

FORTUNE

is Retail

Financial Results for the period ended 31 December 2012

Stock Code | Hong Kong 778
Singapore F25U

24 January 2013

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Results Highlights

Financial Results & Capital Management

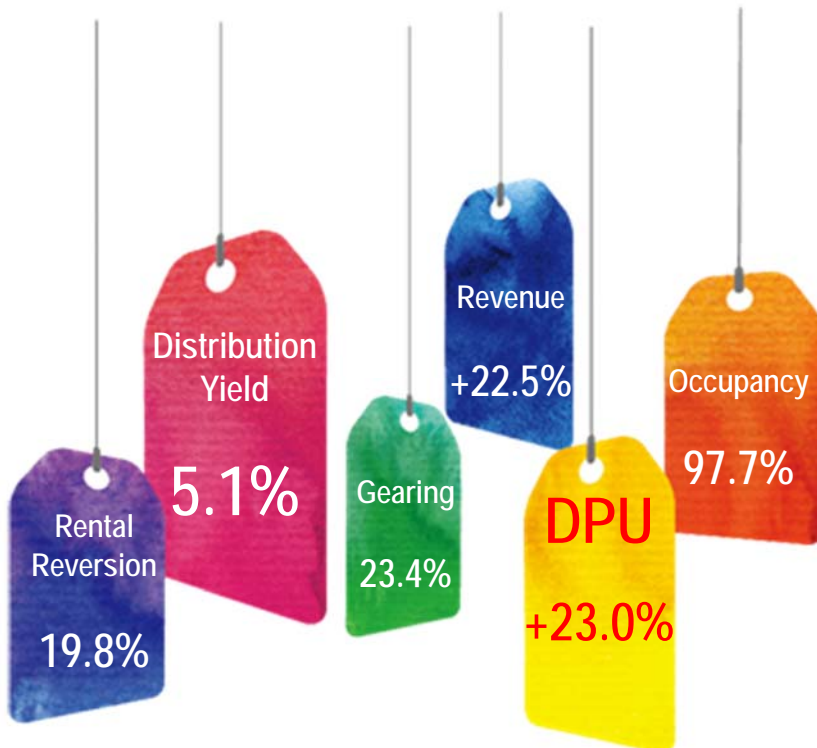
Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Period ended 31 Dec 2012 | 3

Results Highlights



For the 12 months ended 31 Dec 2012 (FY2012)

Total Revenue	HK\$1,113.7 M	+ 22.5% YoY
NPI	HK\$788.3 M	+ 22.8% YoY
Distributable Income	HK\$549.5 M	+ 24.2% YoY
DPU	HK\$0.3235	+ 23.0% YoY
Distribution Yield ¹	5.1%	
NAV Per Unit ²	HK\$8.81	+12.2 % YoY
Portfolio Valuation ²	HK\$20,208 M	+ 23.3% YoY
Gearing ²	23.4%	
Rental Reversion ³	19.8%	
Occupancy ²	97.7%	
Passing Rent ²	HK\$32.0 psf	

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$6.38 as at 31 Dec 2012.
2. As at 31 Dec 2012.
3. For all renewal leases from 1 Jan 2012 to 31 Dec 2012.

