

FORTUNE

is Retail

Financial Results
for the period ended 30 September 2012

Stock Code | Hong Kong 778
Singapore F25U

30 October 2012

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Results Highlights

Financial Results & Capital Management

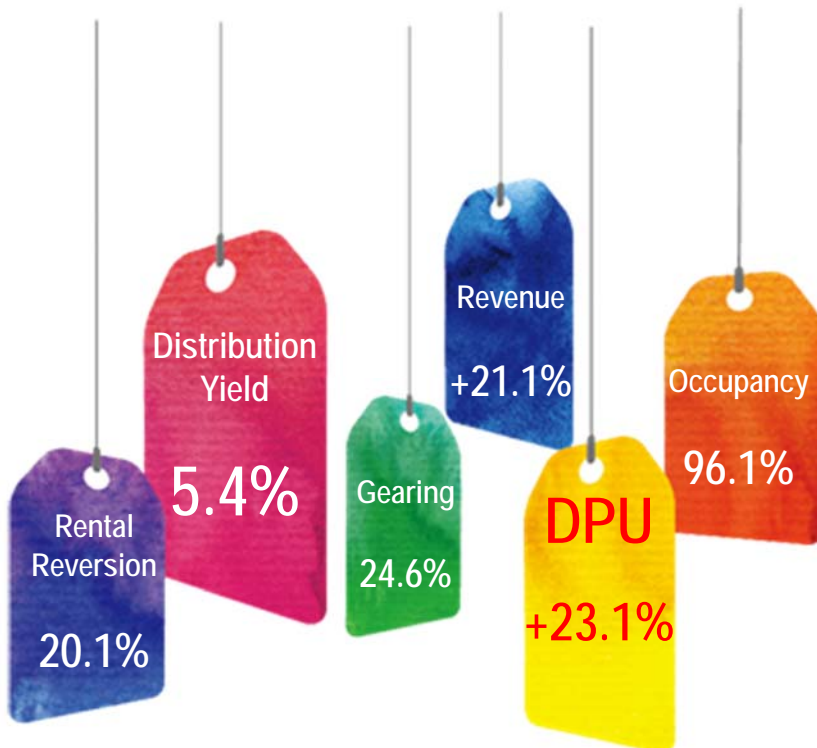
Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Period ended 30 Sep 2012 | 3

Results Highlights



For the 9 months ended 30 Sep 2012 (YTD 3Q12)

Total Revenue	HK\$822.1M + 21.1% YoY
NPI	HK\$581.4 M + 20.7% YoY
Distributable Income	HK\$407.0 M + 24.4% YoY
DPU	HK\$0.2398 + 23.1% YoY
Distribution Yield ¹	5.4%
NAV Per Unit ²	HK\$8.32 + 6.0% YoY
Portfolio Valuation ²	HK\$19,268 M + 22.8% YoY
Gearing ²	24.6%
Rental Reversion ³	20.1%
Occupancy ²	96.1%
Passing Rent ²	HK\$31.6 psf

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$5.91 as at 28 Sep 2012.
2. As at 30 Sep 2012.
3. For all renewal leases from 1 Jan 2012 to 30 Sep 2012.

Period ended 30 Sep 2012 | 4

Results Highlights

YTD 3Q12 DPU +23.1% yoy
– highest growth trend in
9 years history



Effective interest cost
kept low at 2.76%



Acquisition completed on 17 Feb 12
Accounted for 11.6% NPI growth for
YTD 3Q12



Rental reversion +20.1%



Passing rent for original
portfolio up 8.4%

Period ended 30 Sep 2012 | 5

Strong Price Performance in YTD 2012

Strong rally supported by yield accretive acquisition
and record-breaking results

Fortune REIT up by 55% in YTD12. Outperformed ALL major regional indices

Sought after by investors - turnover increased by 2.4 times 3Q vs 1Q while market sentiment remained subdued

