

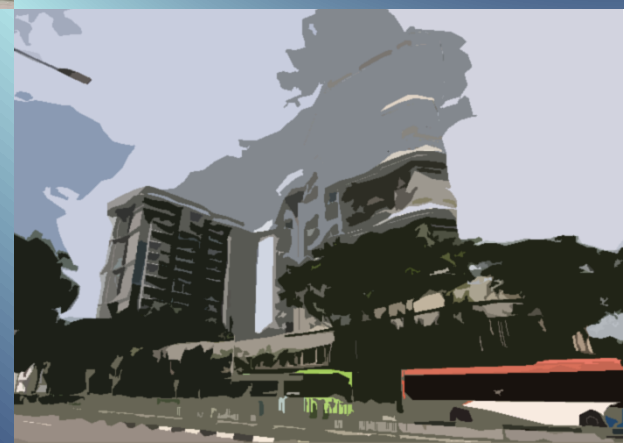


**FORTUNE**  
置富產業信託 **REIT**

# FORTUNE REIT ENTERS SINGAPORE

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**Acquisition of Stars  
of Kovan Property**

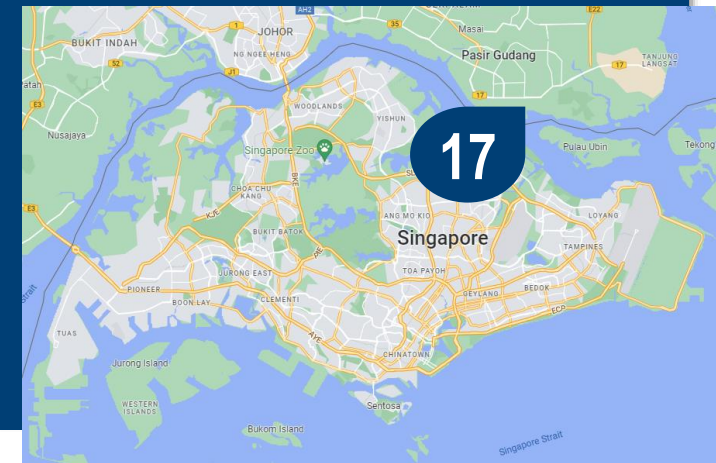
(7 August 2022)



