”; SEHK: 778), announces the interim financial results of Fortune REIT for the six months ended 30 June 2021 (“1H2021” or the “Reporting Period”).

**Stable operation with traffic almost back to pre-pandemic.** During the first half of 2021, signs of stabilization were observed for the retail market in Hong Kong as COVID-19 infections subsiding towards the end of the Reporting Period and social distancing restrictions gradually relaxed. Portfolio occupancy stood at 95.8% as at 30 June 2021 despite AEIs have commenced at +WOO. Leasing progress stayed healthy as 480,000 sq. ft. representing 16% of total portfolio area were committed for renewals or new lettings. Fortune REIT maintained its focus in retaining quality tenants and tenant retention recorded a healthy 74%<sup>2</sup> for the portfolio.

Traffic at Fortune Malls has been steadily picking up during the Reporting Period with daily average footfall reached a new 12-month high in June 2021 and almost back to pre-pandemic level.

**100% Payout ratio gives attractive yield.** During the Reporting Period, Fortune REIT recorded a revenue of HK\$904.4 million and net property income of HK\$674.1 million, down by 5.0% and 6.1% year-on-year respectively. Such performance was due to negative rental reversions and certain rental concession granted to tenants but partly offset by a higher carpark income. Thanks to a 30.9% saving in finance cost attributable to a lower HIBOR, income available for distribution increased 0.2% year-on-year to HK\$490.8 million. With a distribution payout ratio of 100% for the Reporting Period (first half of 2020: 90%), DPU increased by 10.4% year-on-year to 24.96 HK cents, representing an annualised distribution yield of 6.0%<sup>1</sup>.

**Two AEIs projects underway to position for growth.** With a budgeted capex of HK\$300 million, the AEIs at +WOO Phase 2 has commenced in June 2021 and the project is to be divided into three stages with the first stage to be completed in the first half of 2022. The expanding residential catchment in Tin Shui Wai continues to support the business of +WOO and we are positive that this leading shopping mall in Tin Shui Wai is in a good position to capture the opportunities when the retail market recovers.

The 15,000 sq. ft. food court at Fortune Metropolis has been one of its key attractions over the past decade. In July 2021, the food court has been closed down for a full revamp. With an estimated capex of HK\$16 million, we are looking to bring in new food concepts, brighten up the seating area and digitalise the food ordering system to capture more business potential from the new MTR Tuen Ma Line as Hung Hom becomes a busier interchange station.

---

<sup>1</sup> Based on the closing unit price of HK\$8.32 as at 30 June 2021.

<sup>2</sup> Excluding +WOO, which is undergoing AEIs.

## Press Release

---

***Strengthened financial position with green financing initiatives.*** In June 2021, Fortune REIT secured new loans amounting to HK\$3,800 million for the purpose of refinancing and other general corporate use. The new facilities which included a HK\$2,000 million term loan, a HK\$300 million revolving loan and a HK\$1,500 million sustainability-linked revolving loan, is going to extend the average maturity of the loan portfolio to 3.8 years. By entering into a second ESG-linked loan, Fortune REIT reaffirms commitment to its stakeholders that it will continue to integrate sustainability best practices into its daily operations.

**Ms Justina Chiu, Chief Executive Officer of the Manager,** said, “Although the pandemic has brought disruption to Fortune REIT’s business, we have responded to the challenges proactively. We continued our commitment in driving tenants’ sales and have rolled out various marketing campaigns to stimulate spending at Fortune Malls. The two AEIs currently underway at +WOO and Fortune Metropolis are expected to stimulate further growth for Fortune REIT. With the continued roll-out of the vaccination programme in Hong Kong and government’s HK\$5,000 Consumption Voucher Scheme, we expect Fortune Malls to gain a share of the retail market recovery upcoming.”

-End-

## Press Release

---

**About Fortune REIT.** Established in 2003, Fortune REIT is a real estate investment trust constituted by a trust deed (as amended, supplemented or otherwise modified from time to time). It is the first REIT to hold assets in Hong Kong and is currently listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Fortune REIT currently holds a portfolio of 16 private housing estate retail properties in Hong Kong, comprising of 3 million sq. ft. of retail space and 2,713 car parking spaces. The retail properties are Fortune City One, +WOO, Ma On Shan Plaza, Metro Town, Fortune Metropolis, Belvedere Square, Laguna Plaza, Waldorf Avenue, Caribbean 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](http://www.fortunereit.com).

**About ARA Asset Management (Fortune) Limited, the Manager.** Fortune REIT is managed by ARA Asset Management (Fortune) Limited, the manager of Fortune REIT. The Manager is a wholly-owned subsidiary of ARA Asset Management Limited, a leading APAC real assets fund manager with a global reach. More information can be found at [www.ara-group.com](http://www.ara-group.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 or related financial instruments in Fortune REIT in Hong Kong or any other jurisdiction.

---

## Media and investor contacts

### ARA Asset Management (Fortune) Limited

Justina Chiu

Chief Executive Officer

[JustinaChiu@ara-group.com](mailto:JustinaChiu@ara-group.com)

Jenny Hung

Director, Investments and Investor Relations

[JennyHung@ara-group.com](mailto:JennyHung@ara-group.com)

Jimmy Ong

Assistant Manager, Investor Relations and Research

[JimmyOng@ara-group.com](mailto:JimmyOng@ara-group.com)

### Strategic Financial Relations Limited

Mandy Go

[mandy.go@sprg.com.hk](mailto:mandy.go@sprg.com.hk)

+852 2864 4812

Maggie Au

[maggie.au@sprg.com.hk](mailto:maggie.au@sprg.com.hk)

+852 2864 4815