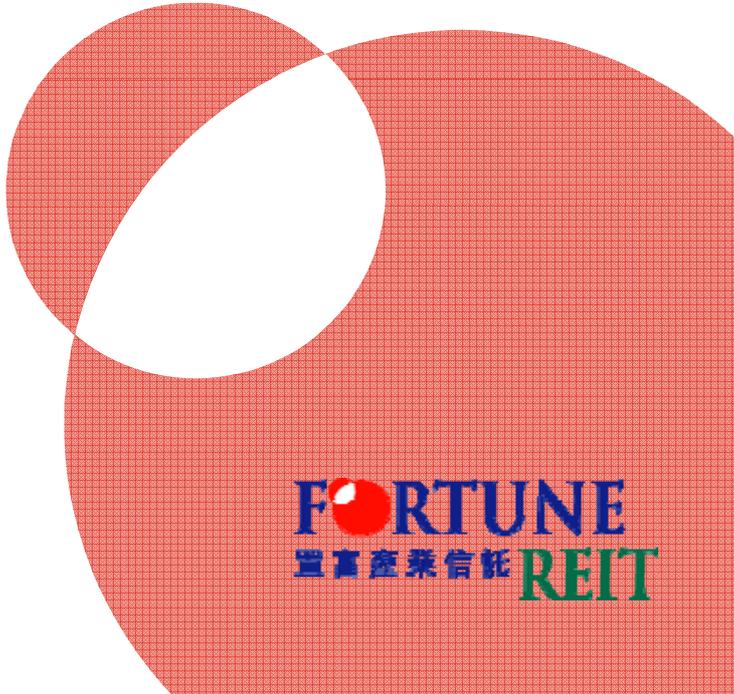


A resilient portfolio of
14 suburban retail properties in Hong Kong



Period Ended 31 December 2009
26 January 2010



FORTUNE
置富產業信託 **REIT**

FORTUNE
置富產業信託 **REIT**

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

Results Highlights

Total Revenue, FY09	HK\$701.4 mil	+ 10.1% YoY
Net Property Income (NPI), FY09	HK\$494.7 mil	+ 6.8% YoY
Distributable Income, FY09	HK\$337.8 mil	+ 11.6% YoY
Distribution Per Unit (DPU), FY09	HK\$0.3020 ¹	
Net Asset Value (NAV) Per Unit	HK\$5.33	
Portfolio Valuation (As at 31 Dec 09) ²	HK\$11,500 mil	+ 4.8% from Jun 09
Gearing	23.7%	
Portfolio Rental Reversion ³	4.2%	
Portfolio Occupancy ⁴	96.4%	

Notes:

- 824.9 million of rights Units and 6.4 million of acquisition fee in Units were issued on 15 October 2009 and 16 October 2009 respectively. DPU of FY09 of 30.20 HK cents is the total sum of 19.60 HK cents for 1H09 distribution based on 824.9 million units plus 10.60 HK cents for 2H09 distribution based on the income available for distribution from 1 July 2009 to 31 December 2009 divided by the enlarged number of units in issue of 1,661.6 million.
- 14 Investment properties were re-valued by Savills Valuation and Professional Services Limited ("Savills").
- For all renewal leases from 1 Jan 09 to 31 Dec 09.
- Actual occupancy for the 14 properties as at 31 Dec 09.



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Trust Income FY09

Income Available for Distribution Rose By 11.6% in FY09 vs FY08

	FY09 ³ (HK\$'000)	FY08 (HK\$'000)	Variance (%)
Total revenue	701,354	637,038	10.1%
Property operating expenses	(191,395)	(159,570)	19.9%
Manager's performance fee	(15,299)	(14,324)	6.8%
Net property income ("NPI")	494,660	463,144	6.8%
Borrowing costs	(88,159)	(100,711)	(12.5%)
Profit before tax ¹	406,501	362,433	12.2%
Hong Kong tax ²	(66,079)	(52,484)	25.9%
Net profit of property companies ¹	340,422	309,949	9.8%
Income available for distribution	337,841	302,855	11.6%
DPU (HK\$) ⁴	0.3020	0.3702	

Notes:

