



Hong Kong 778 | Singapore F25U

Financial Results | For the period ended 30 September 2013 | 11 November 2013



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The yield-accretive acquisition completed on 9 October 2013



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Fortune Kingswood

Becomes Fortune REIT's largest asset

Gross Rentable Area	: 665,244 sf
No. of Tenants ¹	: 206
No. of parking lots	: 622
Consideration	: HK\$5,849m
Occupancy ¹	: 95.5%
Passing rent ¹	: HK\$27.4 psf

Note: 1. As at 30 June 2013.

Major Tenants in Fortune Kingswood



A dynamic decade. A promising future.

Period ended 30 Sep 2013 | 3

Results Highlights

Financial Results & Capital Management

Portfolio Performance

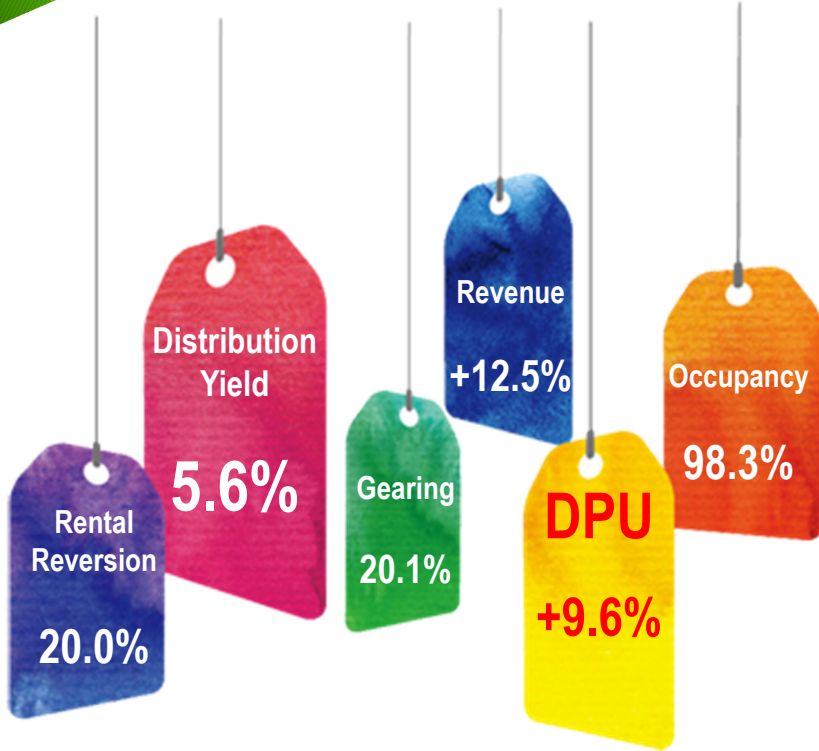
Asset Enhancement Initiatives

Track Record and Prospect

Here We Share!



Results Highlights



For the 9 months ended 30 Sep 2013

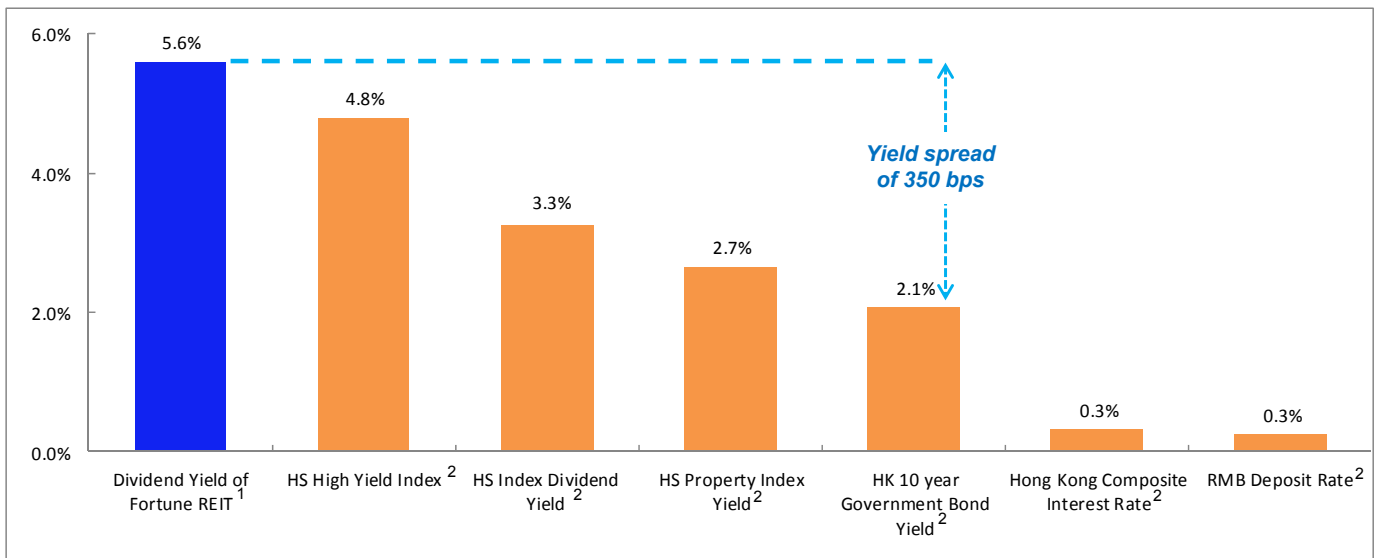
Total Revenue	HK\$924.9 M + 12.5% YoY
NPI	HK\$653.2 M + 12.3% YoY
Distributable Income	HK\$460.3 M + 13.1% YoY
DPU	HK\$0.2628 + 9.6% YoY
Distribution Yield ¹	5.6%
NAV Per Unit ²	HK\$9.73 + 10.4% YoY
Portfolio Valuation ³	HK\$22,188 M
Gearing ²	20.1%
Rental Reversion ⁴	20.0%
Occupancy ²	98.3%
Passing Rent ²	HK\$34.2 psf