Period ended 31 Dec 2012 | 4

Results Highlights

FY2012 DPU +23.0% yoy
– highest growth trend in
9 years history



Effective interest cost
kept stable at 2.78%



Acquisition completed on 17 Feb 12
Accounted for 12.4% NPI growth



Rental reversion +19.8%

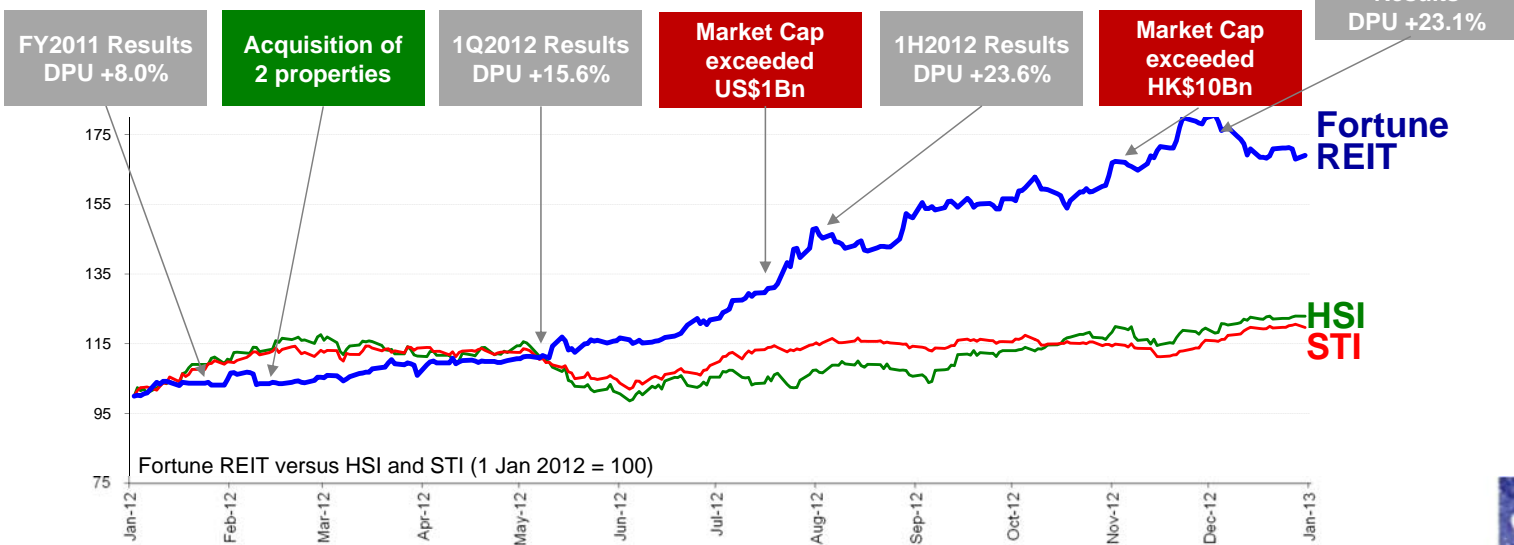


Passing rent for original
portfolio up 8.3%

Total Return of 77% in 2012

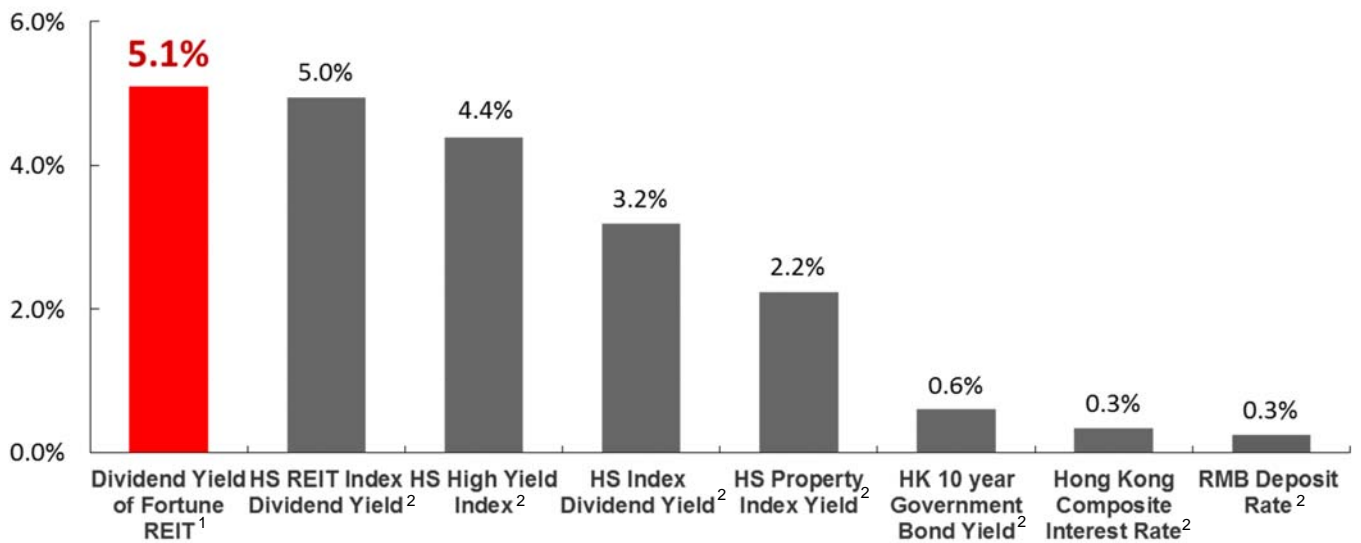
Strong rally supported by yield accretive acquisition
and strong asset performance across the portfolio

Fortune REIT up by 69% in 2012. Outperformed ALL major regional indices.
Sought after by investors - turnover in 4Q12 increased to HK\$32 million per day.



Resilient Asset Class with Attractive Yield

Still offers 5.1% yield on Hong Kong retail asset



Source: Company Data, Hang Seng Indexes, Hong Kong Monetary Authority

Notes:

- 1. Based on the average closing unit price in Singapore and Hong Kong of HK\$6.38 as at 31 Dec 2012.
- 2. As at December 2012

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Stock Code | HK: 778 | SG: F25U

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Financial Performance FY2012

Full Year DPU +23.0% yoy - highest growth trend in 9 years history

	FY 2012 (HK\$'000)	FY 2011 (HK\$'000)	Variance (%)	4Q 12 (HK\$'000)	4Q 11 (HK\$'000)	Variance (%)
Total revenue	1,113,696	909,425	22.5%	291,587	231,945	25.7%
NPI	788,275	642,126	22.8%	206,888	161,955	27.7%
Income available for distribution	549,462	442,283	24.2%	142,474	115,142	23.7%
DPU (HK cents)	32.35	26.30	23.0%	8.37	6.82	22.7%

- 12.4% NPI growth from 2 new properties for 10.5 months contribution.
- 10.4% NPI growth from original portfolio backed by strong reversion and AEI results

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Portfolio Valuation

	Dec 12 ¹ (HK\$ million)	Jun 12 ¹ (HK\$ million)	Change (Dec 12 vs Jun 12)	Dec 11 ¹ (HK\$ million)	Change (Dec 12 vs Dec 11)
Fortune City One	5,365	5,090	+5.4%	4,895	+9.6%
Ma On Shan Plaza	3,801	3,549	+7.1%	3,302	+15.1%
Metro Town	2,380	2,300	+3.5%	2,200	+8.2%
Fortune Metropolis	1,839	1,763	+4.3%	1,728	+6.4%
Waldorf Avenue	1,268	1,215	+4.4%	1,164	+8.9%
Caribbean Square	716	707	+1.2%	680	+5.3%
Jubilee Square	551	502	+9.8%	479	+15.0%
Smartland	516	495	+4.2%	485	+6.4%
Tsing Yi Square	463	454	+2.0%	439	+5.5%
Nob Hill Square	381	374	+1.9%	359	+6.1%
Centre de Laguna	229	224	+2.2%	217	+5.5%
Hampton Loft	222	215	+3.3%	211	+5.2%
Lido Avenue	153	143	+7.0%	133	+15.0%
Rhine Avenue	107	102	+4.9%	96	+11.5%
Original Portfolio	17,991	17,133	+5.0%	16,388	+9.8%
Belvedere Square ²	1,431	1,398	+2.4%	NA	NA
Provident Square ²	786	737	+6.6%	NA	NA
Enlarged Portfolio	20,208	19,268	+4.9%		