Market Cap
exceeded
HK\$10Bn

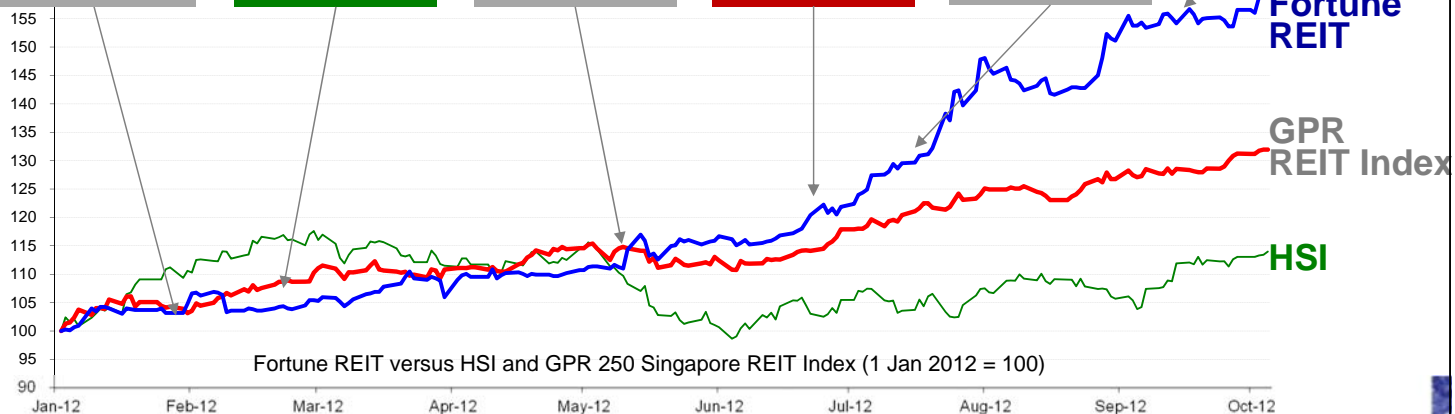
FY2011 Results
DPU +8.0%

Acquisition of
2 properties

1Q2012 Results
DPU +15.6%

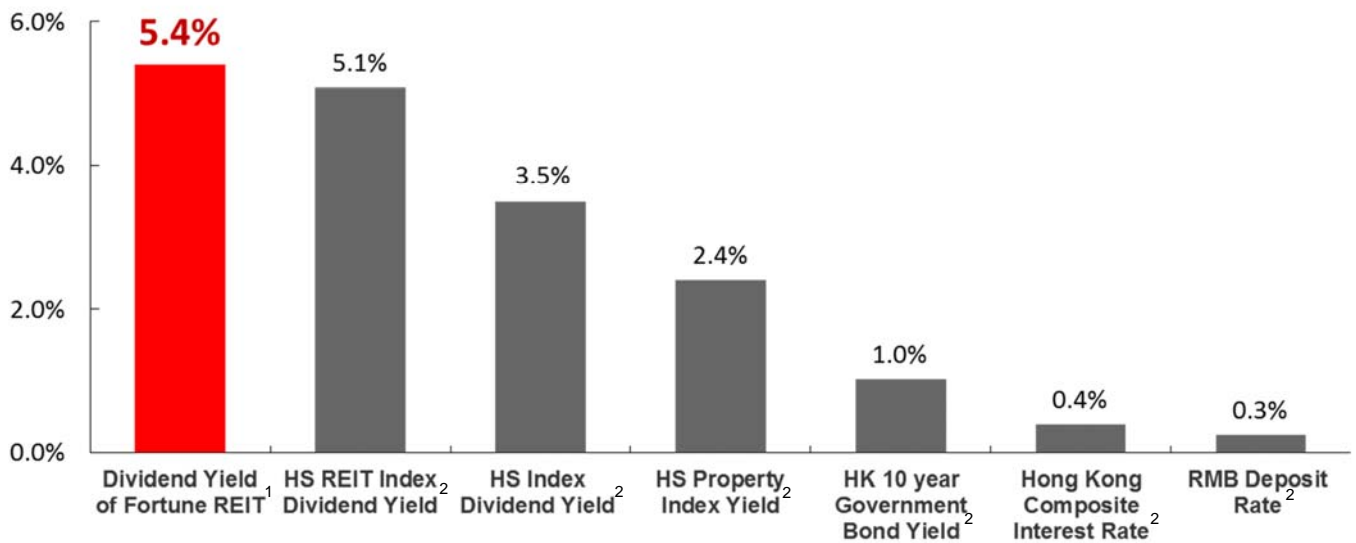
Market Cap
exceeded
US\$1Bn

1H2012 Results
DPU +23.6%



Resilient Asset Class with Attractive Yield

Still offers 5.4% yield on HK retail asset despite being the YTD best performer



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\$5.91 as at 28 Sep 2012.
2. As at September 2012

Period ended 30 Sep 2012 | 7

Stock Code | HK: 778 | SG: F25U

Results Highlights



Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Period ended 30 Sep 2012 | 8