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$6.245 as at 30 Sep 2013.
2. As at 30 Sep 2013.
3. As at 30 Jun 2013.
4. For all renewal leases from 1 Jan 2013 to 30 Sep 2013.

Resilient Asset Class with Attractive Yield

Still offers 5.6% annualised 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\$6.245 as at 30 Sep 2013.
2. As at Sep 2013.

YTD 3Q13 DPU +9.6% – continuous stable growth

	YTD 3Q13 (HK\$'000)	YTD 3Q12 (HK\$'000)	Variance (%)	3Q 13 (HK\$'000)	3Q 12 (HK\$'000)	Variance (%)	
Total revenue	924,904	822,109	12.5%	315,684	284,728	10.9%	QoQ comparison reflecting organic growth from the portfolio, driven by rental reversion and AEI results.
NPI	653,171	581,387	12.3%	215,591	199,278	8.2%	Higher operating expense due to substantial increase in leasing commission resulting from large leasing transactions in 3Q13.
Income available for distribution	460,307	406,988	13.1%	153,342	138,661	10.6%	
DPU (HK cents)	26.28	23.98	9.6%	8.28	8.16	1.5%	About 8% of placement units issued on 6 Aug 2013. Income from Fortune Kingswood starts contributing from 9 Oct 2013.

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Here We Excel!



Balance Sheet

As at 30 Sep 13	(HK\$'000)
Current Assets	1,407,079
Non Current Assets	22,271,079
Total Assets	23,678,158
Current Liabilities	1,511,320
Non Current Liabilities	4,168,502
Total Liabilities	5,679,822
Net Assets	17,998,336

Gearing Ratio

20.1%

Portfolio Valuation

HK\$22,188M

NAV Per Unit ¹

HK\$9.73

Note:

1. The total number of deemed units used for the computation of net asset value per Unit is 1,850.3 million Units.

Capital Management

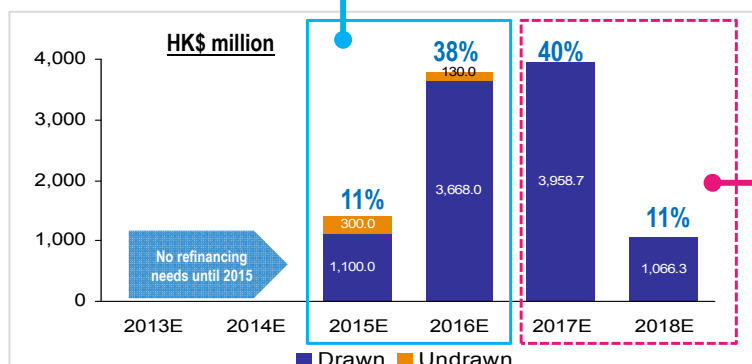
Debt Profile	As at 30 Sep 13	As at 30 Jun 13	As at 30 Sep 12
Total Debt	HK\$4,768M	HK\$4,768M	HK\$4,890 M
Gearing Ratio / Aggregate Leverage	20.1%	20.9%	24.6%
Interest Cover ¹	5.72X	5.88X	6.17X
Effective Interest Cost ²	2.82%	2.81%	2.76%

Balance sheet remains healthy after the acquisition of Fortune Kingswood on 9 Oct 2013

Staggered debt expiry profile. No refinancing requirements until 2015.

Post-acquisition gearing below 35%.

New Facilities of HK\$5,025m was drawn down on 9 Oct 2013, to part finance the acquisition of Fortune Kingswood.



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Here We Bond!



Solid Asset Performance

	GRA (s.f.)	Occupancy (30 Sep 13)	Occupancy (30 Jun 13)	Occupancy (30 Sep 12)
1. Fortune City One (FCO) ¹	414,469	95.8%	91.4%	92.7%
2. Ma On Shan Plaza (MOSP) ²	310,084	96.2%	99.6%	99.9%
3. Metro Town	180,822	100.0%	100.0%	100.0%
4. Fortune Metropolis	332,168	98.3%	98.5%	97.6%
5. Belvedere Square	276,862	99.8%	100.0%	99.2%
6. Waldorf Avenue	80,842	100.0%	100.0%	100.0%
7. Caribbean Square	63,018	100.0%	100.0%	100.0%
8. Provident Square	180,238	100.0%	100.0%	99.9%
9. Jubilee Square	170,616	100.0%	97.3%	69.8%
10. Smartland ³	123,544	97.6%	94.8%	99.3%
11. Tsing Yi Square	78,836	99.1%	100.0%	100.0%
12. Nob Hill Square	91,779	98.7%	99.6%	98.9%
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	98.3%	97.8%	96.1%

Reversion stands strong
AEI to drive further growth

Portfolio Occupancy

98.3%

Strong recovery upon AEIs completion

Average Rental Reversion

20.0%

Demonstrate resilience amid downturn.