**Portfolio Valuation
+23.3% to HK\$20,208M**

Cap rates unchanged

**Original portfolio +10%
as a result of improved asset
performance**

Notes:

1. Valued by Knight Frank.
2. Belvedere Square and Provident Square were valued at HK\$1,300 million and HK\$680 million respectively as at 30 Sep 2011

Period ended 31 Dec 2012 | 10

2012 Final Distribution

DPU	16.53 HK cents
Ex-distribution Date	5 Feb 2013
Payment Date	28 Feb 2013

Fortune REIT ranked 3rd
as the Most Committed to a Strong Dividend Policy in Hong Kong



Period ended 31 Dec 2012 | 11

Balance Sheet

As at 31 Dec 12	(HK\$'000)
Current Assets	633,267
Non Current Assets	20,208,000
Total Assets	20,841,267
Current Liabilities	1,646,500
Non Current Liabilities	4,217,058
Total Liabilities	5,863,558
Net Assets	14,977,709

Gearing Ratio	23.4%
Portfolio Valuation	HK\$20,208 M
NAV Per Unit ¹	HK\$8.81

Note:

1. The total number of deemed units used for the computation of net asset value per Unit is 1,700.2 million Units.

Period ended 31 Dec 2012 | 12

Debt Profile	As at 31 Dec 12	As at 30 Jun 12	As at 31 Dec 11
Total Debt	HK\$4,870 M	HK\$4,890 M	HK\$3,250 M
Gearing Ratio / Aggregate Leverage	23.4%	24.5%	18.8%
Interest Cover ¹	5.33X	5.32X	4.65X
Effective Interest Cost ²	2.78%	2.77%	3.65%

Effective interest cost reduced to 2.78%

HK\$2.4B unencumbered asset provides financial flexibility

Debt headroom of HK\$3.7B before the 35% gearing limit

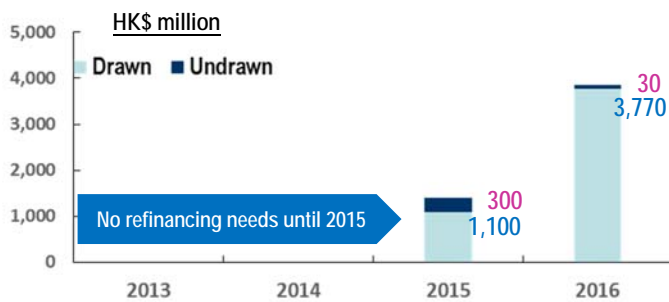
Available liquidity (as at 31 Dec 12)

- Committed RCF *HK\$330M*
- Cash on hand *HK\$578M*
- Total liquidity *HK\$908M*

Notes:

1. Interest cover = EBIT / Total interest expense.
2. Excludes the debt front-end fee.

Weighted average debt maturity of 3.0 years



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Solid Asset Performance

	GRA (s.f.)	Occupancy (31 Dec 12)	Occupancy (30 Sep 12)	Occupancy (30 Jun 12)
1. Fortune City One (FCO)	414,469	95.1%	92.7%	95.7%
2. Ma On Shan Plaza (MOSP)	310,084	99.8%	99.9%	99.7%
3. Metro Town	180,822	100.0%	100.0%	100.0%
4. Fortune Metropolis	332,168	98.5%	97.6%	91.5%
5. Belvedere Square ¹ NEW	276,862	99.4%	99.2%	98.6%
6. Waldorf Avenue	80,842	100.0%	100.0%	100.0%
7. Provident Square ¹ NEW	180,238	99.8%	99.9%	99.6%
8. Caribbean Square	63,018	100.0%	100.0%	100.0%
9. Jubilee Square AEI in progress	170,616	83.2%	69.8%	81.6%
10. Smartland	123,544	99.5%	99.3%	98.5%
11. Tsing Yi Square	78,836	100.0%	100.0%	100.0%
12. Nob Hill Square	91,779	100.0%	98.9%	99.4%
13. Centre de Laguna	43,000	100.0%	100.0%	100.0%
14. Hampton Loft	74,734	100.0%	100.0%	100.0%
15. Lido Avenue	9,836	100.0%	100.0%	100.0%
16. Rhine Avenue	14,604	100.0%	100.0%	100.0%
Portfolio Total	2,445,452	97.7%	96.1%	96.5%

Note:
1. Properties were acquired on 17 Feb 2012.

Reversion stands strong AEI to drive further growth

Portfolio Occupancy

97.7%

Strong recovery upon AEIs completion

Average Rental Reversion

19.8%

Among the highest level in years.
Demonstrate resilience amid downturn.

Average Passing Rent

HK\$32.0 psf

Original portfolio up 8.3% yoy
Benefited from good reversion and AEIs

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Portfolio Expiry Profile

Expiry Profile by GRA	(% of occupied GRA)		
(As at 31 Dec 12)	2013	2014	2015 & Beyond
1. Fortune City One (FCO)	43.1%	25.5%	31.4%
2. Ma On Shan Plaza (MOSP)	41.4%	35.3%	23.3%
3. Metro Town	69.9%	21.2%	8.9%
4. Fortune Metropolis	55.0%	32.0%	13.0%
5. Belvedere Square ¹ NEW	24.4%	44.6%	31.0%
6. Waldorf Avenue	49.3%	33.8%	16.9%
7. Provident Square ¹ NEW	15.1%	62.7%	22.2%
8. Caribbean Square	20.9%	41.6%	37.5%
9. Jubilee Square	24.4%	39.2%	36.4%
10. Smartland	19.3%	41.3%	39.4%
11. Tsing Yi Square	48.3%	32.8%	18.9%
12. Nob Hill Square	26.0%	36.9%	37.1%
13. Centre de Laguna	52.8%	38.5%	8.7%
14. Hampton Loft	74.8%	0.0%	25.2%
15. Lido Avenue	48.4%	30.5%	21.1%
16. Rhine Avenue	2.4%	97.6%	0.0%
Portfolio Total	40.0%	35.3%	24.7%

Note:
1. Properties were acquired on 17 Feb 2012.