## 16 Neighborhood retail properties in HK



**New addition  
in SG as  
a strategic fit  
with existing  
portfolio**



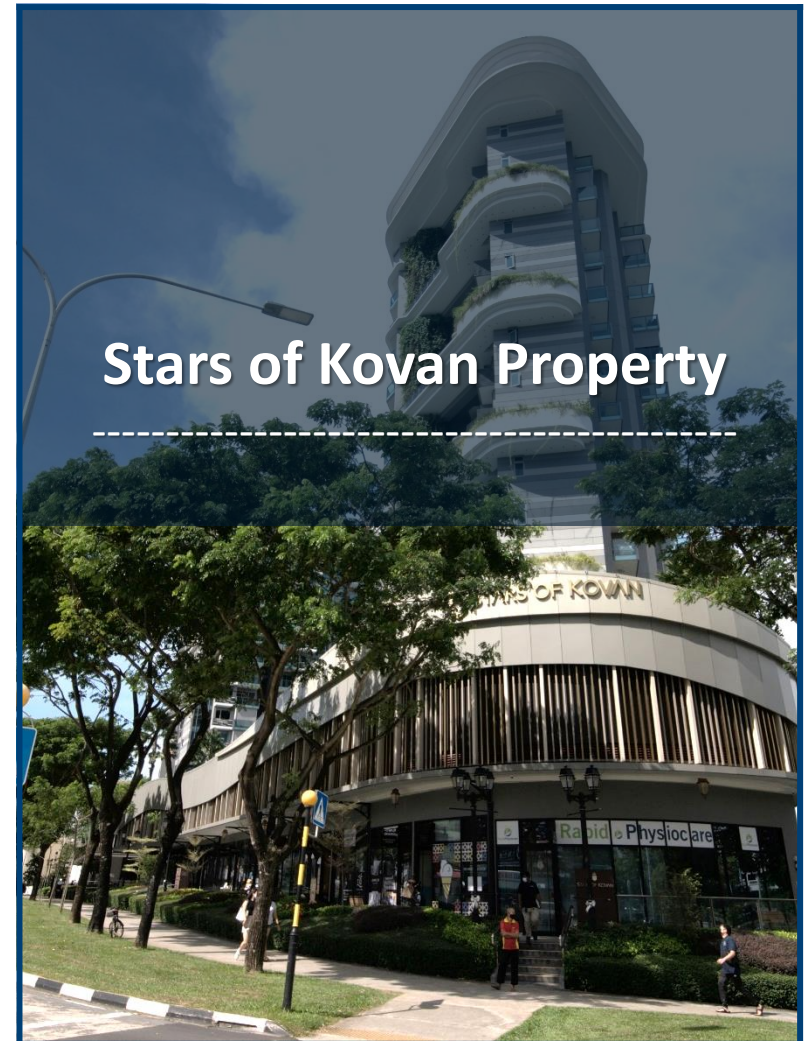
## Stars of Kovan Property

36 Shop Units and Public Carpark

**S\$88 M**  
Consideration

**7.4%**  
Discount to valuation

Address	988 Upper Serangoon Road, Singapore
Completion	2019
Land Tenure	99 year from Feb 2015
GRA	22,638 sf
Occupancy	100%
Carparking space	80 nos.



# Key rationales and benefits to Unitholders

**1** Portfolio diversification to drive sustainable growth



**2** Singapore is a suitable destination for our 1st overseas investment



**3** Maintained Fortune REIT's risk profile for retaining exposure in neighborhood retail



**4** High occupancy with stable income contribution from non-discretionary trades



**5** ARA's strong presence in Singapore renders local support



# Financial impact

Consideration	S\$88M (~HK\$501M)
Appraised Value	S\$95M (~HK\$541M)
Net Property Yield	3.4%
Financing	100% debt
Proforma Gearing	23.4%

