

A resilient portfolio of
14 suburban retail properties in Hong Kong



Period Ended 30 September 2009
4 November 2009






FORTUNE
置富產業信託 **REIT**

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Managed by ARA Asset Management (Singapore) Limited

-  **Results Highlights**
-  **Financial Results**
-  **Hong Kong Economy**
-  **Portfolio Performance**
-  **Asset Enhancement Initiatives**
-  **Key Strategies and Other Updates**

Acquisitions Completed on 15 Oct 2009

1	Metro Town	3	Hampton Loft
	<ul style="list-style-type: none"> Gross Rentable Area : 180,822 sf Purchase Consideration : HK\$1,452m Occupancy as at 15 Oct 09 : 94.7% <p>Above Tiu Keng Leng MTR station. Immediate catchment of 21,220 households.</p>		<ul style="list-style-type: none"> Gross Rentable Area : 74,734 sf Purchase Consideration : HK\$159m Occupancy as at 15 Oct 09 : 100.0% <p>Close to Olympian MTR station. Catchment of a high income population.</p>
2	Caribbean Bazaar	Summary	
	<ul style="list-style-type: none"> Gross Rentable Area : 63,018 sf Purchase Consideration : HK\$428m Occupancy as at 15 Oct 09 : 100.0% <p>Close to Tung Chung MTR station. The only mall serving the daily needs of 8,700 households nearby.</p>	<ul style="list-style-type: none"> Acquisitions of Metro Town, Caribbean Bazaar and Hampton Loft completed on 15 October 2009 Fortune REIT's portfolio size enlarged by 20% to a total GRA of about 2.0 million sf. 	



Successful Completion of Rights Issue

Rights Issue	<ul style="list-style-type: none"> 1-for-1 rights issue to raise gross proceeds of HK\$1.9 billion 115.8% subscribed Rights Units listed and commenced trading on 16 Oct 2009
Rights Issue price	<ul style="list-style-type: none"> HK\$2.29 per rights unit
Use of net proceeds	<ul style="list-style-type: none"> 88.3% (HK\$1,591.0m) to part finance the Acquisitions 6.2% (HK\$111.4m) for working capital, debt related costs and general corporate purposes 5.5% (HK\$100.0m) for asset enhancement initiatives



Results Highlights

Results for YTD 3Q09 includes 11 properties but excludes the new Acquisitions

Total Revenue, YTD 3Q09	HK\$501.8 mil	↑	6.6% YoY
Net Property Income (NPI), YTD 3Q09	HK\$357.0 mil	↑	4.4% YoY
Distribution Per Unit (DPU), YTD 3Q09	HK\$0.2935 ¹	↑	8.1% YoY
Net Asset Value (NAV) Per Unit	HK\$7.77 ¹		
Portfolio Valuation (As at 30 Jun 09) ²	HK\$8,900 mil	↑	3.5% from Dec 08
Gearing	25.7%		
Portfolio Rental Reversion ³	3.9%		
Portfolio Occupancy ⁴	93.1%		

Notes:

1. Distribution per Unit and NAV per Unit are derived from the deemed units of 827.5 million issued as at 30 September 2009, excluding the rights units of 824.9 million and the acquisition fee in units of 6.4 million which have been issued on 15 October 2009 and 16 October 2009 respectively.
2. 11 Investment properties were re-valued by Savills Valuation and Professional Services Limited ("Savills").
3. For all renewal leases from 1 Jan 09 to 30 Sep 09.
4. Actual occupancy for the 11 properties as at 30 Sep 09.





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Trust Income YTD 3Q09

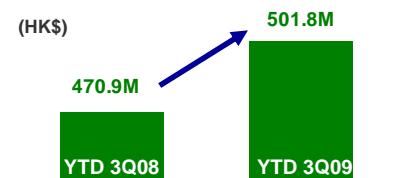
Income Available for Distribution Rose By 9.4% in YTD 3Q09 vs YTD 3Q08

	YTD 3Q09 (HK\$'000)	YTD 3Q08 (HK\$'000)	Variance (%)
Total revenue	501,755	470,857	6.6%
Property operating expenses	(133,707)	(118,482)	12.9%
Manager's performance fee	(11,041)	(10,571)	4.5%
Net property income ("NPI")	357,007	341,804	4.4%
Borrowing costs	(64,781)	(77,071)	(15.9%)
Profit before tax ¹	292,226	264,733	10.4%
Hong Kong tax ²	(47,403)	(36,779)	28.9%
Net profit of property companies ¹	244,823	227,954	7.4%
Income available for distribution	242,910	222,075	9.4%
DPU (HK\$)	0.2935³	0.2716	8.1%