Sustainable growth by capturing opportunity for AEI / Tenant Repositioning

FCO: 1st time reversion of leases from the AEIs completed in 2010.

MOSP: To explore AEIs opportunities from anchor tenant spaces.



Metro Town: To capture mark-to-market upside given by significant demographic improvement over the last 3 years

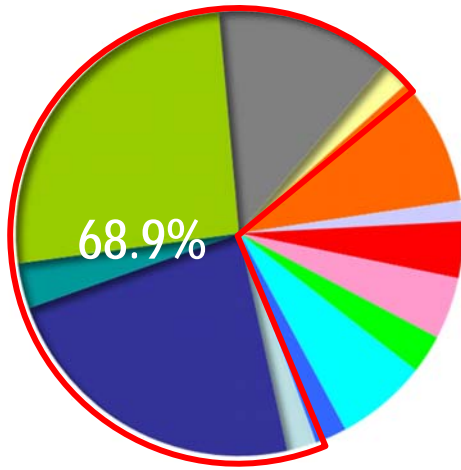
Potential upside from tenant repositioning opportunities in 2014 and onwards.



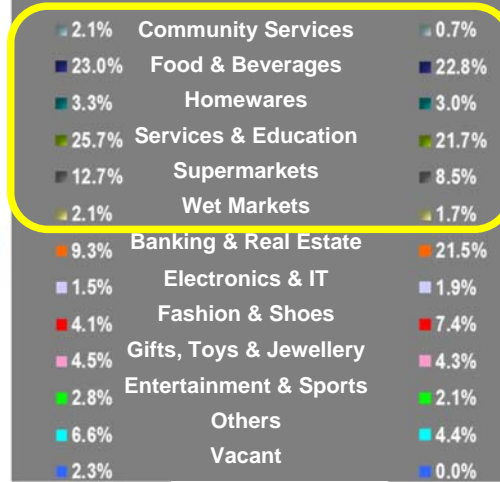
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Portfolio Trademix

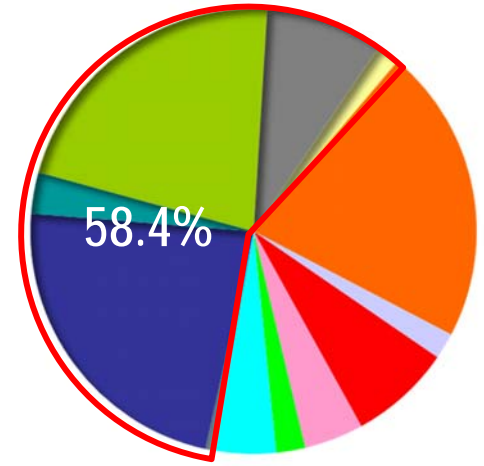
By Gross Rentable Area



Tenant's Trade Mix (as at 31 Dec 12)



By Gross Rental Income



About 60% from non-discretionary retail sector.
Proven resilience across economic cycles

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AEIs at Fortune City One

- Of the largest scale in portfolio

置富第一城
Fortune City One



CAPEX	Commencement	Completion
HK\$100M	3Q 2011	4Q 2012

Return on investment > 20%



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AEIs at Fortune City One

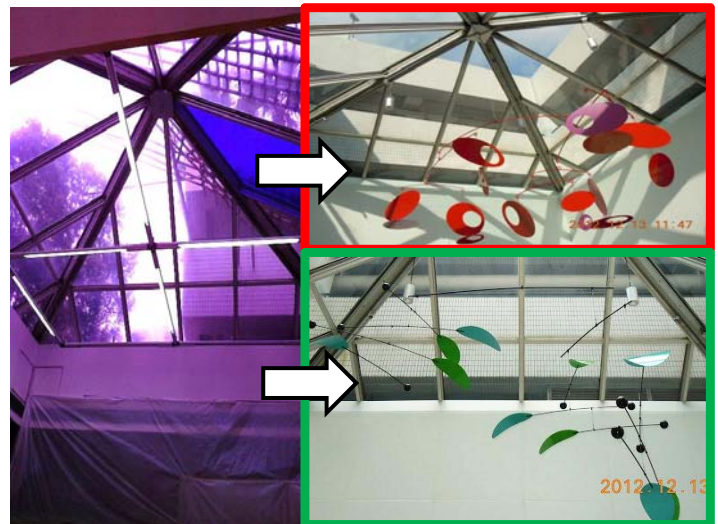
- Of the largest scale in portfolio

置富第一城
Fortune City One



A refresh look to attract new tenants

New facade decoration and banners at the entrance



Introduced Modern look and natural lighting

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AEIs at Fortune City One

- Of the largest scale in portfolio



First floor of the mall has seen an improved footfall resulting from full circulation

Opened up new corridor from downsizing existing Chinese restaurant



Enhanced retail offerings and better traffic flow resulted from new corridor

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AEIs at Fortune City One

- Of the largest scale in portfolio



A more diversified retail offerings with new retailers introduced



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AEIs at Jubilee Square

銀禧薈
Jubilee Square



CAPEX	Commencement	Expected Completion
HK\$15M	2Q 2012	1H 2013

Target return on investment 15%

To upgrade 3/F, 6/F and 7/F and bring in higher paying retail trades
Project progress well with remaining works to be completed in 1H2013



3/F Before



7/F Before



3/F After



7/F After



New service counter to improve shopper's experience

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Belvedere Square and Provident Square

- Acquired on 17 Feb 2012

麗城薈

Belvedere Square



Gross Rentable Area 276,862 sf

Purchase consideration HK\$1,250 M

和富薈

Provident Square



Gross Rentable Area 180,238 sf

Purchase consideration HK\$650 M



Provident: To maintain high occupancy. Occupancy improved to 99.8%.