- Fortune REIT recognized a gain of HK\$806.3 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.
- Fortune REIT acquired 3 new properties on 15 October 2009.
- 824.9 million of rights units and 6.4 million of acquisition fee in units were issued on 15 Oct 09 and 16 Oct 09 respectively. The Distribution per Unit for fourth quarter is calculated based on the total enlarged units in issue of 1,661.6 million. The full year Distribution per Unit of 30.20 HK cents is the total sum of 19.60 HK cents for 1H09 distribution based on 824.9 million units plus 10.60 HK cents for 2H09 distribution based on the income available for distribution from 1 July 2009 to 31 December 2009 divided by the enlarged number of units in issue of 1,661.6 million.

Revenue +10.1%



NPI +6.8%



Distribution Details

Fortune REIT Units Trade Ex-distribution On 1 February 2010

Distribution for the period 1 Jul 2009 to 31 Dec 2009

10.60 HK cents per Unit

Ex-distribution Date	1 Feb 2010
Book Closure	3 Feb 2010
Currency Election ¹	11 Feb 2010
Distribution Payment	26 Feb 2010

Note:

- Unitholders can choose to have the distribution paid in HKD or SGD. By default, the payment is made in SGD.

Portfolio Valuation

Portfolio Valuation Increased to HK\$11.5 billion

	Dec 09 ² (HK\$ million)	Jun 09 ³ HK\$ million)	Change (End 09 vs Jun 09)	Dec 08 ⁴ (HK\$ million)	Change (Dec 09 vs Dec 08)
City One Shatin Property	3,548	3,370	5.3%	3,259	+8.9%
Ma On Shan Plaza	1,974	1,841	7.2%	1,766	+11.8%
The Metropolis Mall	1,413	1,382	2.2%	1,342	+5.3%
Waldorf Garden Property	810	770	5.2%	743	+9.0%
Smartland	376	362	3.9%	350	+7.4%
Tsing Yi Square Property	314	297	5.7%	288	+9.0%
Jubilee Court Shopping Centre	304	292	4.1%	285	+6.7%
The Household Center	274	265	3.4%	258	+6.2%
Centre de Laguna Property	166	162	2.5%	157	+5.7%
Lido Garden Property	100	97	3.1%	94	+6.4%
Rhine Garden Property	64	62	3.2%	60	+6.7%
Fortune REIT Existing Portfolio	9,343	8,900	5.0%	8,602	8.6%
Metro Town ¹	1,544	1,480	4.3%	-	-
Caribbean Bazaar ¹	449	430	4.4%	-	-
Hampton Loft ¹	164	160	2.5%	-	-
Fortune REIT Total Portfolio	11,500	10,970	4.8%		

Notes:

1. Metro Town, Caribbean Bazaar and Hampton Loft were acquired on 15 October 2009.
2. As at 31 Dec 2009 by Savills.
3. As at 30 Jun 2009 by Savills.
4. As at 31 Dec 2008 by Knight Frank.



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Balance Sheet

As at 31 Dec 09	(HK\$'000)
Current Assets	562,960
Non Current Assets	11,500,044
Total Assets	12,063,004
Current Liabilities ⁴	3,096,936
Non Current Liabilities	133,406
Total Liabilities	3,230,342
Net Assets	8,832,662

Gearing Ratio **23.7%**

Portfolio Valuation¹ **HK\$11,500 M**

NAV Per Unit^{2, 3} **HK\$5.33**

Notes:

1. As at 31 Dec 2009 by Savills.
2. Based on net assets of the Group excluding hedging reserve.
3. The total number of deemed units used for the computation of net asset value per Unit is 1,661.6 million as at 31 December 2009, including the rights units of 824.9 million, the acquisition fee in units of 6.4 million and the Manager's base fee for 4Q09 in units of 2.8 million which have been issued on 15 October 2009, 16 October 2009 and 7 January 2010 respectively.
4. Fortune REIT had executed a loan agreement on 15 October 2009 to refinance the term loan facility and the revolving loan facility for a term of 4 years.