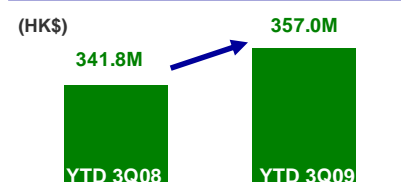
Notes:

- Fortune REIT recognized a gain of HK\$281.3 million in 2009 arising from changes in fair values of the properties. There will be no impact on income available for distribution. These figures are thus excluded for the purpose of this presentation.
- There was a one-off write-back of deferred tax in the 2nd quarter of 2008 due to the change in Hong Kong tax rate from 17.5% to 16.5% with effect from April 2008.
- Distribution per unit are derived from the deemed units of 827.5 million issued as at 30 September 2009, excluding the rights units of 824.9 million and the acquisition fee in units of 6.4 million which have been issued on 15 October 2009 and 16 October 2009 respectively

Revenue +6.6%



NPI + 4.4%



Trust Income 3Q09

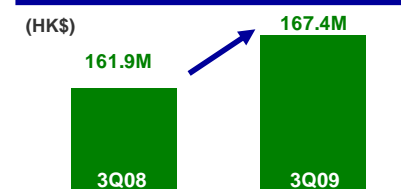
Total Revenue Rose 3.4% In 3Q09 vs 3Q08

	3Q09 (HK\$'000)	3Q08 (HK\$'000)	Variance (%)
Total revenue	167,442	161,916	3.4%
Property operating expenses	(45,182)	(45,585)	(0.9%)
Manager's performance fee	(3,668)	(3,490)	5.1%
NPI	118,592	112,841	5.1%
Borrowing costs	(20,839)	(23,928)	(12.9%)
Profit before tax	97,753	88,913	9.9%
Hong Kong tax	(15,984)	(14,543)	9.9%
Net profit of property companies	81,769	74,370	9.9%
Income available for distribution	81,212	71,162	14.1%
DPU (HK\$)	0.0975¹	0.0865	12.7%

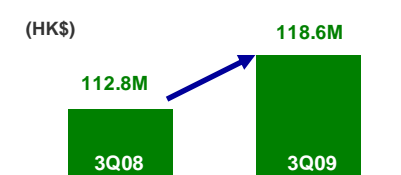
Notes:

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Revenue + 3.4%



NPI +5.1%



Balance Sheet

As at 30 Sep 09	(HK\$'000)
Current Assets	242,243
Non Current Assets	8,907,263
Total Assets	9,149,506
Current Liabilities	289,652
Non Current Liabilities	2,473,187
Total Liabilities	2,762,839
Net Assets	6,386,667

Gearing Ratio **25.7%**

Portfolio Valuation¹ **HK\$8,900 M**

NAV Per Unit^{2, 3} **HK\$7.77**

Notes:

- As at 30 Jun 2009 by Savills.
- Based on net assets of the Group excluding hedging reserve.
- The total number of deemed units used for the computation of net asset value per Unit is 827.5 million as at 30 September 2009, excluding the rights units of 824.9 million and the acquisition fee in units of 6.4 million which have been issued on 15 October 2009 and 16 October 2009 respectively.



Debt Management

As at 30 Sep 09	Debt Profile
Total Debt¹	HK\$2,349 mil
Gearing Ratio²	25.7%
Interest Cover³	5.1 X
Weighted Avg. Cost of Debt⁴	3.64%

Notes:

- Excludes the debt front-end fee. On 15 October 2009, the Group has entered into a term loan facility of HK\$2,830.0 million and a revolving credit facility of HK\$270.0 million for a term of 4 years. HK\$480.0 million of the term loan has been drawn down on 15 October 2009 for the acquisitions. Remaining of the term loan will be drawn down on 28 June 2010 to refinance the existing term loan. Borrowings increase from HK\$2,348.7 million to HK\$2,828.7 million with the additional term loan of HK\$480.0 million.
- According to the Singapore Property Fund Guidelines, Aggregate Borrowing Limit as a % of Deposited Property must not exceed 35%, but it can increase to 60% with a credit rating.
- Interest cover = EBIT / Total interest expense.
- Exclude amortization of debt front end fee