Average Passing Rent

HK\$34.2 psf

up 8.2% yoy
Benefited from good reversion and AEIs

Notes:

1. AEI of Fortune City One Market completed in Oct 2013.
2. Ma On Shan Plaza is undergoing an AEI which involves 59,000 sf on 3/F. Works to be completed by end of 2013.
3. The 5,000 sf reconfiguration at Smartland has been completed in Aug 2013.

Expiry Profile by GRA (As at 30 Sep 13)	(% of occupied GRA)		
	4Q13	2014	2015 & Beyond
1. Fortune City One	11.3%	24.8%	63.9%
2. Ma On Shan Plaza	8.5%	36.5%	55.0%
3. Metro Town	2.5%	21.3%	76.2%
4. Fortune Metropolis	14.5%	59.9%	25.6%
5. Belvedere Square	7.7%	45.5%	46.8%
6. Waldorf Avenue	9.3%	33.8%	56.9%
7. Caribbean Square	3.6%	41.6%	54.8%
8. Provident Square	4.8%	64.3%	30.9%
9. Jubilee Square	2.1%	34.2%	63.7%
10. Smartland	1.9%	40.3%	57.8%
11. Tsing Yi Square	11.8%	33.1%	55.1%
12. Nob Hill Square	6.3%	38.0%	55.7%
13. Centre de Laguna	30.2%	38.4%	31.4%
14. Hampton Loft	0.0%	0.0%	100.0%
15. Lido Avenue	44.3%	30.5%	25.2%
16. Rhine Avenue	2.4%	97.6%	0.0%
Portfolio Total	8.3%	39.1%	52.6%

Sustainable growth by capturing opportunity for AEI / Tenant Repositioning

Metro Town: 67% of total GRA have already renegotiated with higher rent in 2013.

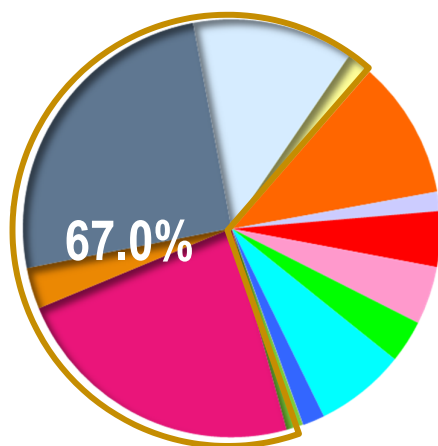
Belvedere Square: To embark HK\$80 million AEIs at Phase 3.



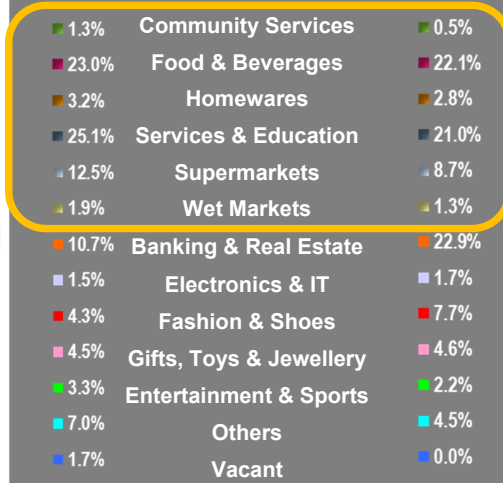
Waldorf Avenue & Provident Square: Repositioning opportunities from anchor tenant space expiring in 2014.

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

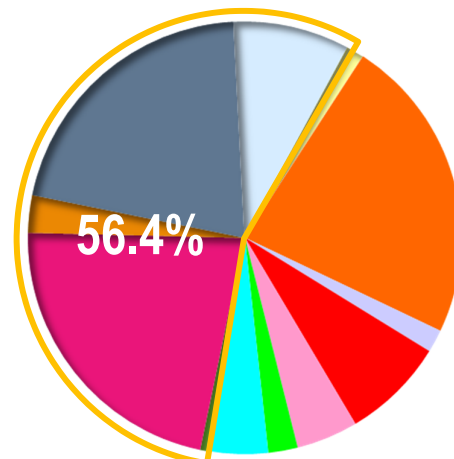
By Gross Rentable Area



Tenant's Trade Mix (as at 30 Sep13)



By Gross Rental Income



Commemorated 10th Anniversary of Listing

Fortune Malls launched a 10th anniversary promotional campaign under the theme
“A Dynamic Decade, A Promising Future”



Promoting Fortune Malls

Family-oriented events to engage shoppers and community.