Belvedere: To plan for upgrading of Phase 3. Expected to commence end 2013 / early 2014.

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Proven Track Record in AEs

Property / Enhanced Area	Completion	CAPEX (HK\$)	ROI ¹
Jubilee Square - 55,000sf	By 1H 2013	15 M	Target 15%
Fortune City One - 200,000sf	2012	100 M	> 20%
Fortune City One Plus - 70,000sf	2010	30 M	22%
Ma On Shan Plaza - 50,000sf	2011	12 M	73%
Waldorf Avenue - 41,000sf	2008	16 M	87%



Note:

1. Increase in revenue per year divided by the capex spent.

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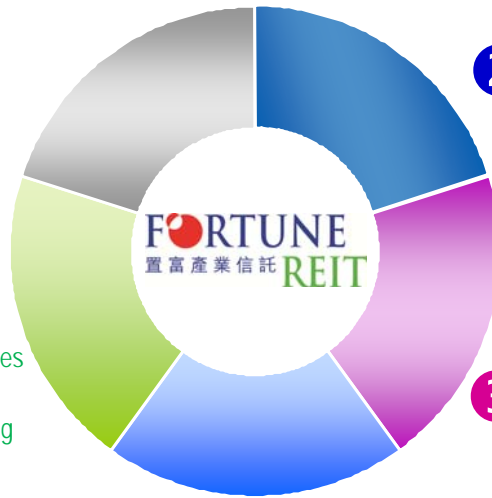
Why Invest in Fortune REIT

1 Attractive valuation

- **5.1% DPU yield**

5 Acquisition growth

- **23.4% gearing** provides debt headroom for acquisition
- Strong pipeline from Cheung Kong Group



2 Resilient portfolio

- **Sustainable growth** across economic cycles

3 Robust retail outlook

- **Positive rental reversion** supported by strong local demand and mainland tourist

4 AEI growth

- **Project ROI all exceeded 20%**

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APPENDICES

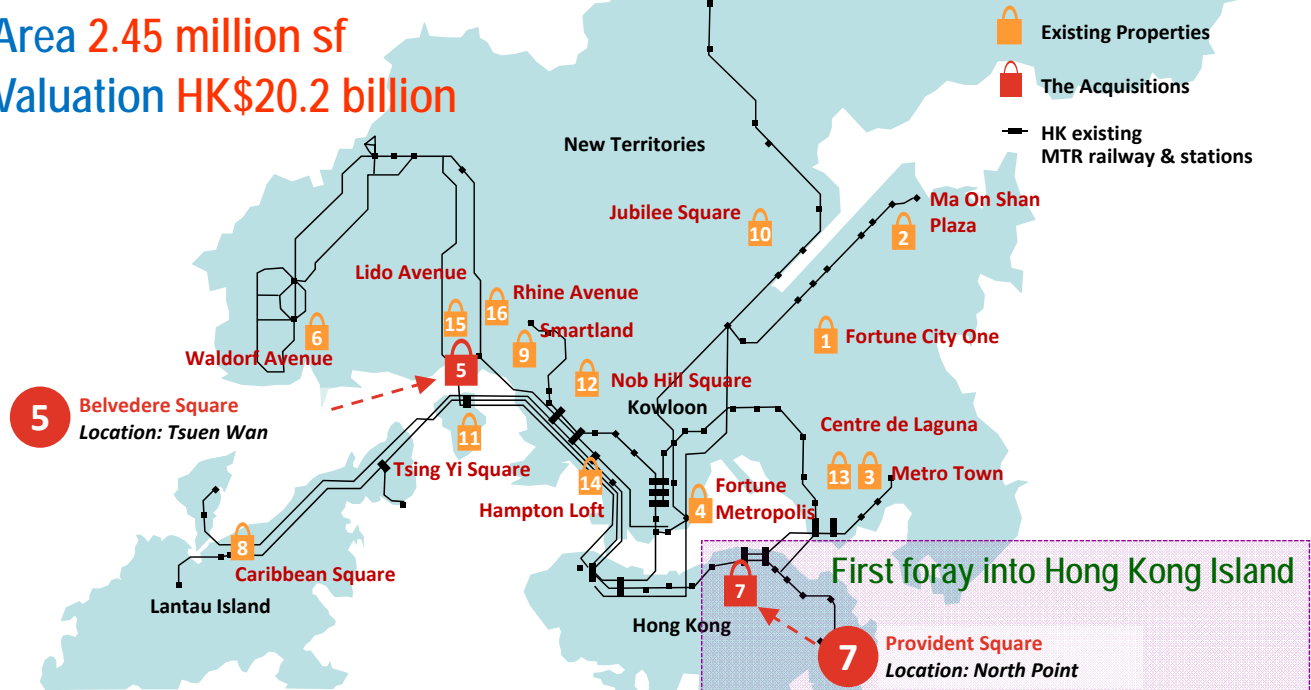
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A resilient retail portfolio in Hong Kong

16 retail malls

Total Area 2.45 million sf

Total Valuation HK\$20.2 billion



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Investment Highlights

About Fortune REIT

- Dual primary listing on both Singapore (since Aug 2003) and Hong Kong (since Apr 2010)
- Have to comply with the stricter regulations in both Singapore and Hong Kong
- Asia's 1st cross-border REIT and the 1st REIT to hold Hong Kong assets