No refinancing requirement until 2013

- New loan of HK\$480m was drawn down on 15 Oct 2009
- HK\$2,350m will be drawn on 28 Jun 2010 to refinance existing loan
- New loan with a margin of 200bps over HIBOR



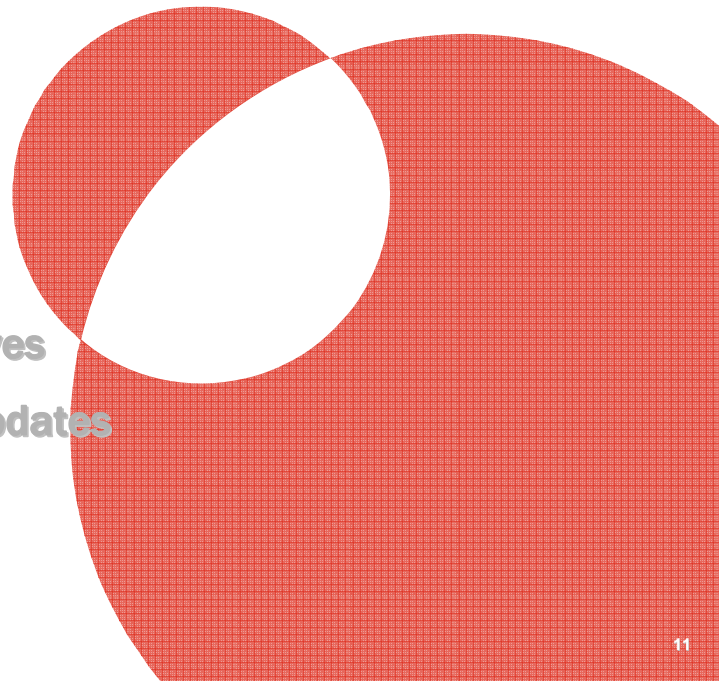
3 new assets will be unencumbered upon refinancing in Jun 2010



Further debt headroom of \$1.6 billion before hitting 35% gearing



-  Results Highlights
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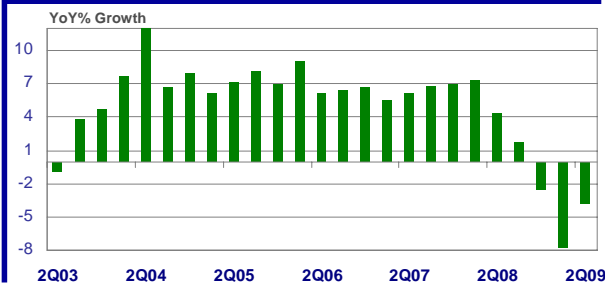
Hong Kong Economy

Period Ended 30 Sep 2009

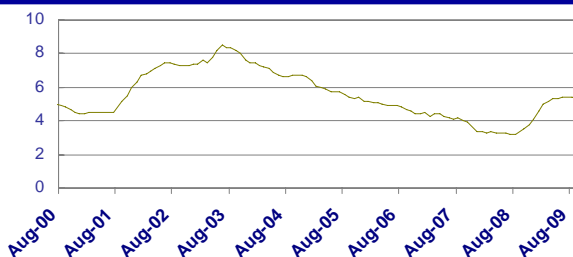
Economy gradually bottoming out

- ✓ In 2Q09, economic contraction in the preceding quarters was reversed with growth momentum.
- ✓ The Mainland economy has regained faster growth momentum, thereby benefiting the Hong Kong economy.
- ✓ Consumption in the coming quarters is expected to benefit from lesser job loss, low interest rates and the wealth effect from the booming stock market.

GDP: Forecast revised upward to a contraction of 3.5-4.5% for 2009



Unemployment: Edged down to 5.3%, first decline since the financial tsunami hit Hong Kong in Aug 08



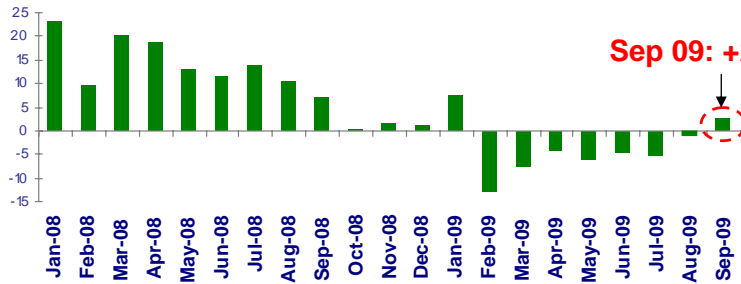
Private consumption: Local consumer sentiments recovered during the quarter, the YoY decline tapered significantly in 2Q 2009.