Results Highlights

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Here We Grow!



AEIs at Ma On Shan Plaza

馬鞍山廣場
Ma On Shan Plaza



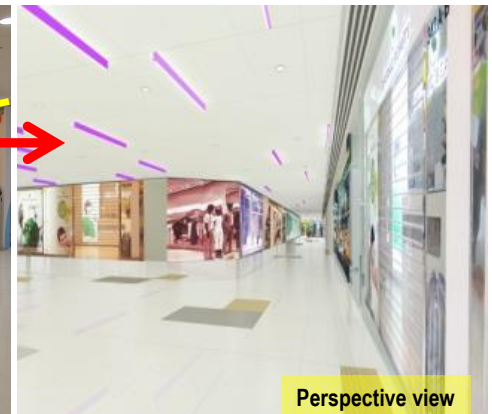
CAPEX	Commencement	Expected Completion
HK\$15M	3Q 2013	End of 2013

Achieved return on investment 60%

To reconfigure 59,000sf of anchor tenants space and create more prime shops for retail and F&B.
New zone 100% committed ahead of completion



Subdivision for the new zone in progress



Perspective view

AEIs at Fortune City One

置富第一城·集
Fortune City One Market

CAPEX	Commencement	Completion
HK\$20M	2Q 2013	October 2013

Achieved Return on Investment >25%



A refreshing outlook



Better layout with more offerings



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Period ended 30 Sep 2013 | 19

Tenant Repositioning Initiatives

荃薈
Smartland

2/F Replaced a 8,000sf church with Jumping Gym.
G/F Strengthened F&B with some popular local stores.
Reconfigured some 5,000sf and brought in new tenants in ladies fashion & electronic product.

Rental reversion for new tenants ~30%
Average passing rent up 15% YoY



Continuing strong growth since its first AEIs in 2008. By reshuffling F&B stores to secondary corridor and freeing up main corridor to higher paying retailers. 90% of main corridor are now in retail trades. Further repositioning opportunities of the 8,000sf anchor tenant space expiring in 2014.

Fashion & shoes, electronics, gifts & jewelry contributing 50% of total rental
Rental reversion for new tenants ~45%



華都大道
Waldorf Avenue

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AEIs at Belvedere Square Phase 3 (BS3)



CAPEX	Target Commencement	Target Completion
HK\$80M	2014	End of 2015

Target Return on investment 15%

AEIs to focus on BS3, currently accounted for ~ 60% of rental income.



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Here We Sprout!



Pipelines & Proven Track Record in AEs

Property / Enhanced Area	Completion	CAPEX (HK\$)	ROI ¹
Belvedere Square Phase 3 - 126,000sf	Target End of 2015	80M	Target 15%
Ma On Shan Plaza - 59,000sf (previously a supermarket)	Target End of 2013	15M	60%
Fortune City One Market - 27,000sf	3Q 2013	20M	>25%
Jubilee Square - 55,000sf	2Q 2013	15 M	> 25%
Fortune City One - 200,000sf	2012	100 M	> 25%
Fortune City One Plus - 70,000sf	2010	30 M	22%
Ma On Shan Plaza - 50,000sf (previously a Chinese restaurant)	2011	12 M	73%
Waldorf Avenue - 41,000sf	2008	16 M	87%



Note:

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

Why Invest in Fortune REIT

• 5.6% DPU yield

1. Attractive Valuation

2. Resilient Portfolio

• Sustainable growth across economic cycles

• Positive rental reversion supported by strong local demand and mainland tourist

3. Robust Retail Outlook

4. AEs Growth

• Track record of executing value-added AEs

5. Acquisition Growth

• Strong pipeline from Cheung Kong



Appendices >>>>>

Three Growth Strategies

Our success relies on the precisely coordinated execution of three core growth strategies: (1) yield-accretive acquisitions, (2) active leasing management and (3) AEs.

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*

- 17 private housing estate retail properties in Hong Kong
- Comprised of 3.11 million square feet of retail space and 2,606 carpark spaces.
- Portfolio valuation at HK\$28.0 billion

Market Capitalization & NAV (as at 30 Sep 2013)