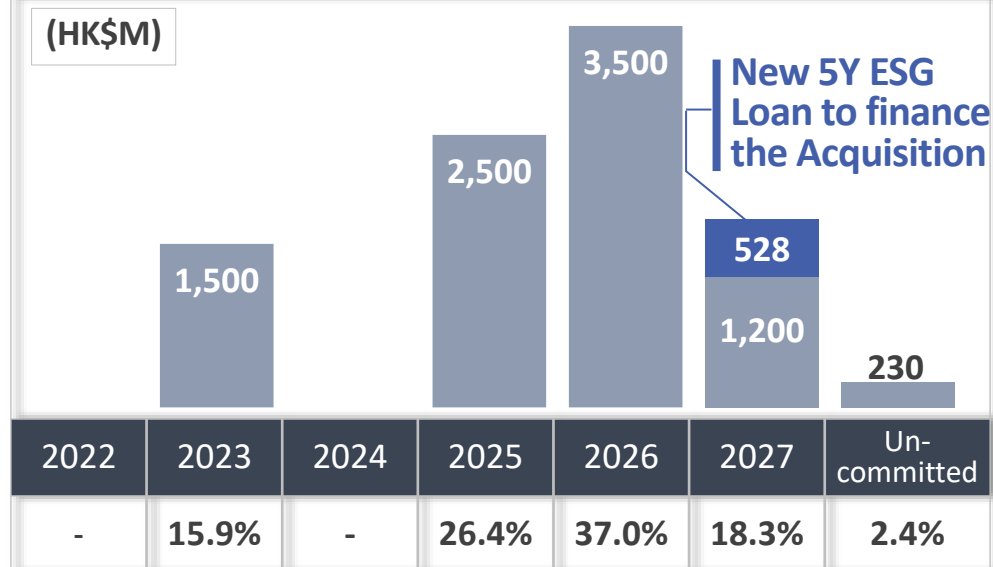


Expected Completion  
**Oct 2022**



DPU  
**Accretive**

## Debt Maturity Profile - Post Acquisition



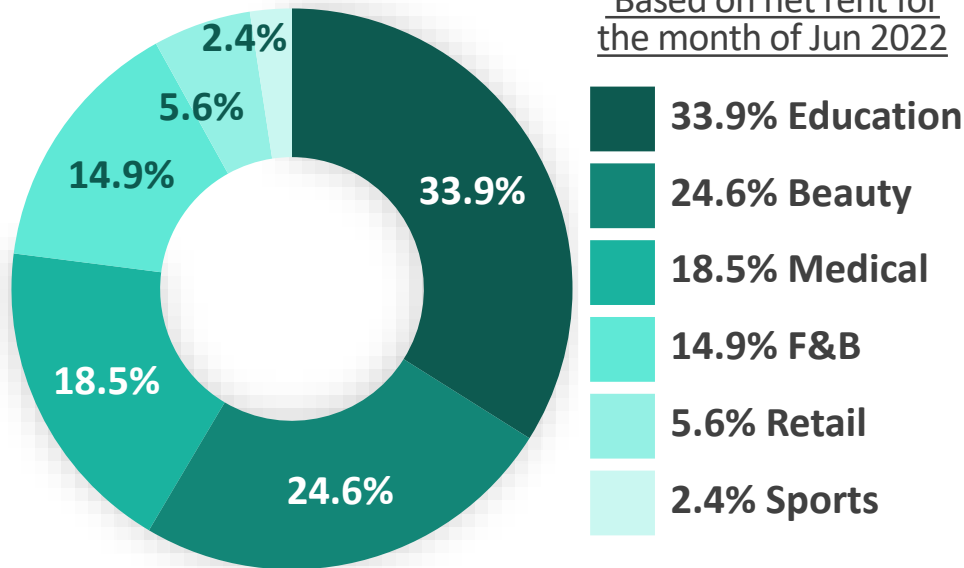
Debt expiry profile is based on the amount of loan drawn. S\$93M is expected to draw from the new ESG loan upon completion of the acquisition.