Source: Census & Statistics Department, HK

Hong Kong Retail Sales

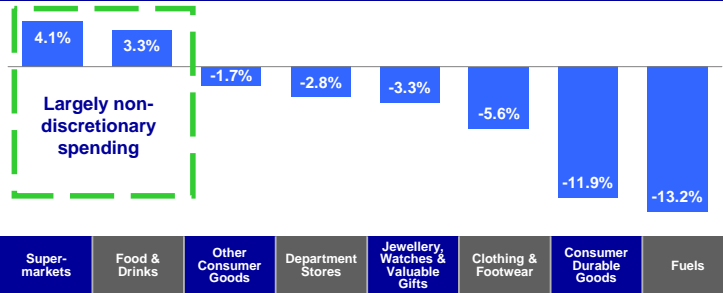
Value of Total Retail Sales YoY % change



Sep 09: +2.4%

The retail sales reverted to a YoY increase in September after falling for 7 consecutive months, resulted from a further improvement in local consumer spending and also revival in inbound tourism.

Retails Sales Value – YoY changes for Jan to Sep 09



Suburban retail benefits from the resilient nature of non-discretionary spending


Source: Census & Statistics Department, HK

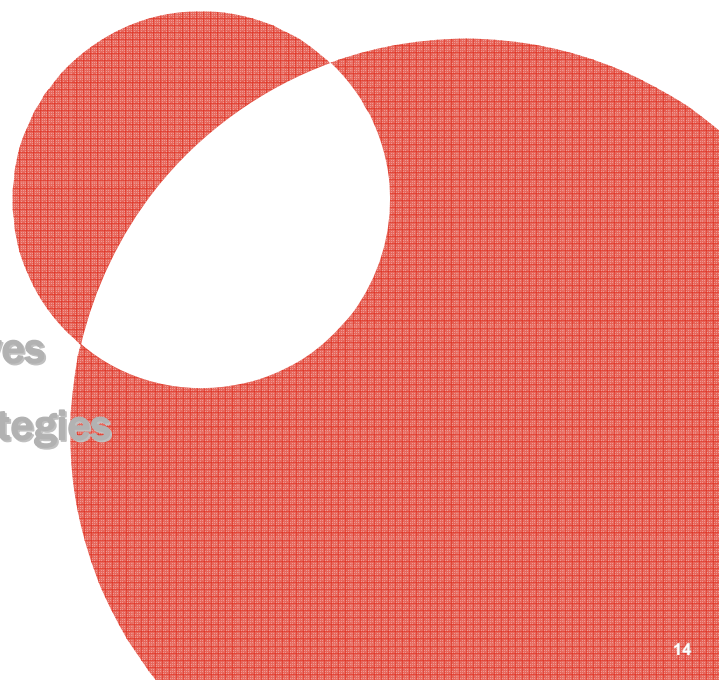


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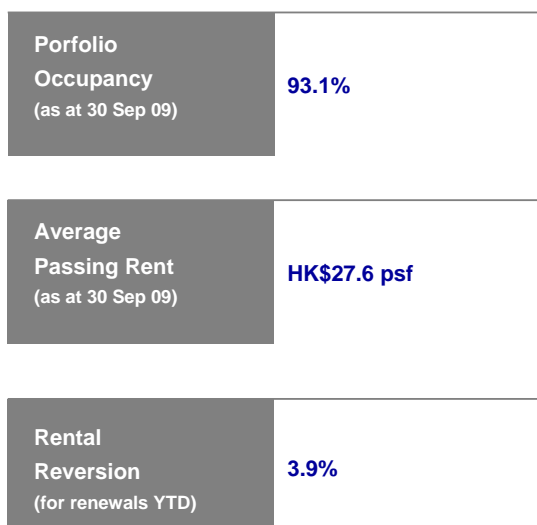
-  Results Highlights
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Occupancy and Passing Rent