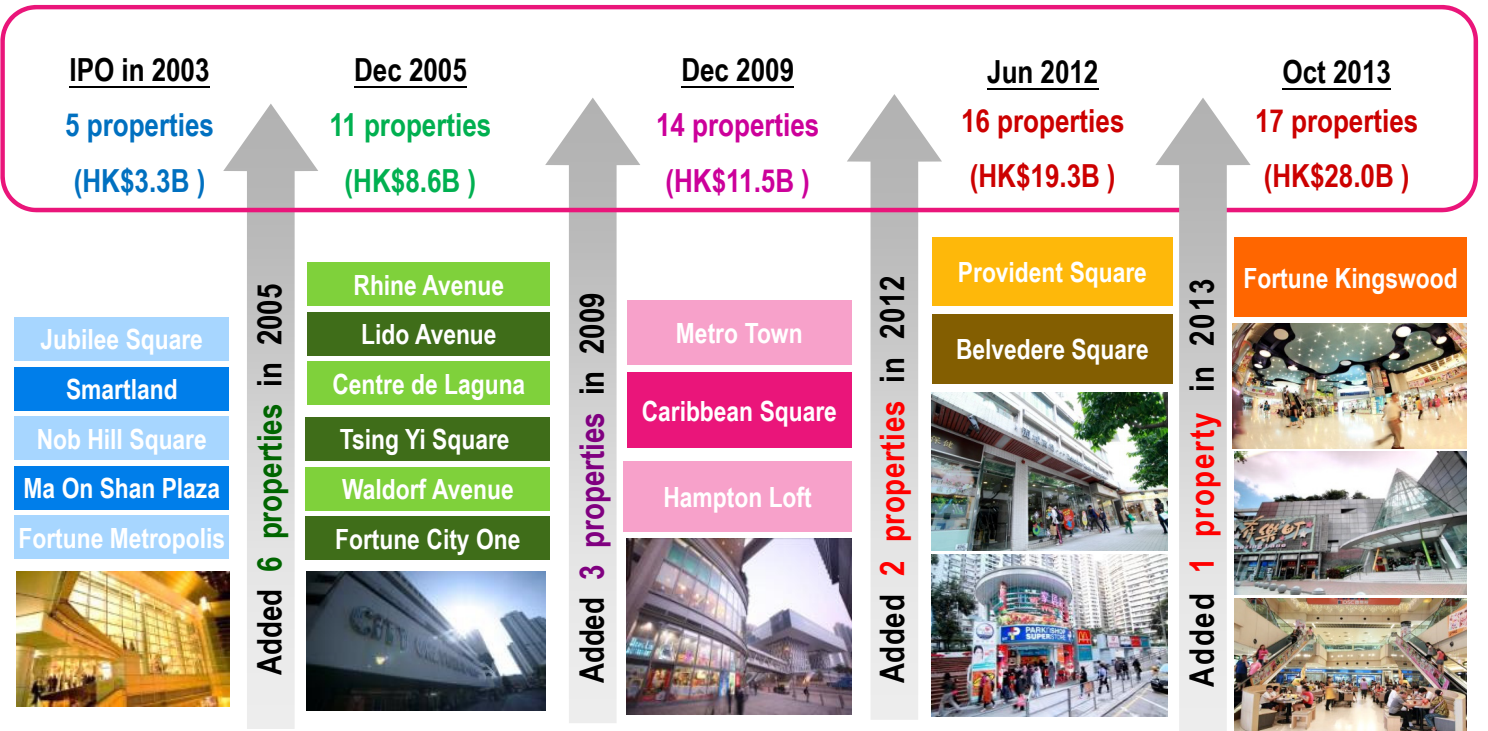
- Market capitalization of Fortune REIT at HK\$11.6 billion
- NAV at HK\$9.73 per unit

Distribution Policy

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

* Included Fortune Kingswood, which was acquired on 9 Oct 2013.

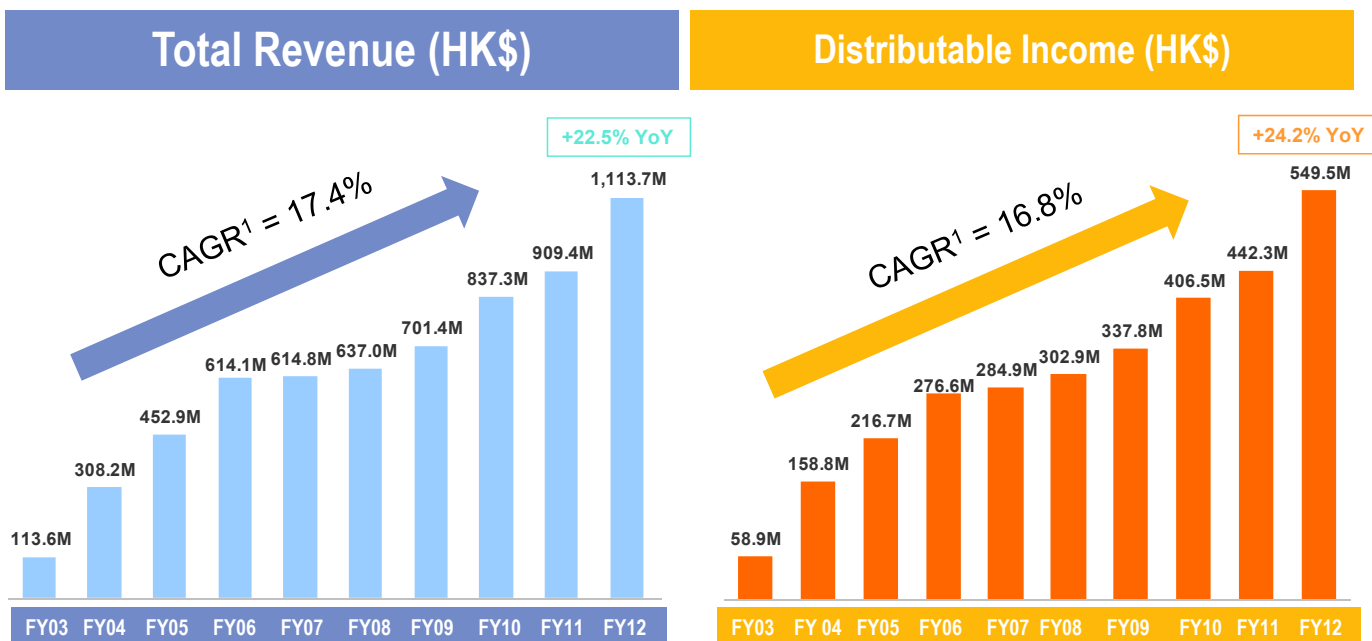
Proven Acquisition Growth



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Period ended 30 Sep 2013 | 27