Financial performance YTD 3Q12

YTD 3Q12 DPU +23.1% yoy - highest growth trend in 9 years history

	YTD 3Q12 (HK\$'000)	YTD 3Q11 (HK\$'000)	Variance (%)	3Q 12 (HK\$'000)	3Q 11 (HK\$'000)	Variance (%)
Total revenue	822,109	678,989	21.1%	284,728	232,152	22.6%
NPI	581,387	481,680	20.7%	199,278	162,153	22.9%
Income available for distribution	406,988	327,141	24.4%	138,661	112,336	23.4%
DPU (HK cents)	23.98	19.48	23.1%	8.16	6.68	22.2%

- 11.6% NPI growth from 2 new properties for 7.5 months contribution.
- 9.1% NPI growth from original portfolio backed by strong reversion and AEI results

Period ended 30 Sep 2012 | 9

Balance Sheet

As at 30 Sep 12	(HK\$'000)
Current Assets	580,669
Non Current Assets	19,315,856
Total Assets	19,896,525
Current Liabilities	1,570,576
Non Current Liabilities	4,207,572
Total Liabilities	5,778,148
Net Assets	14,118,377

Gearing Ratio 24.6%

Portfolio Valuation HK\$19,268 M

NAV Per Unit ¹ HK\$8.32

Note:

1. The total number of deemed units used for the computation of net asset value per Unit is 1,698 million Units.

Period ended 30 Sep 2012 | 10

Debt Profile	As at 30 Sep 12	As at 30 Jun 12	As at 30 Sep 11
Total Debt	HK\$4,890 M	HK\$4,890 M	HK\$3,350 M
Gearing Ratio / Aggregate Leverage	24.6%	24.5%	20.1%
Interest Cover ¹	6.17X	5.32X	4.38X
Effective Interest Cost ²	2.76%	2.77%	3.96%

Effective interest cost reduced to 2.76%

HK\$2.3B unencumbered asset provides financial flexibility

Debt headroom of HK\$3.2B before the 35% gearing limit

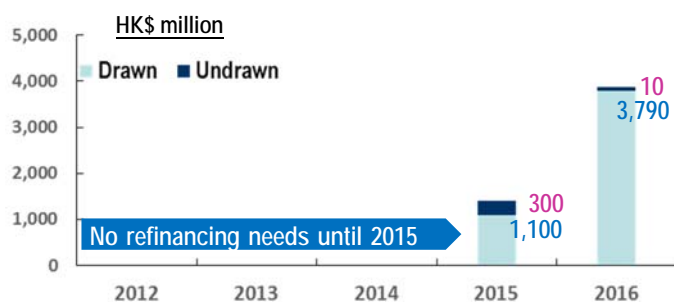
Available liquidity (as at 30 Sep 12)

- Committed RCF *HK\$310M*
- Cash on hand *HK\$523M*
- Total liquidity *HK\$833M*

Notes:

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

Weighted average debt maturity of 3.3 years



Period ended 30 Sep 2012 | 11

Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Solid Asset Performance

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

Note:

1. Properties were acquired on 17 Feb 2012.

Reversion stands strong AEI to drive further growth

Portfolio Occupancy

96.1%

Despite AEI at FCO and Jubilee Square

Average Rental Reversion

20.1%

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

Average Passing Rent

HK\$31.6 psf

Original portfolio up 8.4% yoy
Benefit from good reversion and AEIs

Period ended 30 Sep 2012 | 13

Portfolio Expiry Profile

Expiry Profile by GRA (As at 30 Sep 12)	(% of occupied GRA)		
	4Q 2012	2013	2014 & Beyond
1. Fortune City One (FCO)	6.3%	42.4%	51.3%
2. Ma On Shan Plaza	7.4%	39.9%	52.7%
3. Metro Town	2.0%	69.9%	28.1%
4. Fortune Metropolis	9.1%	46.6%	44.3%
5. Belvedere Square ¹ NEW	8.2%	24.5%	67.3%
6. Waldorf Avenue	1.2%	49.3%	49.5%
7. Provident Square ¹ NEW	8.8%	15.1%	76.1%
8. Caribbean Square	1.7%	20.8%	77.5%
9. Jubilee Square	4.8%	25.5%	69.7%
10. Smartland	7.3%	19.2%	73.5%
11. Tsing Yi Square	10.3%	48.3%	41.4%
12. Nob Hill Square	14.3%	26.1%	59.6%
13. Centre de Laguna	2.6%	52.8%	44.6%
14. Hampton Loft	0.0%	74.8%	25.2%
15. Lido Avenue	41.4%	48.3%	10.3%
16. Rhine Avenue	0.0%	2.4%	97.6%
Portfolio Total	6.9%	38.7%	54.4%

Note:

1. Properties were acquired on 17 Feb 2012.

Sustainable growth by capturing opportunity for AEI / Tenant Repositioning

FCO: Undergoing HK\$100M AEI. To complete by end 2012. Target 15% ROI.