Portfolio Occupancy improves to 93.1% ; Passing Rents at HK\$27.6 psf

As at 30 Sep 09	GRA (sf)	Actual Occupancy (30 Sep 09)
1. City One Shatin Property	414,469	97.4%
2. Ma On Shan Plaza	310,084	100.0%
3. The Metropolis Mall	332,168	92.3%
4. Waldorf Garden Property	80,842	100.0%
5. Smartland	123,544	79.1%
6. Tsing Yi Square Property	78,836	100.0%
7. Jubilee Court Shopping Centre	170,616	76.2%
8. The Household Center	91,779	86.3%
9. Centre de Laguna Property	43,000	100.0%
10. Lido Garden Property	9,836	100.0%
11. Rhine Garden Property	14,604	100.0%
Portfolio Total	1,669,778	93.1%



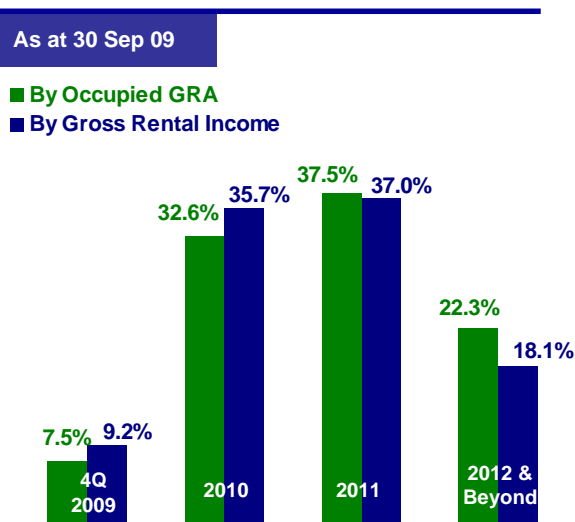
Portfolio Expiry Profile

More than 92.5% of Lease Expiring in 2009 has been Committed

Expiry Profile By Gross Rentable Area

As at 30 Sep 09	% of occupied GRA		
	4Q 2009	2010	2011
1. City One Shatin	10.9	33.4	33.6
2. Ma On Shan Plaza	6.8	38.1	45.6
3. The Metropolis Mall	9.0	36.8	42.9
4. Waldorf Garden	0.1	18.5	22.6
5. Smartland	6.4	14.1	46.9
6. Tsing Yi Square	9.1	40.8	37.1
7. Jubilee Court Shopping Centre	5.1	22.3	14.0
8. The Household Center	0.7	34.4	35.4
9. Centre de Laguna	1.7	41.2	48.5
10. Lido Garden	31.9	68.1	0.0
11. Rhine Garden	0.0	1.5	98.5
Portfolio Total	7.5	32.6	37.5

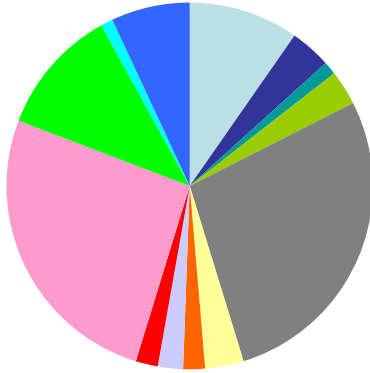
Portfolio Expiry Profile



Portfolio Trade Mix

Trade Mix Well Diversified To Meet Catchment Needs

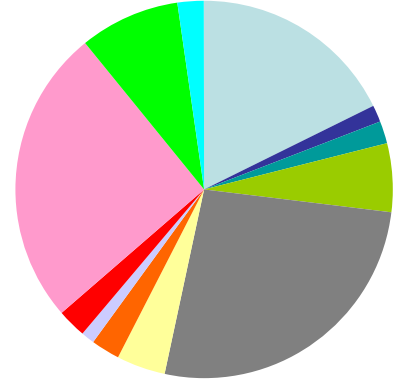
By Gross Rentable Area



Tenant's Trade Mix

17.7%	Banking & Real Estate	17.7%
1.5%	Community Services	1.5%
2.0%	Electronics & IT	2.0%
5.7%	Fashion & Shoes	5.7%
26.3%	Food & Beverage	26.3%
4.3%	Gifts, Toys & Jewellery	4.3%
2.4%	Homeware	2.4%
1.3%	Entertainment & Sports	1.3%
2.5%	Others	2.5%
25.5%	Services & Education	25.5%
8.6%	Supermarket	8.6%
2.2%	Wet Markets	2.2%
0.0%	Vacant	0.0%

By Gross Rental Income



Note:
1. As at 30 Sep 2009.