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Debt Management

As at 31 Dec 09	Debt Profile
Total Debt ¹	HK\$2,864 mil
Gearing Ratio ²	23.7%
Interest Cover ³	5.2 X
Weighted Avg. Cost of Debt ⁴	3.56%

Notes:

1. 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. Remaining of the term loan will be drawn down on 28 June 2010 to refinance the existing term loan.
2. 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.
3. Interest cover = EBIT / Total interest expense.
4. 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 \$2.1 billion before hitting 35% gearing



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Results Highlights



Financial Results



Hong Kong Economy



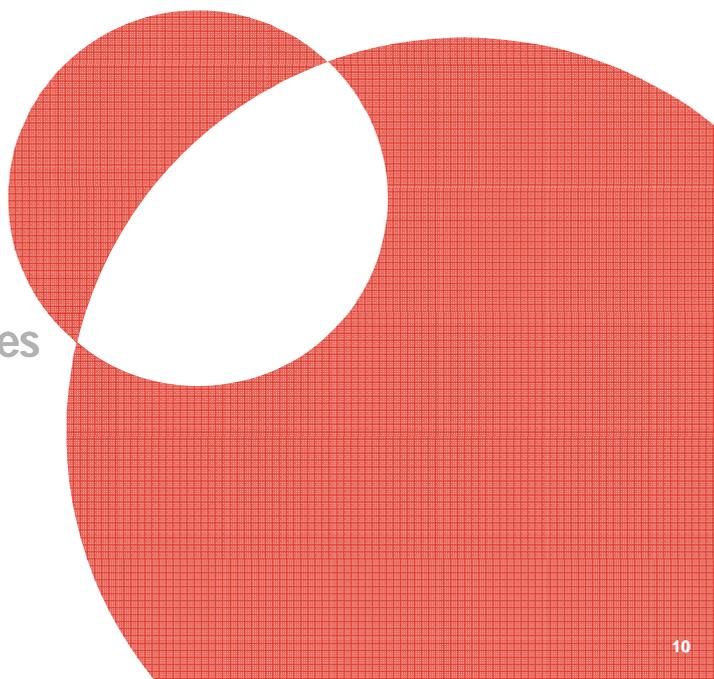
Portfolio Performance



Asset Enhancement Initiatives



Key Strategies

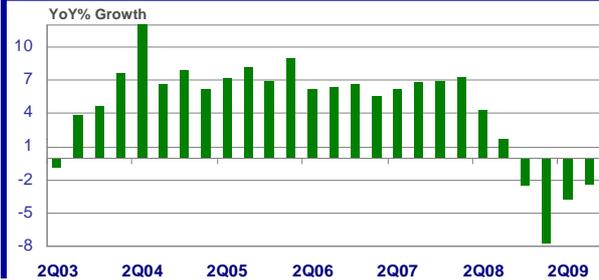


Hong Kong Economy

Economy entered initial stage of recovery

- ✓ Hong Kong's economy improved further after a strong rebound during the second quarter, leading to a further tapering of the year-on-year decline in GDP to 2.4% in the third quarter.
- ✓ Local consumer sentiments revived as economic prospects got better, the labour market stabilized, Government's relief measures yielded further results, and asset markets remained supportive.

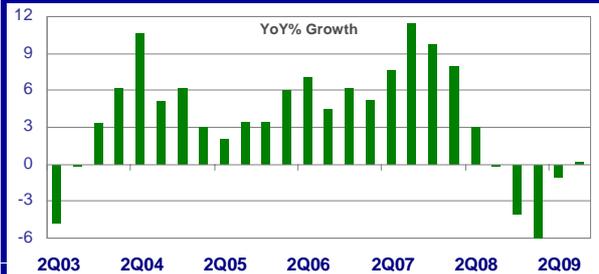
GDP: Government forecast revised upward to a contraction of 3.3% for 2009



Unemployment: Decreased to 5.1% (Sep-Nov), the continued recovery of the labour market would hinge on the overall business performance



Private consumption: Having fallen for four consecutive quarters, bottomed out in 3Q09 on a year-on-year basis.