Belvedere: 35% of lease already re-negotiated YTD 3Q12. Undergoing feasibility study for AEI in 2013/14.



Jubilee: AEI commenced in 2Q12. Capex HK\$15M. Target 15% ROI.

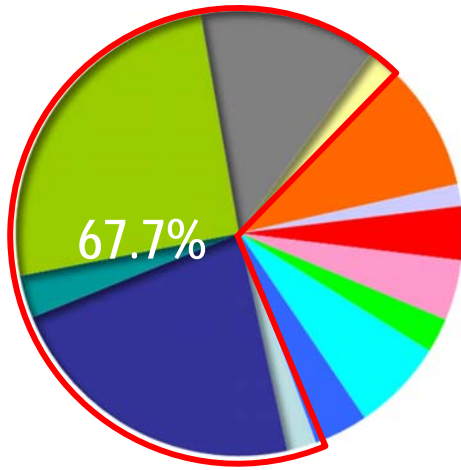


Potential upside from tenant repositioning opportunities in 2013 and onwards.

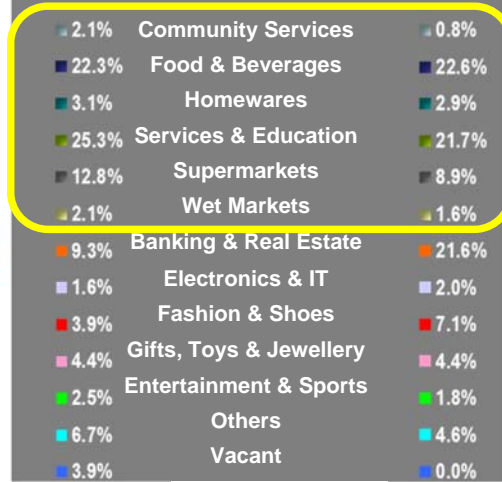
Period ended 30 Sep 2012 | 14

Portfolio Trademix

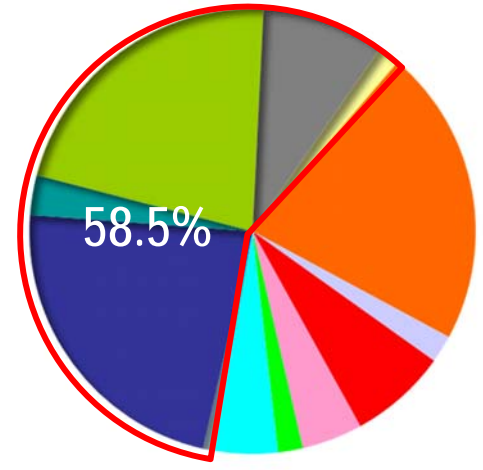
By Gross Rentable Area



Tenant's Trade Mix (as at 30 Sep 12)



By Gross Rental Income



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

Period ended 30 Sep 2012 | 15

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Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Period ended 30 Sep 2012 | 16

AEIs at Fortune City One

- Of the largest scale in portfolio

置富第一城
Fortune City One



CAPEX	Commencement	Expected Completion
HK\$100M	3Q 2011	By phases till 4Q 2012

Target return on investment 15%



A new atrium completed in July 2012



A new atrium completed in February 2012

Period ended 30 Sep 2012 | 17

AEIs at Fortune City One

- Of the largest scale in portfolio

置富第一城
Fortune City One



Over 80% of the project already completed.
Remaining works to be completed by end 2012

Final phase: To downsize a Chinese restaurant and create a new corridor and more small shop for retail trade



A remaining atrium to complete by end of 2012



Downsizing a Chinese restaurant

A new corridor to facilitate foot traffic

Period ended 30 Sep 2012 | 18

AEIs at Fortune City One

- Of the largest scale in portfolio



**A more diversified retail offerings
Introduced higher paying new tenants**



Period ended 30 Sep 2012 | 19

AEIs at Fortune City One

- Of the largest scale in portfolio



**Grand opening
in July 2012**



Enhanced greenery with more leisure spaces for public's enjoyment



Residents celebrating Mid-Autumn Festival at the newly renovated park

Period ended 30 Sep 2012 | 20

AEIs at Jubilee Square

銀禧薈
Jubilee Square



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

Target return on investment 15%

The new entrance completed in 2011



- To upgrade 3/F, 6/F and 7/F.
- Enhance trade mix by introducing higher paying retail and F&B trade to 3/F and 6/F



The 3/F to be upgraded

Period ended 30 Sep 2012 | 21

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: Occupancy improved to 99.9% from 92.3%.