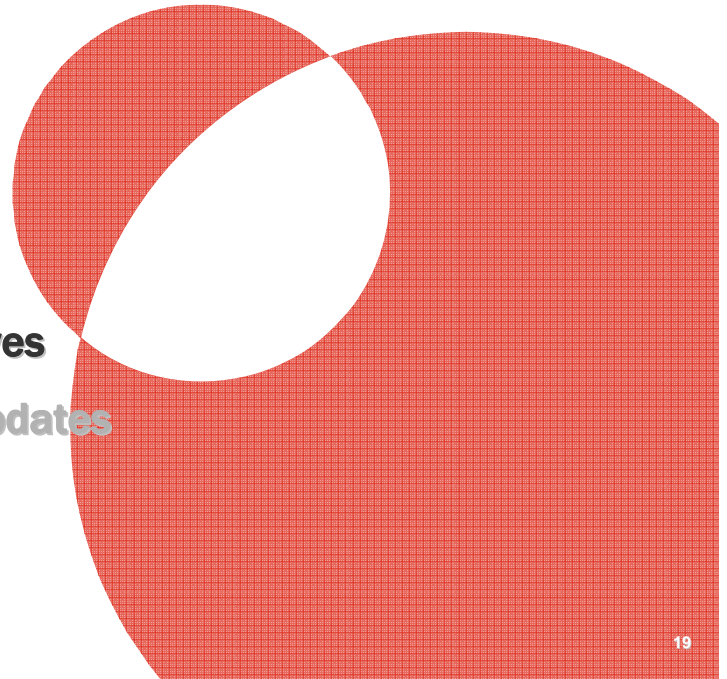
Marketing And Promotions

Mid-Autumn Festival Promotion in Ma On Shan Plaza and Metropolis Mall



Dance Event in Metropolis Mall

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CAPEX Planning

Period Ended 30 Sep 2009

HK\$100M from Rights Proceeds for Future AEs





City One Shatin Property

-  Overall repositioning to create a new shopping image
-  Full reconfiguration of Ngan Shing Commercial Centre





Ma On Shan Plaza

-  Feasibility study on mall upgrading
-  Optimization of trade mix and efficient use of space to enhance rental return



Metropolis Mall

-  To implement energy saving measures
-  Continue back-of-house facilities upgrading

Ongoing Facilities Upgrading

Jubilee Court Shopping Centre



Before

Better facilities to retain tenants and attract shoppers



After

The Metropolis Mall



Nursery facilities added to cope with the increasing demand from the Kid's Zone.

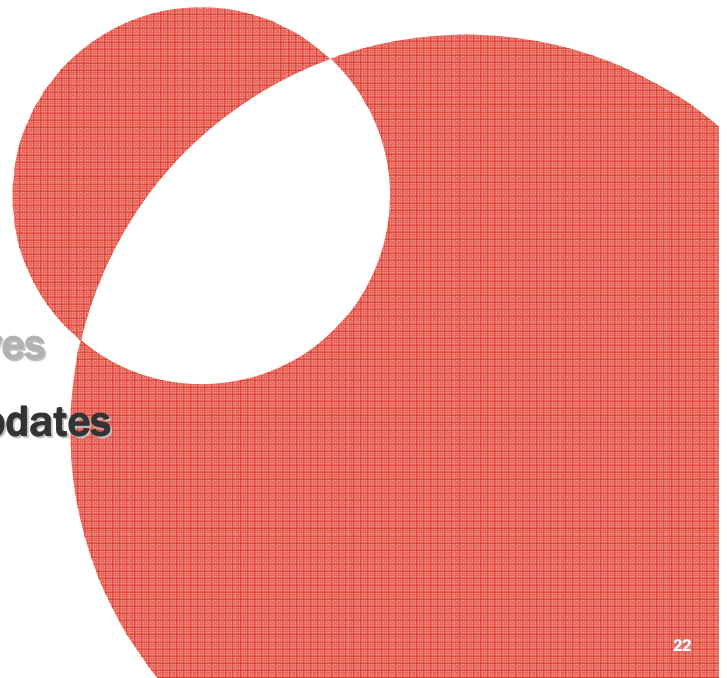


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Key Strategies

Focus on Stability and Sustainability



Operational

- Maintain occupancy levels at all malls
- Work closely with tenants to drive footfall and sales



Asset Enhancement

- Focus on cost savings measures
- Ongoing facilities upgrading



Capital Management

- A prudent approach on gearing ratio and interest cost management
- Current market may present acquisition opportunities