Source: Census & Statistics Department, HK

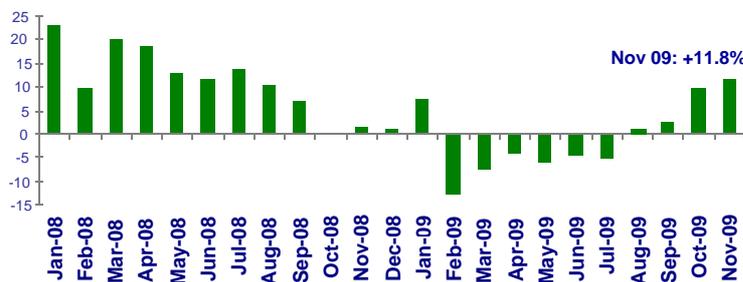


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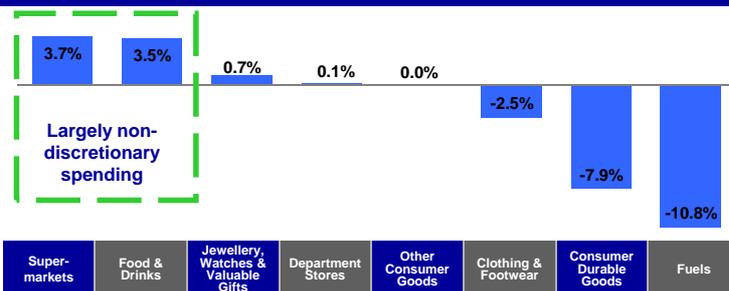
Hong Kong Retail Sales

Value of Total Retail Sales YoY % change



The retail sales rose notably further in November, mainly reflecting the strengthening of consumer sentiment.

Retail Sales Value – YoY changes for the period of Jan to Nov 09



Suburban retail malls benefiting from the resilience of non-discretionary spending.

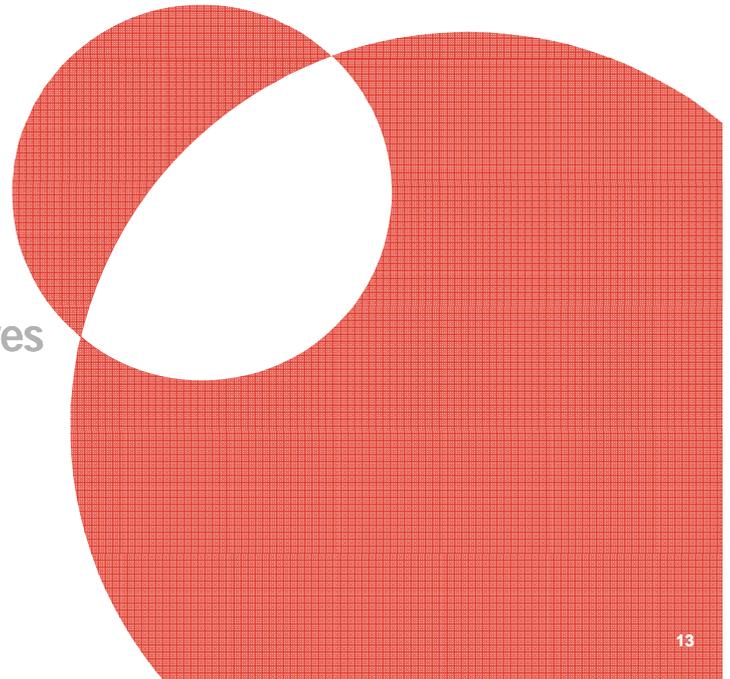
Source: Census & Statistics Department, HK



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Proved Resilient Performance