Belvedere: Various retail shops and a new F&B shop have been introduced

Period ended 30 Sep 2012 | 22

Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Period ended 30 Sep 2012 | 23

Proven Track Record in AEs

Property / Enhanced Area	Completion	CAPEX (HK\$)	Revenue Increase ¹ (HK\$)	ROI ²	Value Creation ³ (HK\$)
Fortune City One - 200,000sf	By end 2012	100 M	<i>ROI Target 15%</i>		
Jubilee Square - 55,000sf	By 1H 2013	15 M	<i>ROI Target 15%</i>		
Fortune City One Plus - 70,000sf	2010	30 M	6.6 M	22%	94 M
Ma On Shan Plaza - 50,000sf	2011	12 M	8.8 M	73%	171 M
Waldorf Avenue - 41,000sf	2008	16 M	13.9 M	87%	200 M



Notes:

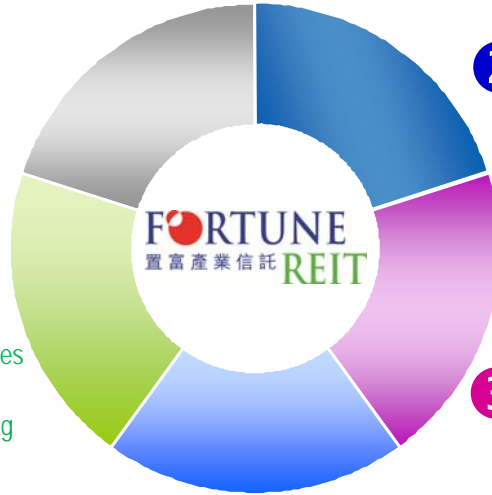
1. Increase in revenue for the enhanced zone per year.
2. Increase in revenue per year divided by the capex spent.
3. Increase in revenue capitalised at the properties' respective cap rates and net of the capex spent.

Period ended 30 Sep 2012 | 24

Why Invest in Fortune REIT

1 Attractive valuation
• **5.4% DPU yield**

5 Acquisition growth
• **24.6% 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
• **Track record of executing** value-added AEIs