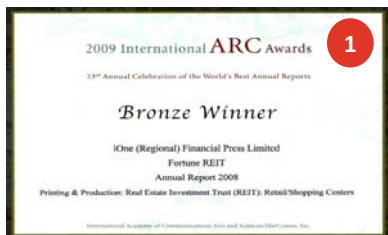
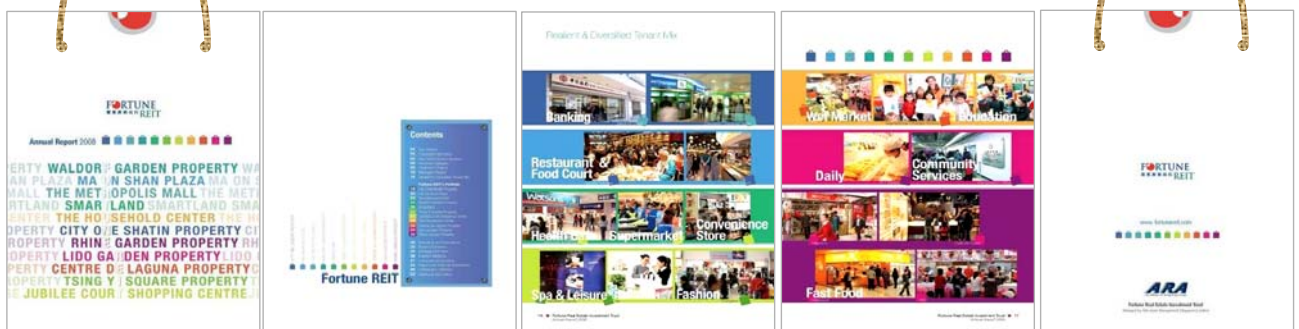


The Household Center



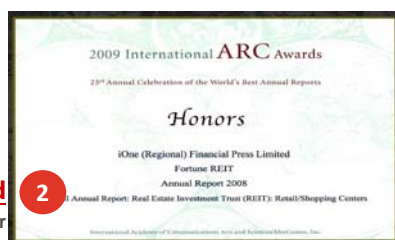
Annual Report Awards

Fortune REIT's 2008 annual report has been recognized by the prestigious International Annual Report Competition ("ARC") Awards 2009.



Bronze Award

Printing and Production: REIT – Retail / Shopping Center



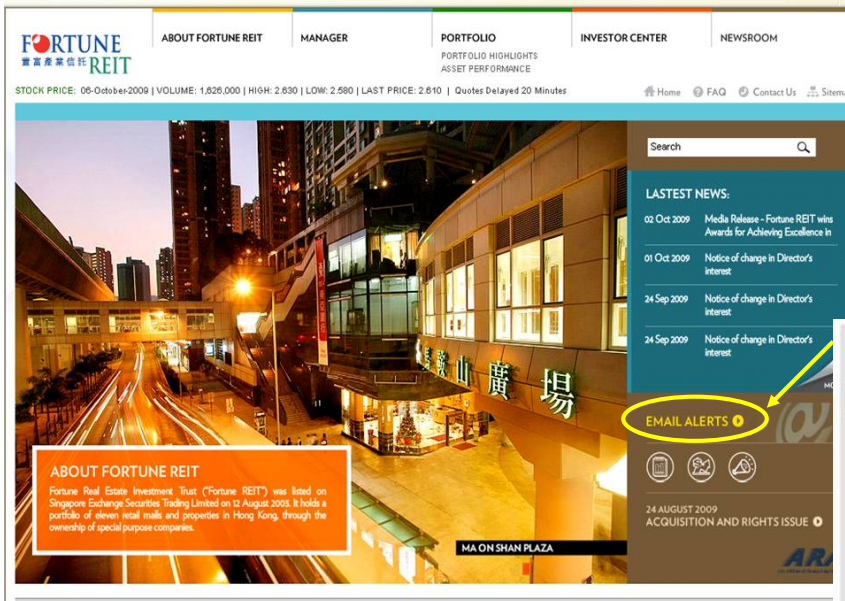
Honours Award

Overall Annual Report: REIT – Retail / Shopping Center

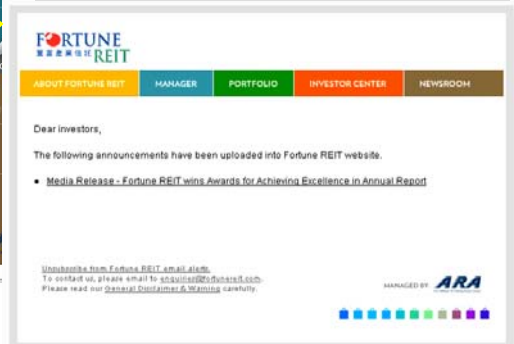


New Website Launched

A valuable channel communicating to investors



- A fresh new image with enhanced functionality
- Interactive flash images and logical ordering of the most-wanted information
- Featured with a Email Alert system allowing visitors to subscribe for Fortune REIT's updated news