Portfolio of retail properties

- 16 private housing estate retail properties in Hong Kong
- Comprised of 2.45 million square feet of retail space and 1,989 carpark spaces.
- Portfolio valuation at HK\$20.2 billion

Market Capitalization & NAV

- Market capitalization of Fortune REIT at HK\$10.8 billion (as at 31 Dec 2012)
- NAV at HK\$8.81 per unit (as at 31 Dec 2012)

Distribution Policy

- Distribute 100% of its tax exempt income
- Distribute on a semi-annual basis

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Proven Acquisition Growth

IPO in 2003
5 properties
(HK\$3.3B)

- Jubilee Square
- Smartland
- Nob Hill Square
- Ma On Shan Plaza
- Fortune Metropolis



Dec 2005
11 properties
(HK\$8.6B)

Added 6 properties in 2005

- Rhine Avenue
- Lido Avenue
- Centre de Laguna
- Tsing Yi Square
- Waldorf Avenue
- Fortune City One



Dec 2009
14 properties
(HK\$11.5B)

Added 3 properties in 2009

- Metro Town
- Caribbean Square
- Hampton Loft



Dec 2012
16 properties
(HK\$20.2B)

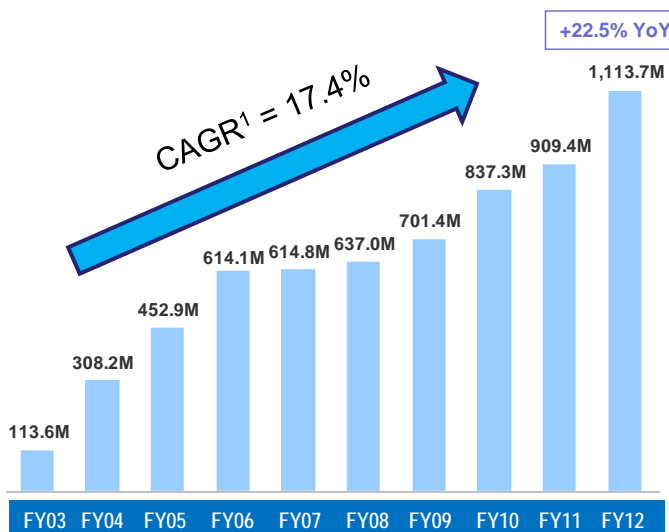
Added 2 properties in 2012

- Provident Square
- Belvedere Square

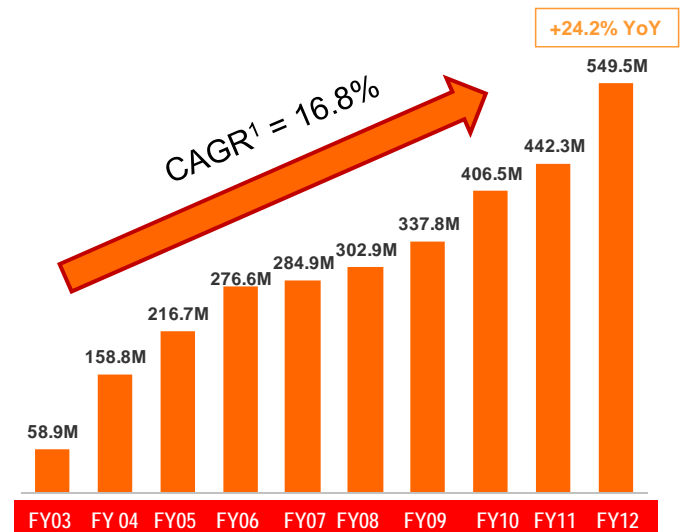


Years of Sustainable Growth

Total Revenue (HK\$)



Distributable Income (HK\$)



Note:
1. 2004 - 2012 compound annual growth rate (CAGR).

AEIs at Ma On Shan Plaza

- Subdivision of 50,000sf completed in 4Q11

馬鞍山廣場
Ma On Shan Plaza



CAPEX	Commencement	Completion
HK\$12M	3Q 2011	4Q 2011

Achieved return on investment 73%

Opening up a new corridor with more interesting retail offerings



AEIs at Ma On Shan Plaza

- Subdivision of 50,000sf completed in 4Q11

馬鞍山廣場
Ma On Shan Plaza



New tenants attract footfalls to the mall.

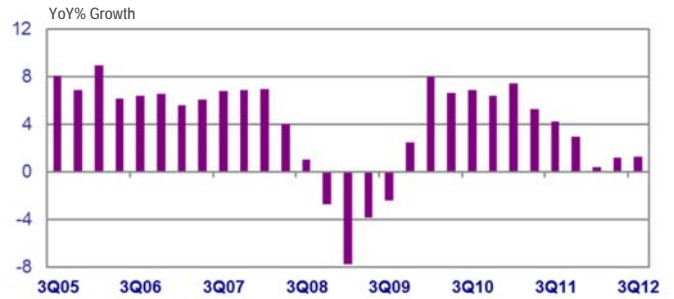


Hong Kong Economy

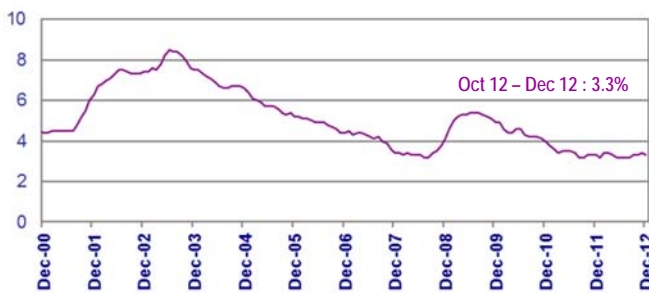
Hong Kong continued to face external headwinds