Period ended 30 Sep 2012 | 25

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APPENDICES

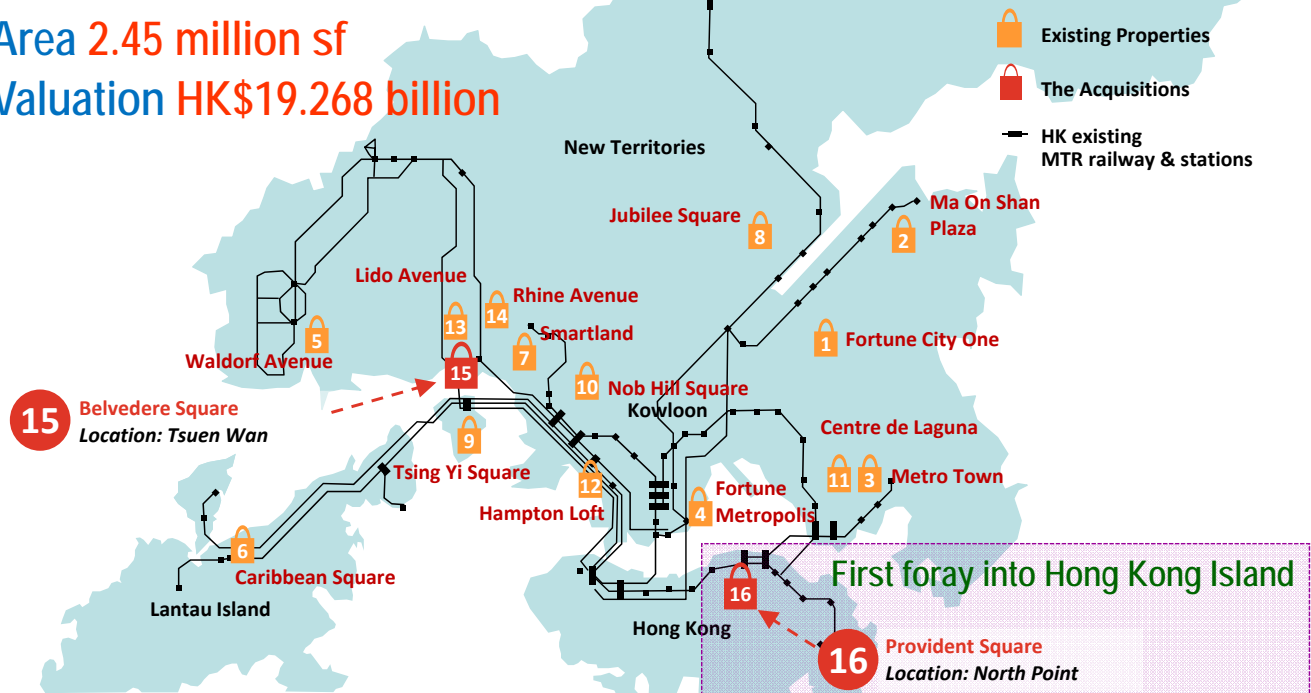
Period ended 30 Sep 2012 | 26

A resilient retail portfolio in Hong Kong

16 retail malls

Total Area 2.45 million sf

Total Valuation HK\$19.268 billion



Period ended 30 Sep 2012 | 27

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\$19.268 billion

Market Capitalization & NAV

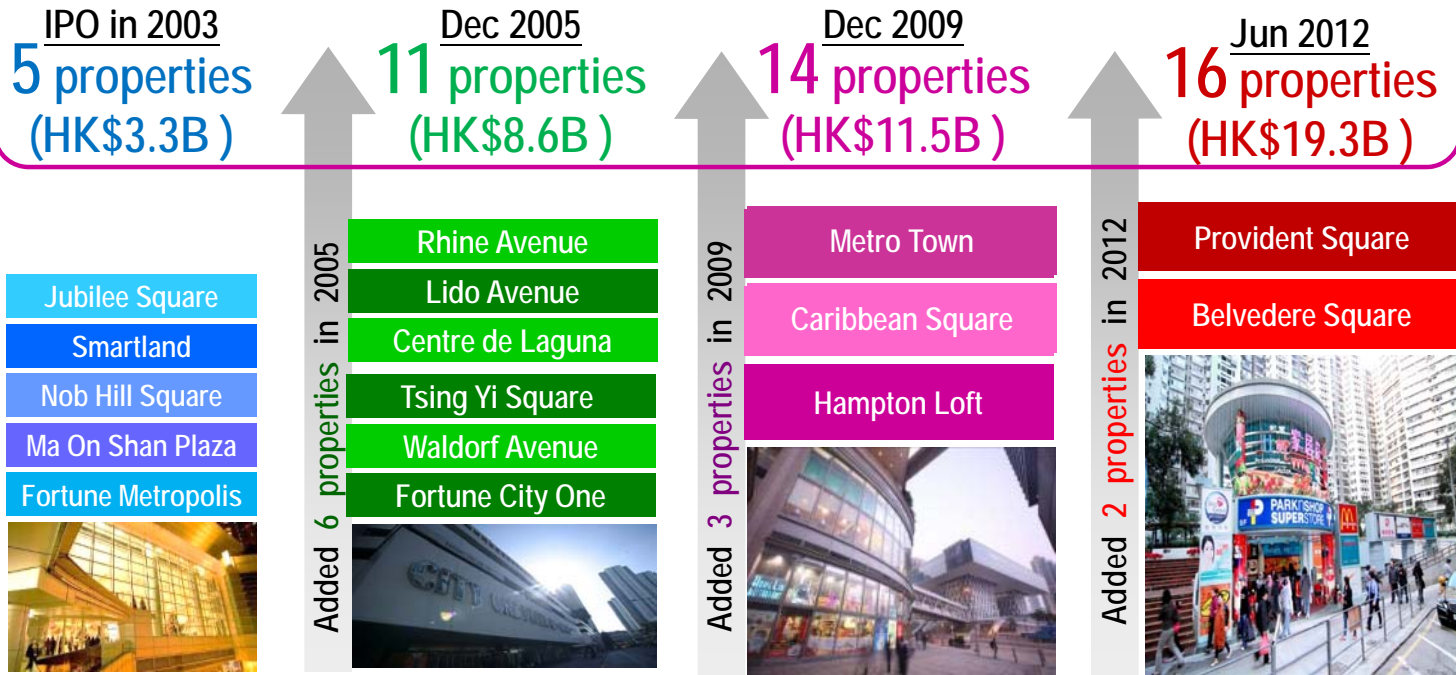
- Market capitalization of Fortune REIT at HK\$7.8 billion (as at 30 Jun 2012)
- NAV at HK\$8.34 per unit (as at 30 Jun 2012)