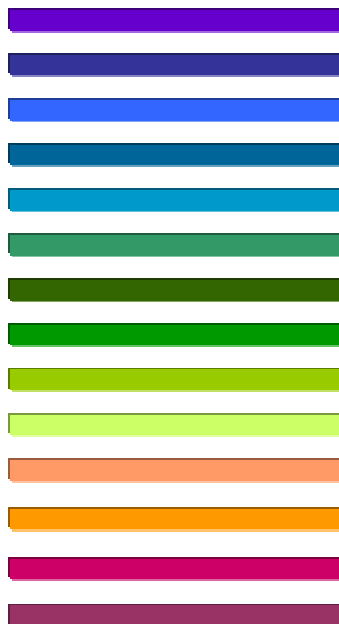
www.fortunereit.com re-launched in Sep 09



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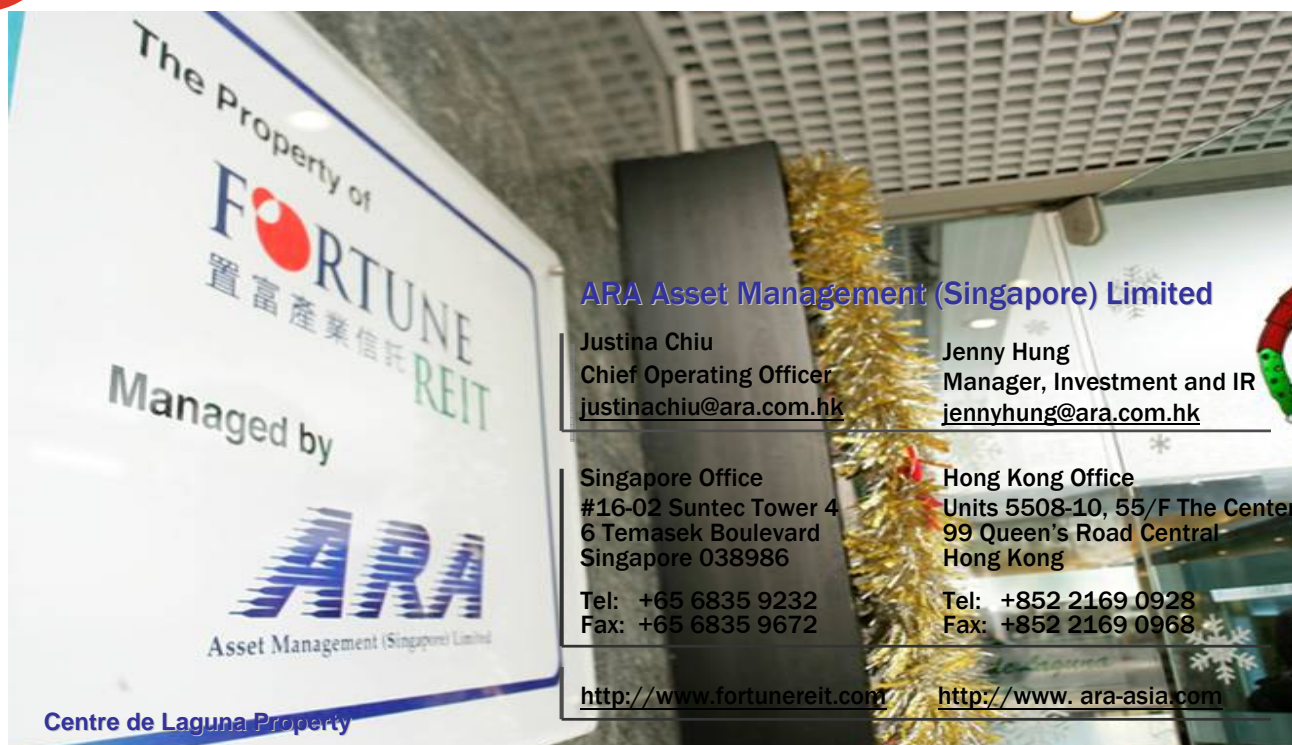
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