Period Ended 31 Dec 2009

Deliver robust organic growth in challenging market

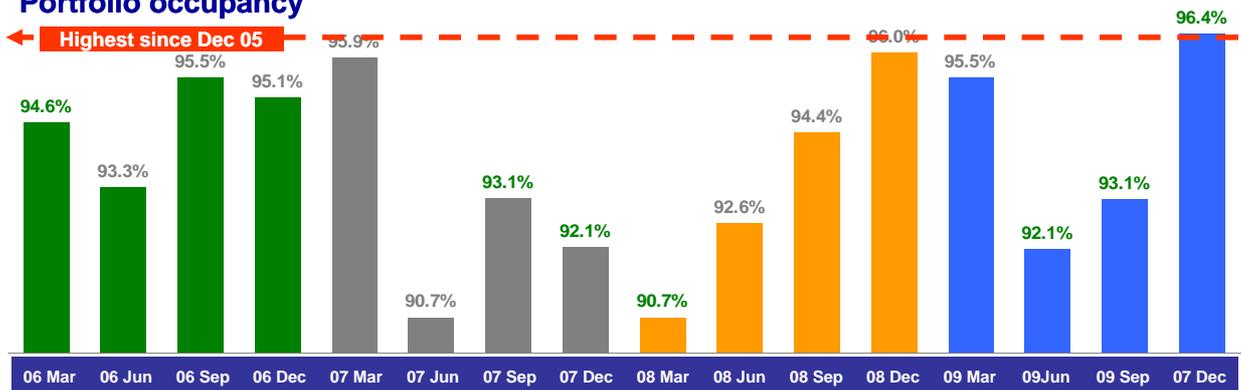
Portfolio occupancy climbed to a new high (96.4%) since Dec 2005.

9 out of 14 malls achieved 100% occupancy.

3 newly acquired properties all at 100% occupancy.

Flagship - City One Shatin Property at record high occupancy (98.2%) since acquisition in 2005.

Portfolio occupancy



Note:
 1. Data from Mar 06 – Sep 08 include 11 properties only. 3 new properties were acquired in Oct 09 and thus data in Dec 09 include 14 properties.

Occupancy and Passing Rent

Portfolio Occupancy picked up strongly at 96.4%; Passing Rents at HK\$27.5 psf

	GRA (s.f.)	Actual Occupancy (30 Jun 09)	Actual Occupancy (31 Dec 09)
1. City One Shatin Property	414,469	97.2%	98.2%
2. Ma On Shan Plaza	310,084	100.0%	100.0%
3. Metro Town ¹ NEW	180,822	93.1%	100.0%
4. The Metropolis Mall	332,168	88.4%	93.0%
5. Waldorf Garden Property	80,842	100.0%	100.0%
6. Caribbean Bazaar ¹ NEW	63,018	97.5%	100.0%
7. Smartland	123,544	76.7%	94.4%
8. Tsing Yi Square Property	78,836	98.4%	100.0%
9. Jubilee Court Shopping Centre	170,616	75.9%	81.5%
10. The Household Center	91,779	88.0%	97.0%
11. Centre de Laguna Property	43,000	99.4%	100.0%
12. Hampton Loft ¹ NEW	74,734	100.0%	100.0%
13. Lido Garden Property	9,836	100.0%	100.0%
14. Rhine Garden Property	14,604	100.0%	100.0%
Portfolio Total	1,988,352	92.1%	96.4%

Portfolio Occupancy (as at 31 Dec 09) **96.4%**

Average Passing Rent (as at 31 Dec 09) **HK\$27.5 psf**

Rental Reversion (for renewals in 2009) **4.2%**

Note: 1. Metro Town, Caribbean Bazaar and Hampton Loft were acquired on 15 October 2009.



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Portfolio Expiry Profile

Proactively working on the 38% lease expiries due in 2010

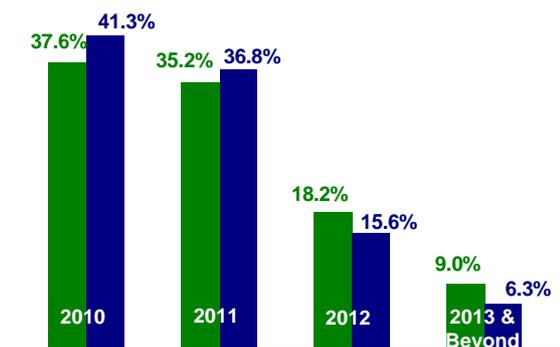
Expiry Profile By Gross Rentable Area

As at 31 Dec 09	% of occupied GRA		
	2010	2011	2012
1. City One Shatin Property	39.5%	36.0%	19.6%
2. Ma On Shan Plaza	38.3%	48.0%	13.8%
3. Metro Town	48.9%	18.8%	5.0%
4. The Metropolis Mall	43.1%	44.1%	12.2%
5. Waldorf Garden Property	18.5%	22.7%	8.6%
6. Caribbean Bazaar	25.7%	38.7%	35.6%
7. Smartland	12.1%	40.5%	12.6%
8. Tsing Yi Square Property	41.2%	41.3%	17.5%
9. Jubilee Court Shopping Centre	24.1%	15.3%	46.0%
10. The Household Center	31.5%	31.8%	36.8%
11. Centre de Laguna Property	41.2%	49.5%	9.3%
12. Hampton Loft	74.8%	0.0%	25.2%
13. Lido Garden Property	68.1%	12.9%	18.9%
14. Rhine Garden Property	1.5%	98.5%	0.0%
Portfolio Total	37.6%	35.2%	18.2%