Distribution Policy

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

Period ended 30 Sep 2012 | 28

Proven Acquisition Growth



Period ended 30 Sep 2012 | 29

Exceptional Growth at Individual Malls

Property	NPI growth FY11 vs FY10	Highlights
Fortune City One	14.9%	Completion of FCOP AEI contributed to growth in 2011. AEI at FCO expected to complete end 2012 will drive further growth.
Ma On Shan Plaza	7.5%	Sustainable growth in 2011 despite AEI downtime. Enhanced rental from AEI first kicked-in for 1Q12. 1H12 NPI up by 20.7% yoy.
Metro Town	10.8%	Strong reversion supported by growing population. Fashion and shoes trades increased to 9.8% from 7.6% as at end 2009. Tenant repositioning continues to be a main focus.
Caribbean Square	11.8%	One of the best performer among the smaller malls. Passing rent up by almost 30% since acquisition (i.e. end 2009).
Jubilee Square	12.9%	Performance improved following the completion of new residential development next door. Upgraded mall entrance in 2011. Further AEI will complete in 2013 to capture rental upside.

Period ended 30 Sep 2012 | 30

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

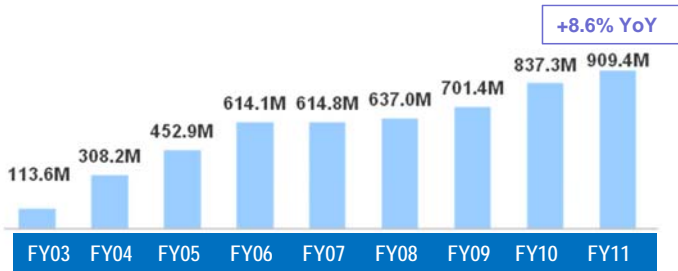


New tenants attract footfalls to the mall.

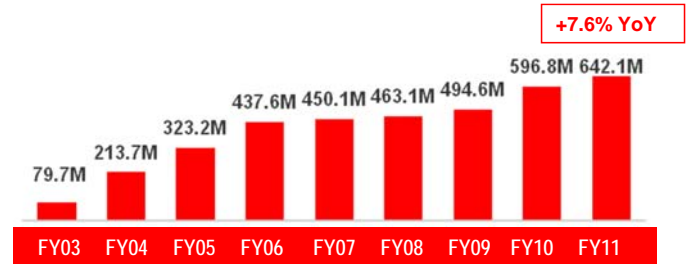


Years of Sustainable Growth

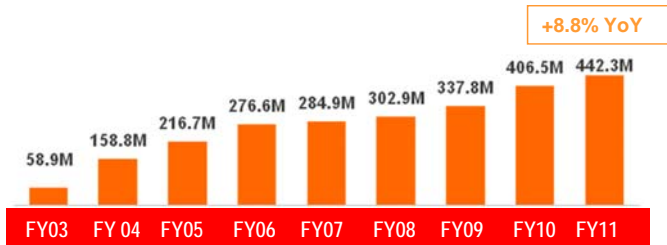
Total Revenue (HK\$)



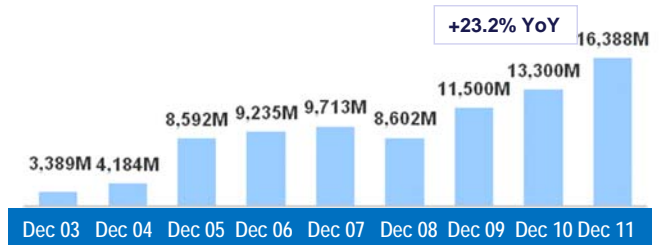
Net Property Income (HK\$)



Distributable Income (HK\$)



Valuation (HK\$)