- ✓ External demand was subdued amid global market condition
- ✓ Domestic sector remained sound underpinned by stable job and income condition
- ✓ Government revises provisional GDP growth for 2012 to 1.2%

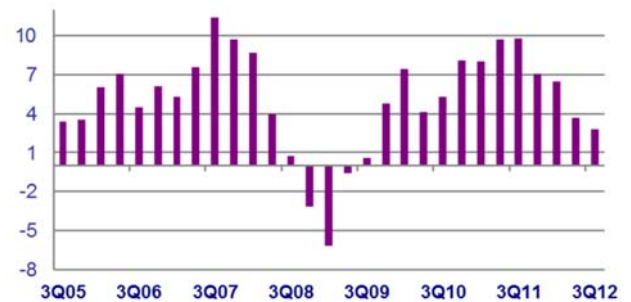
GDP 3Q12: Another quarter of tepid growth



Unemployment: Labour market held largely stable, in a state of full employment.



Private consumption 3Q12: Domestic sector held up relatively better and remained on the rise.



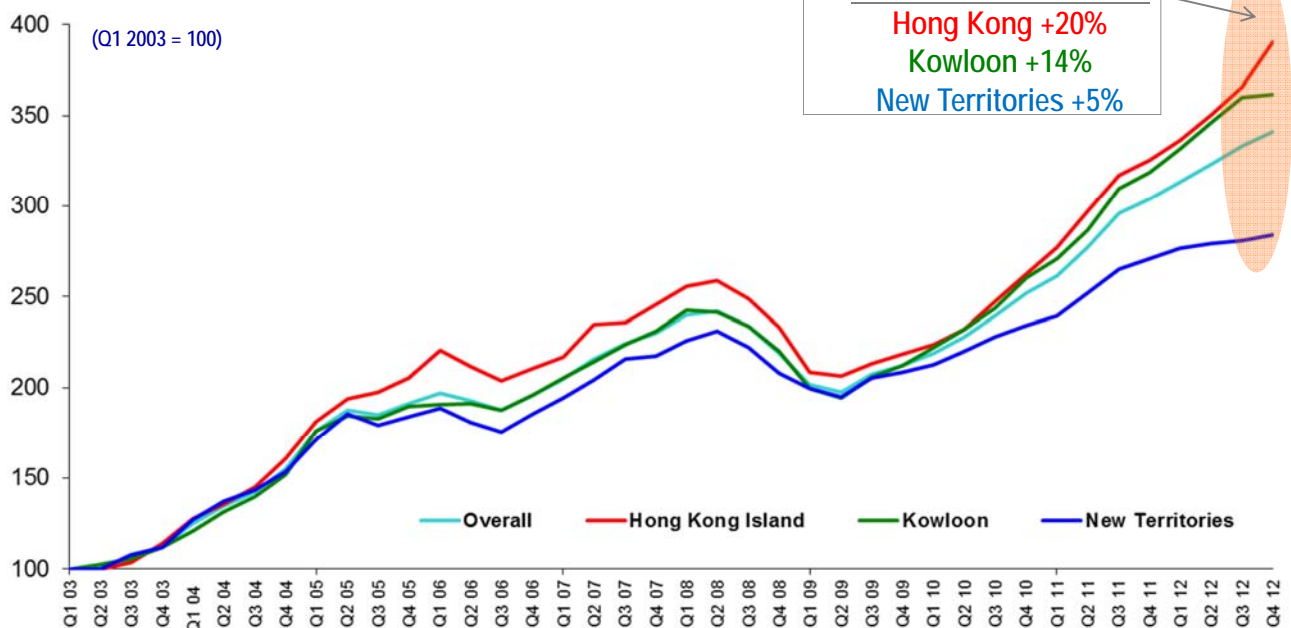
Source: Census & Statistics Department, HK

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Solid Shopping Centre Rent

Rising for 14th consecutive quarters since 2009

Shopping Centre Rental Index by District (Source: Savills Research)