Years of Sustainable Growth



Note:

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

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Period ended 30 Sep 2013 | 28

AEIs at 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



New tenants attract footfalls to the mall.



AEIs at Fortune City One

置富第一城
Fortune City One



CAPEX	Commencement	Completion
HK\$100M	3Q 2011	1H 2013

Achieved ROI > 25%



AEIs at Fortune City One

置富第一城
Fortune City One



Successful repositioned into a mall which brings together shopping, dining and leisure for the community



AEIs at Jubilee Square



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

Achieved ROI > 25%

Monthly rental of Jubilee Square increased by 34%¹. 3/F now positioned as a household and F&B centre while 6/F & 7/F are focused on enhanced service and education trade.



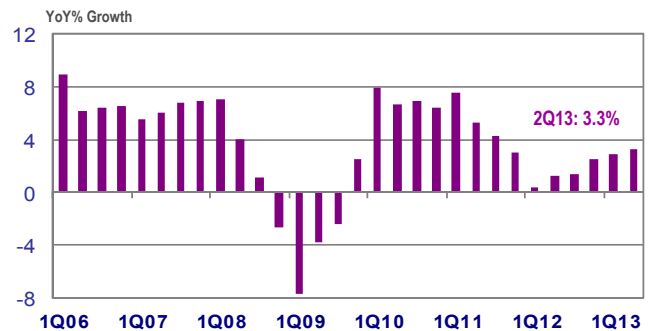
Note:
1. Comparing the monthly rental before and after AEIs (i.e. Mar 2012 and Jun 2013).

Hong Kong Economy

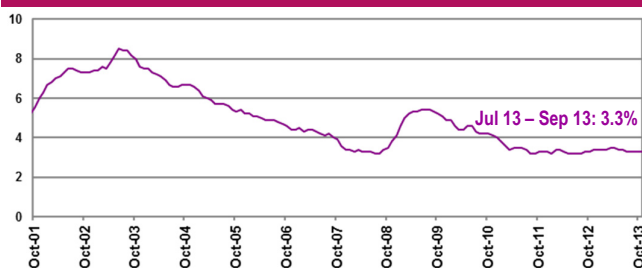
Hong Kong continued to face external headwinds

- ✓ HK GDP continued to grow moderately in the second quarter of 2013.
- ✓ While the external sector still faced an unsteady global economic environment, domestic sector remained relatively resilient
- ✓ GDP growth forecast for 2013 : 2.5% to 3.5%