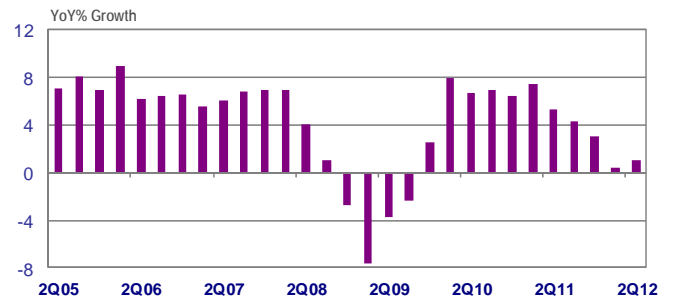
Period ended 30 Sep 2012 | 33

Hong Kong Economy

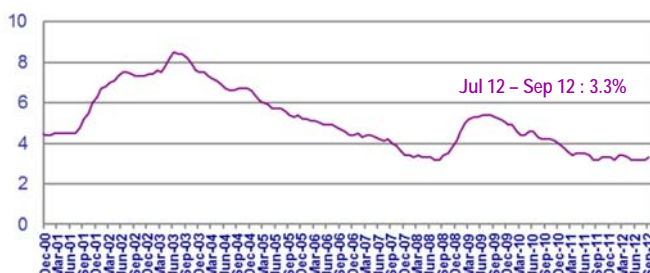
Hong Kong slowed further in 2Q12

- ✓ Sluggish export sector continued to weigh on economic growth amid the severe external headwinds.
- ✓ Domestic sector was still relatively resilient, providing a buffer to overall economic performance.
- ✓ Government revises GDP growth for 2012 to 1%-2%, from 1%-3% back in May.

GDP 2Q12: Another quarter of tepid growth

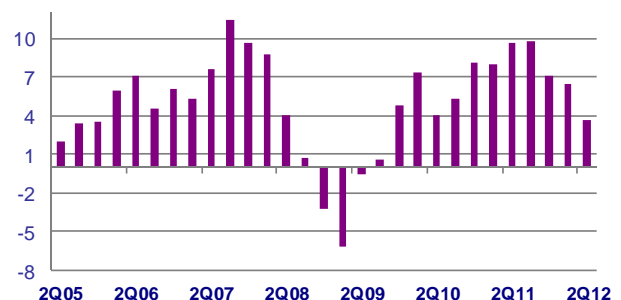


Unemployment: Labour market held largely stable, in a state of full employment.



Source: Census & Statistics Department, HK

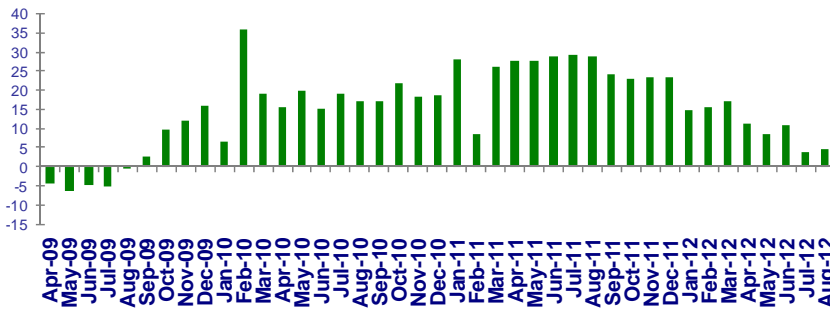
Private consumption 2Q12: Domestic sector held up relatively better and remained on the rise.



Period ended 30 Sep 2012 | 34

Hong Kong Retail Sales

Value of Total Retail Sales YoY % change (Source: Census & Statistics Department, Hong Kong)

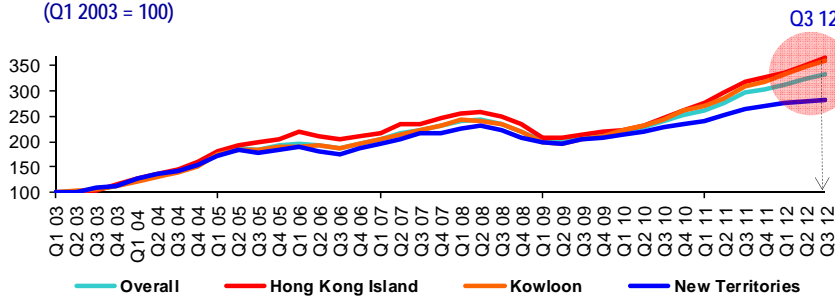


The value of total retail sales for Jan to Aug of 2012, increased by 10.8% over the same period a year ago.

The still favourable labour market conditions continued to render support to the non-discretionary spending sectors like food and beverage and supermarket.

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

(Q1 2003 = 100)



Shopping mall rents benefiting from the revived consumer confidence, rising for the 13th consecutive quarters since 2Q09.

Hong Kong, Kowloon and New Territories rents rose by 15%, 16% and 6% respectively over a year earlier.

Period ended 30 Sep 2012 | 35

A New Brand for Next Phase of Growth

Face-lifting rebranding for Fortune REIT's portfolio



天天置富
Be you. Be at Fortune

A mall to call your own.

As we celebrate the eighth anniversary of our establishment, we introduce the new "Fortune Malls" asset brand to serve as a clear and constant promise of our commitment of service excellence towards our customers, partners and the community.



Period ended 30 Sep 2012 | 36

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

Period ended 30 Sep 2012 | 37

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置富 **Malls**
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