**SGD loan as natural currency hedge**  
**Financial position remains prudent**

# Defensive trade mix with rental upside

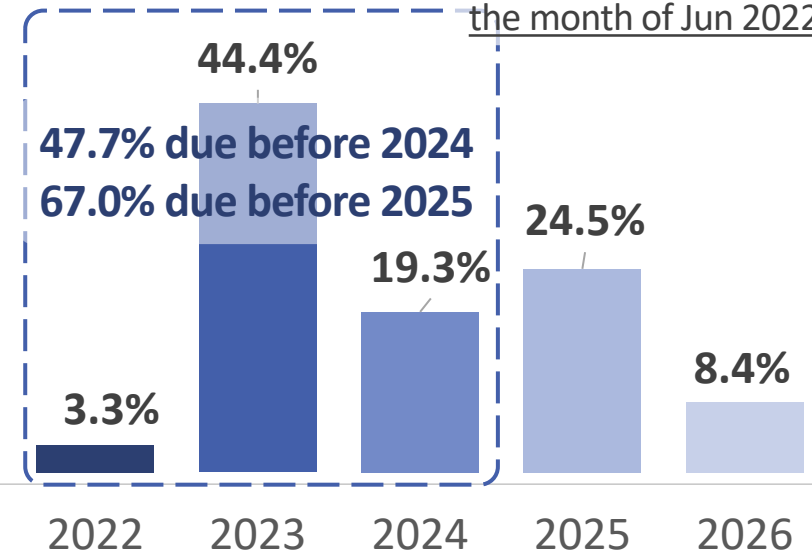
## Resilient Trade Mix

Based on net rent for the month of Jun 2022



## Opportunistic Lease Expiry

Based on net rent for the month of Jun 2022



Non-discretionary trade mix delivered resilience during COVID

**100% occupancy**



67% leases were signed during 2019 to 2021 amid a tough market

**First lease term**



Short WALE of 2 years provides upside when market recovers

**Rental upside**

# Enhanced geographical diversification

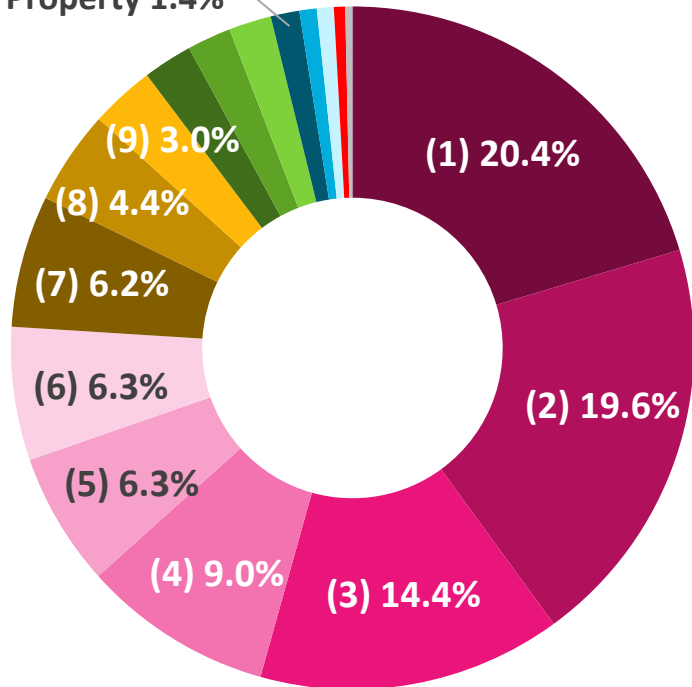
**17**  
Properties

**100%** in  
Neighborhood  
Malls

**3,024,520sf**  
Total GRA

**HK\$39,742M**  
Total Valuation

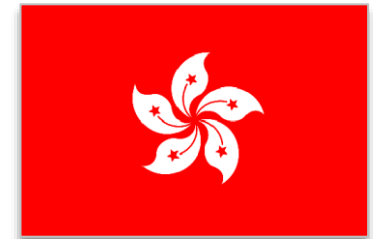
(13) Stars of Kovan  
Property 1.4%



## Portfolio Valuation (HK\$M)

(1) Fortune City One	8,093
(2) +WOO	7,790
(3) Ma On Shan Plaza	5,713
(4) Metro Town	3,585
(5) Laguna Plaza	2,512
(6) Belvedere Square	2,508
(7) Fortune Metropolis	2,483
(8) Waldorf Avenue	1,768
(9) Caribbean Square	1,207
(10) Jubilee Square	927
(11) Tsing Yi Square	827
(12) Smartland	799
(13) Stars of Kovan Pty	541
(14) Centre de Laguna	326
(15) Hampton Loft	318
(16) Lido Avenue	211
(17) Rhine Avenue	134

**Portfolio Total** 39,742



**98.6% HK by valuation**



**1.4% SG by valuation**

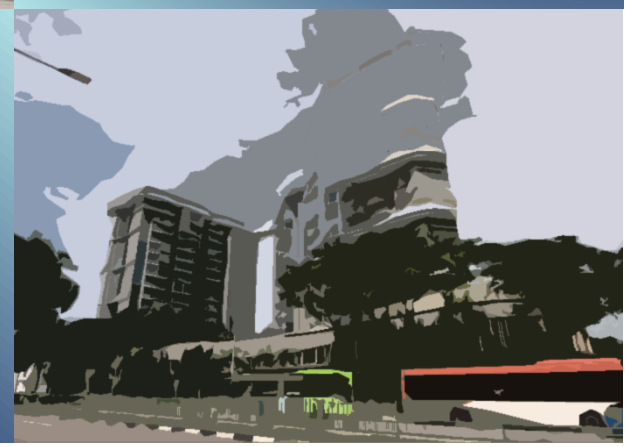


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# Acquisition of Stars of Kovan Property

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# Appendices







## Stars of Kovan Property 988 Upper Serangoon Road



Within a suburb in the Hougang area with mostly residential neighborhood



Conveniently located at the junction of Upper Serangoon Road and Tampines Road



5 minutes walking distance to Kovan Station on the MRT North-East Line



## District 19, North-east Region of Singapore



Stable and recurring demand underpinned by the immediate catchment



High proportion of essential services such as F&B, medical, beauty etc.

## High coverage of COVID-19 vaccination

93% Completed full regimen  
79% received booster shot



## Vaccinated Travel Framework

All travellers can enter Singapore without quarantine, testing or entry approvals subject to vaccination requirement



## Community SMM<sup>1</sup> mostly lifted

Group size limit lifted  
Mask-wearing lifted for outdoor  
Workplace requirement lifted  
Safe distancing lifted  
Capacity limit lifted



## Reopening in Singapore continues to support its economic recovery



**GDP<sup>2</sup>**

- 2Q2022: +4.8% YoY
- 2022 full year forecast to grow 3 to 5%



**Inbound Visitors<sup>3</sup>**

- Jun 2022: +53x YoY
- 1H2022: ~+12x YoY



**Retail Sales<sup>4</sup>**

- May 2022: +22.6% YoY
- Both retail and F&B sales registered double-digit YoY growth in Apr and May, helped by the lifting of SMM in end Mar and end Apr respectively



**F&B Sales<sup>4</sup>**

- May 2022: +40.1% YoY

Notes: 1. Safe Management Measures (SMM) by Singapore Ministry of Health

2. Data and forecast by Singapore Ministry of Trade and Industry

3. Data from Singapore Tourism Board

4. Data from Singapore Department of Statistics; retail sales excluding motor sales

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