Portfolio Expiry Profile

As at 31 Dec 09

■ By Occupied GRA
■ By Gross Rental Income



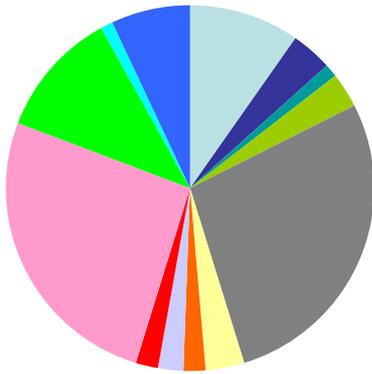
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Portfolio Trade Mix

Trade Mix Well Diversified To Meet Catchment Needs

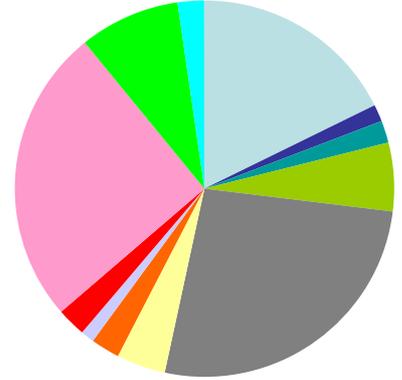
By Gross Rentable Area



Tenant's Trade Mix

8.9%	Banking & Real Estate	16.5%
3.1%	Community Services	1.3%
1.1%	Electronics & IT	1.8%
3.3%	Fashion & Shoes	6.0%
27.8%	Food & Beverage	25.7%
3.5%	Gifts, Toys & Jewellery	4.5%
2.2%	Homeware	2.5%
2.1%	Entertainment & Sports	1.3%
5.1%	Others	4.0%
26.9%	Services & Education	25.7%
11.4%	Supermarket	8.9%
1.0%	Wet Markets	1.8%
3.6%	Vacant	0.0%

By Gross Rental Income



Note:
1. As at 31 Dec 2009.

Marketing And Promotions in 2009

Chinese New Year



Summer Promotion



Mid-Autumn Festival



Easter



Wedding Expo



Christmas



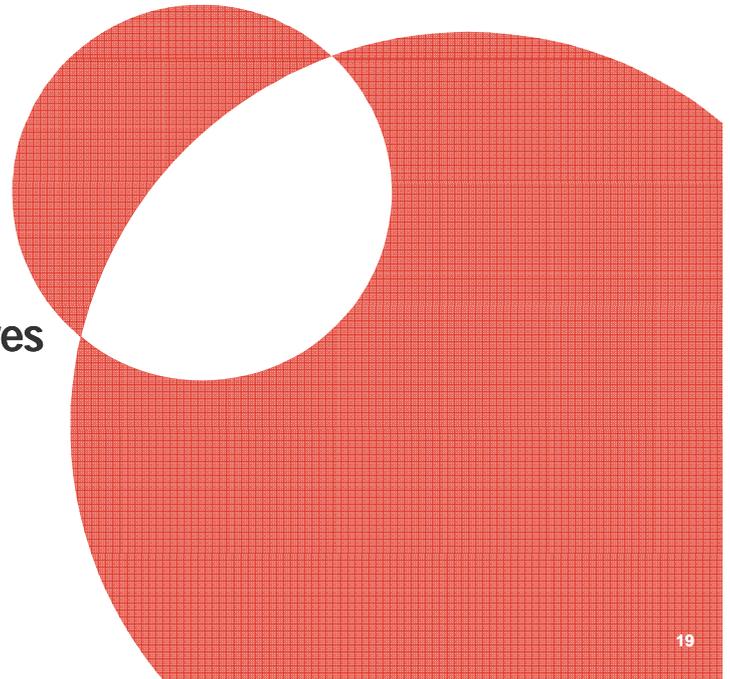
Mother's Day



Dancing Competition



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-  **Asset Enhancement Initiatives**
-  Key Strategies