Y-O-Y increases in 4Q12

Hong Kong +20%

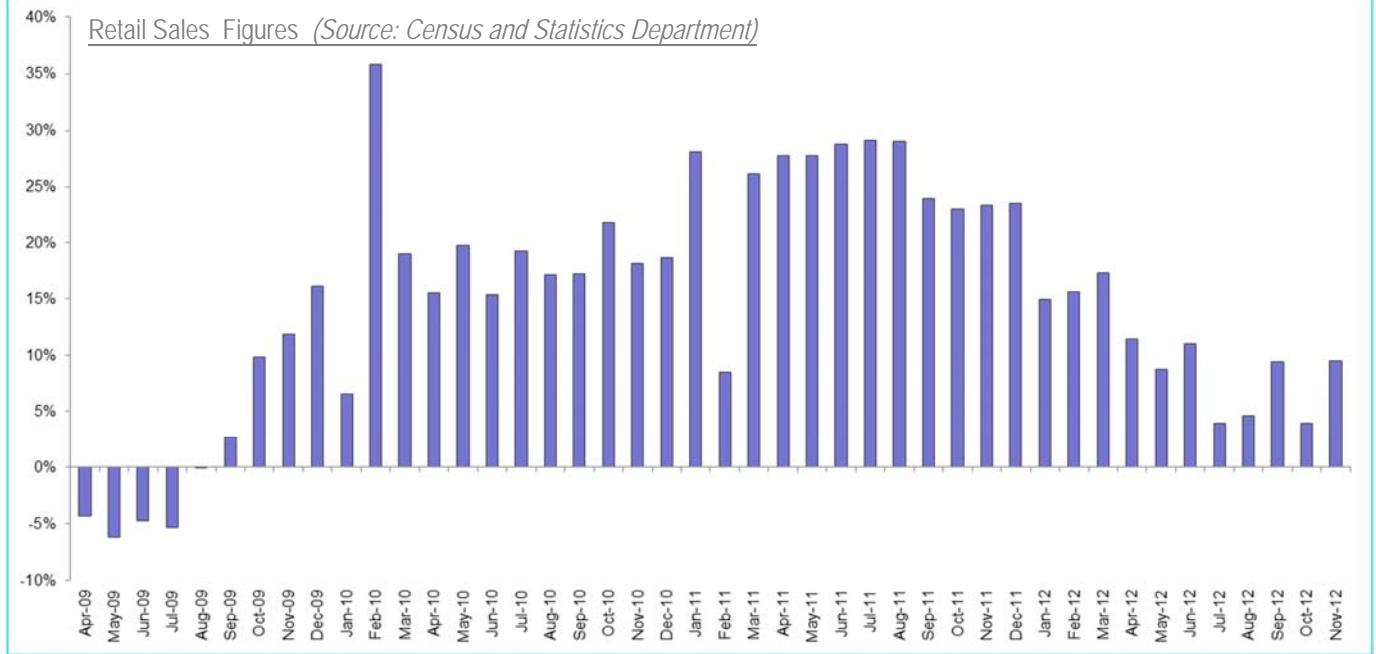
Kowloon +14%

New Territories +5%

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Hong Kong Retail Sales

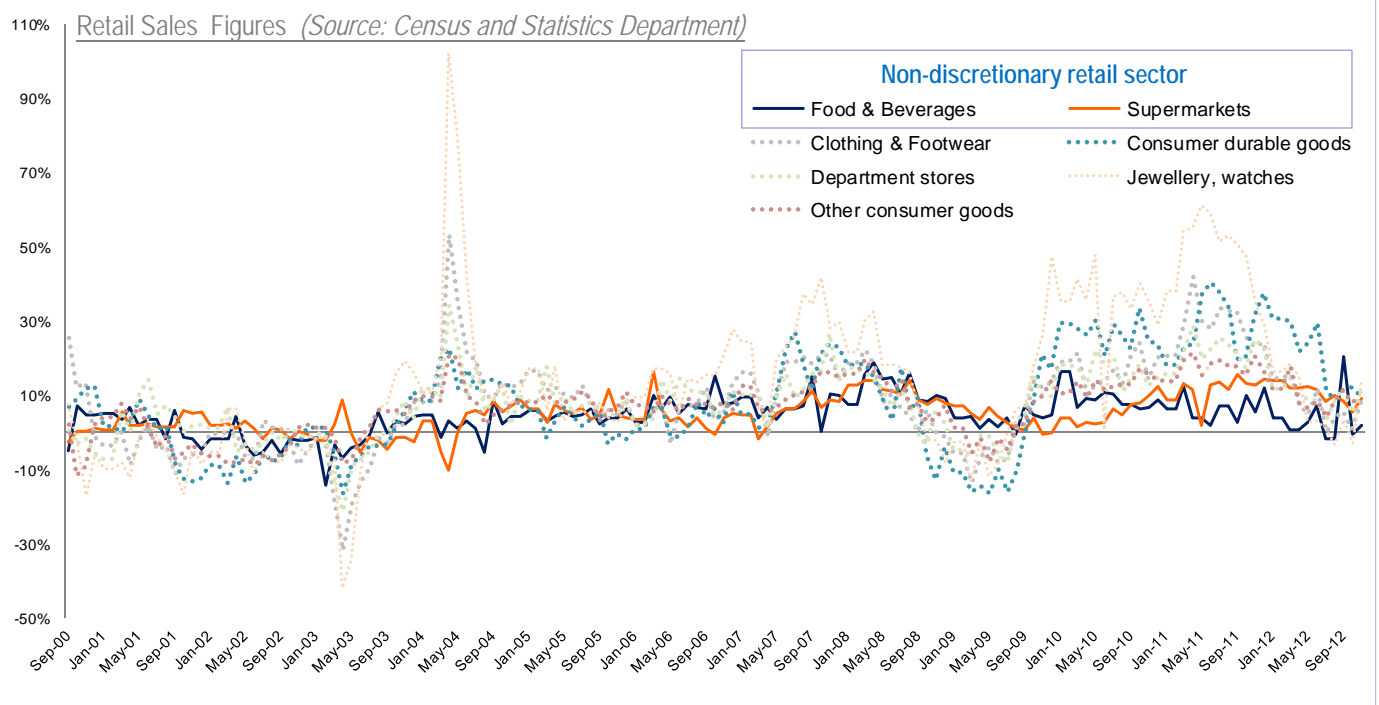
Value of total retail sales for Jan to Nov 2012 increased by 9.5% y-o-y



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Hong Kong Retail Sales

Non-discretionary spending sectors continues to show resilience



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A New Brand for Next Phase of Growth

FORTUNE
置富產業信託 **REIT**

置富 **Malls**

置富都會
Fortune Metropolis

置富第一城
Fortune City One

A new brand architecture under Fortune REIT

"Fortune REIT", the listed entity, heads the brand hierarchy and "Fortune Malls" will be the new bridging asset brand applied across all 16 malls under management.

All 16 malls will be given colourful new identities which share the same logo, but with different hues to reinforce the new Fortune Malls image.

馬鞍山廣場
Ma On Shan Plaza

都會駅
Metro Town

麗城薈
Belvedere Square

華都大道
Waldorf Avenue

和富薈
Provident Square

映灣薈
Caribbean Square

銀禧薈
Jubilee Square

荃薈
Smartland

青怡薈
Tsing Yi Square

盈暉薈
Nob Hill Square

城中薈
Centre de Laguna

凱帆薈
Hampton Loft

麗都大道
Lido Avenue

海韻大道
Rhine Avenue

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置富 **Malls**
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