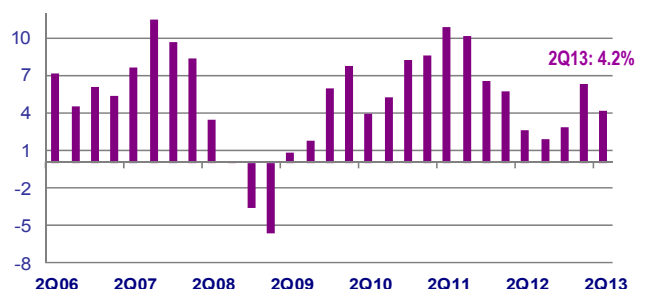
GDP 2Q13: Economy regained momentum



Unemployment: Labour market stay tight in 3Q13



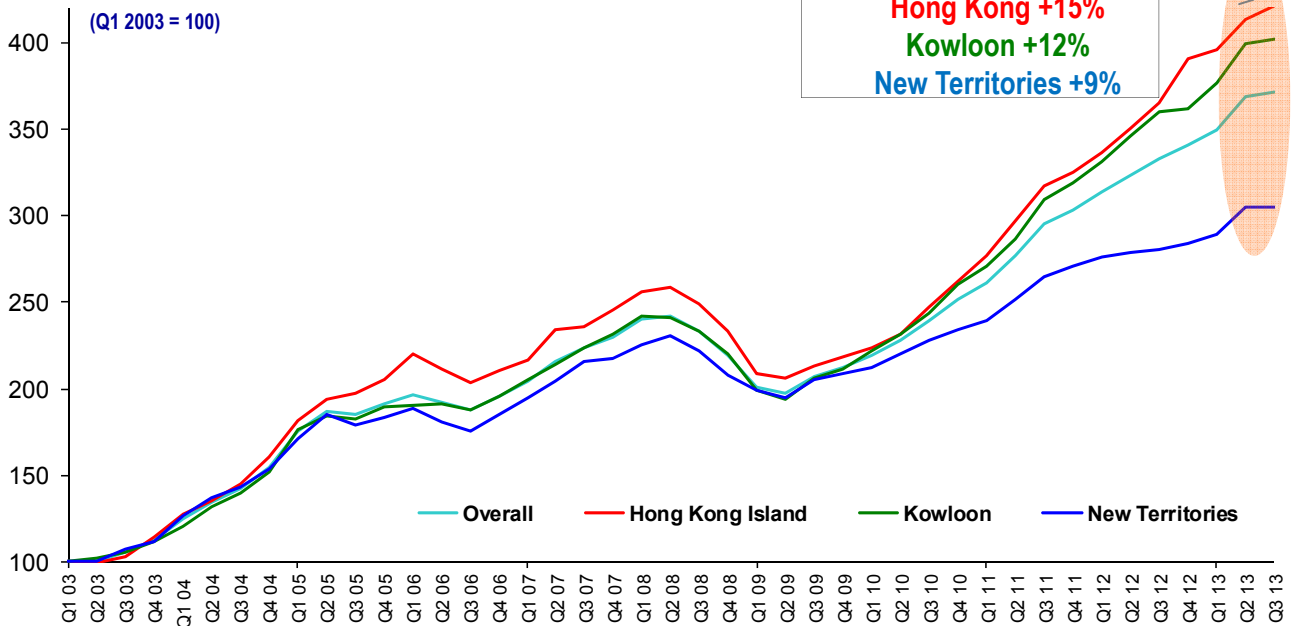
Private consumption: Backed by favourable job and income condition



Solid Shopping Centre Rent

Rising for 17th consecutive quarters since 2Q09

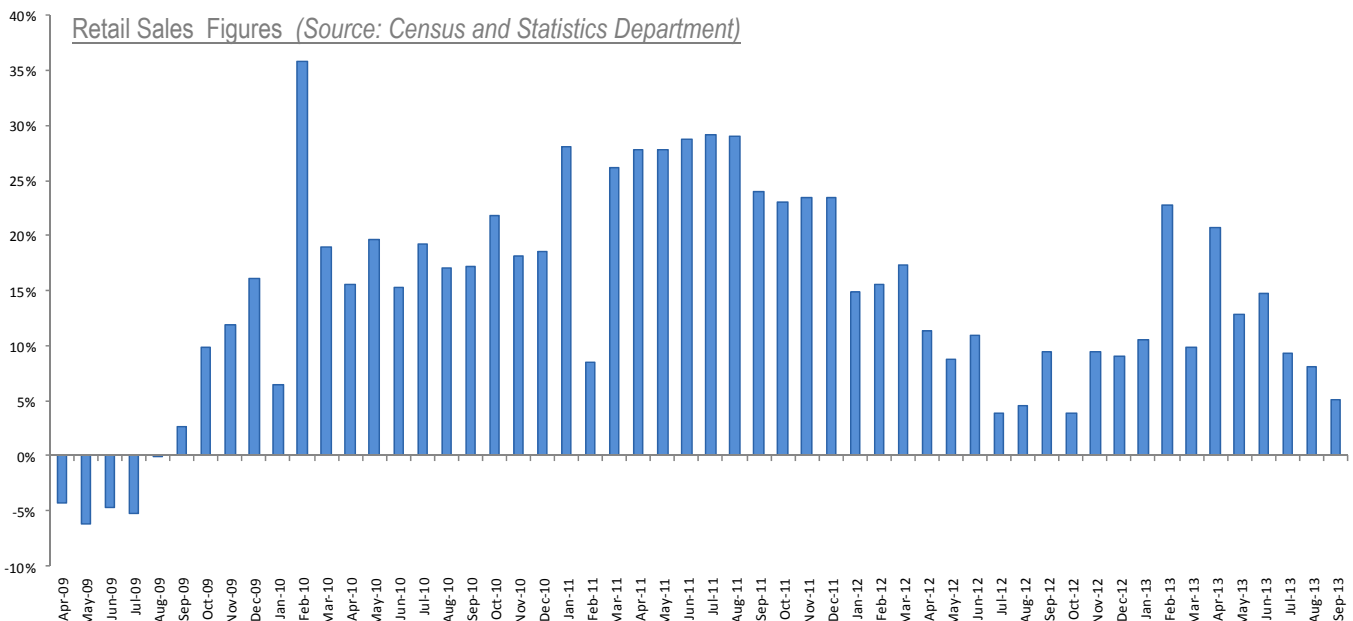
Shopping Centre Rental Index by District (Source: Savills Research)