Period Ended 31 Dec 2009

AEs at City One Shatin Property (COP)

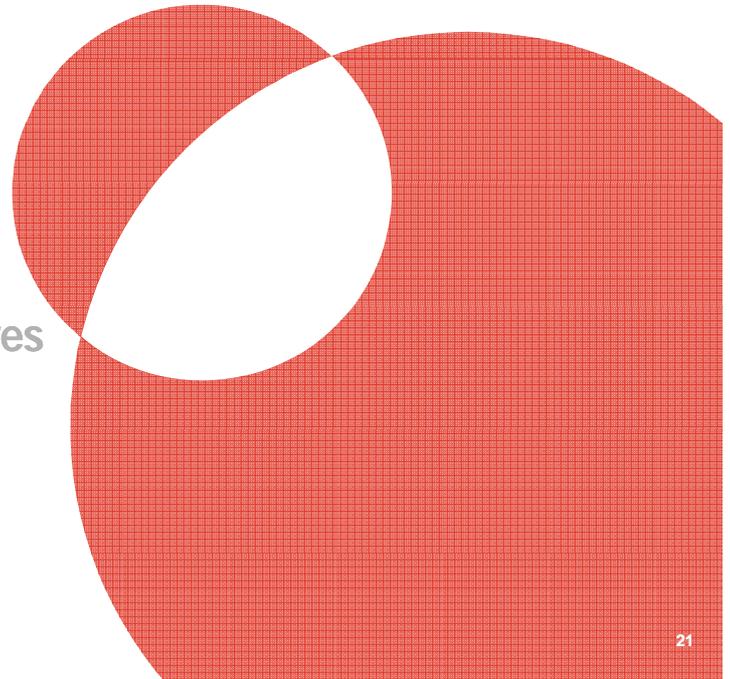
Overall repositioning and upgrading in 2010



Proposed Enhancements:

-  Overall repositioning to create a new shopping image
-  Include upgrading of common corridors, ceiling and flooring, reconfiguration of space and repositioning of tenant mix
-  G/F of Ngan Shing Commercial Centre is expected to close down for approximately 2 to 3 months for full reconfiguration
-  Target to be completed in phases starting end 2010

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Key Strategies

Period Ended 31 Dec 2009

Focus on Stability and Sustainability



Operational

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



Asset Enhancement

- Embark AEs to unlock asset value
- Ongoing facilities upgrading and cost saving measures



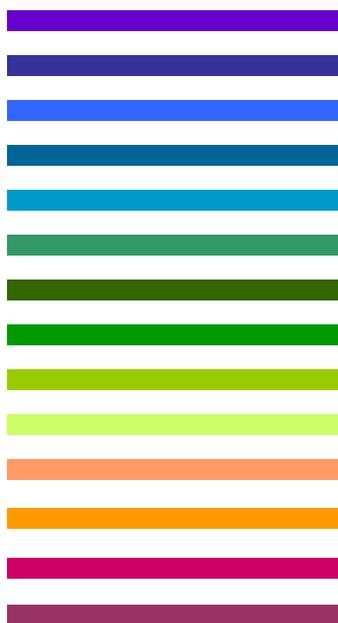
Capital Management

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



The Household Center

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Managed by ARA Asset Management (Singapore) Limited



Contact Us



ARA Asset Management (Singapore) Limited

Justina Chiu
Chief Operating Officer
justinachiu@ara.com.hk

Jenny Hung
Manager, Investment and IR
jennyhung@ara.com.hk

Singapore Office
#16-02 Suntec Tower 4
6 Temasek Boulevard
Singapore 038986

Hong Kong Office
Units 5508-10, 55/F The Center
99 Queen's Road Central
Hong Kong

Tel: +65 6835 9232
Fax: +65 6835 9672

Tel: +852 2169 0928
Fax: +852 2169 0968

<http://www.fortunereit.com>

<http://www.ara-asia.com>



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