Hong Kong Retail Sales

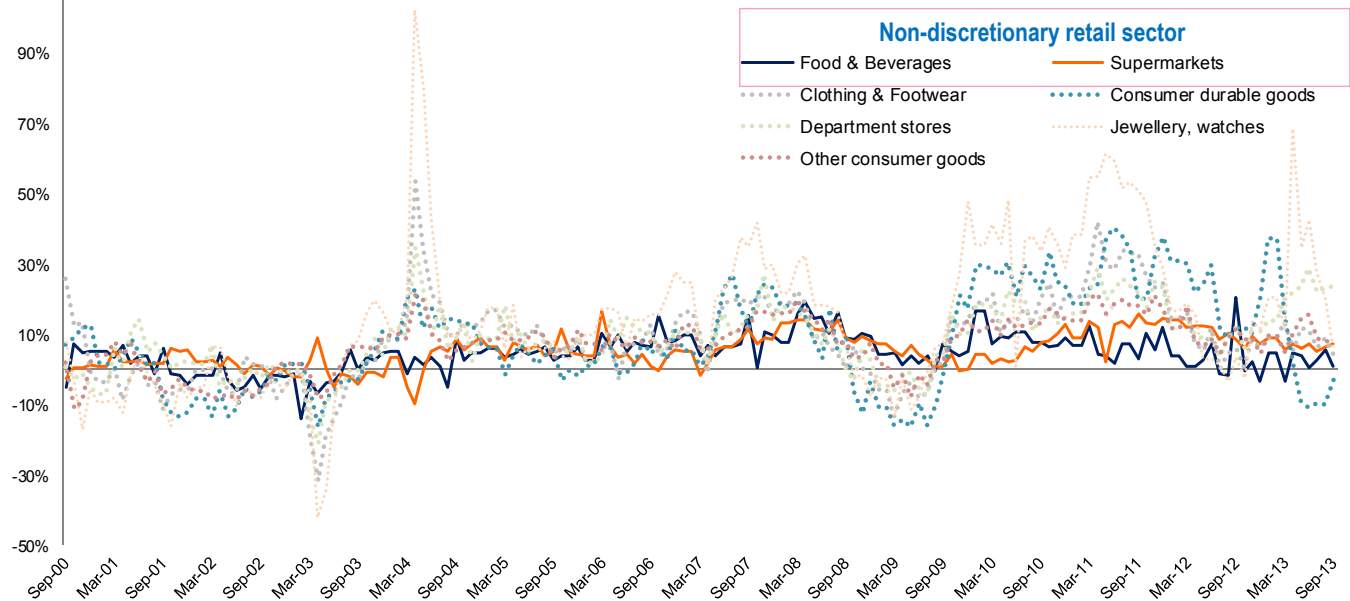
Value of total retail sales for Jan - Sep increased by 12.5% YoY

Retail Sales Figures (Source: Census and Statistics Department)



Non-discretionary spending sectors continues to show resilience

Retail Sales Figures (Source: Census and Statistics Department)



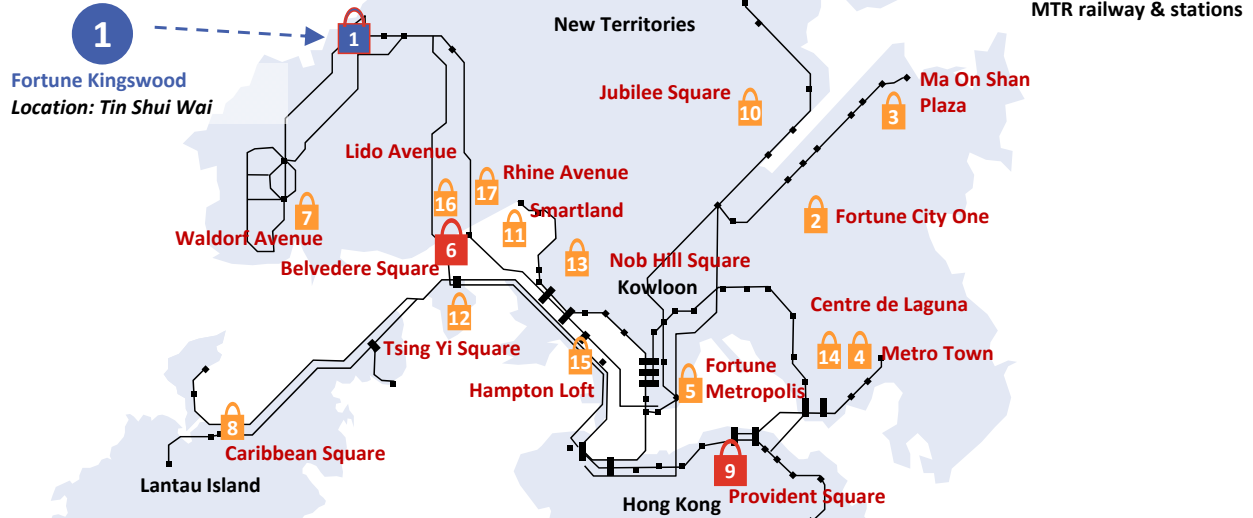
Fortune REIT's Enlarged Portfolio

- Acquisition of Fortune Kingswood was completed in Oct 2013

17 retail malls

Total Area 3.11 million sf

Total Valuation HK\$28.0 billion



A New Brand for Next Phase of Growth

FORTUNE 置富產業信託 **REIT**



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 17 malls under management.

All 17 malls will be given colourful new identities which share the same logo, but with different hues to reinforce the new Fortune Malls image.



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