

Financial Results For The Period Ended 31 March 2014

8 May 2014



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Results Highlights

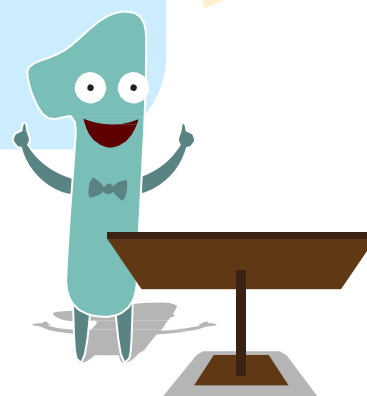
Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect

Well Done!!



Results Highlights

Rental
Reversion
26.5%

DPU
+15.3%

Occupancy
99.3%

Distribution
Yield
7.1%

Revenue
+34.0%

For the 3 months ended 31 Mar 2014

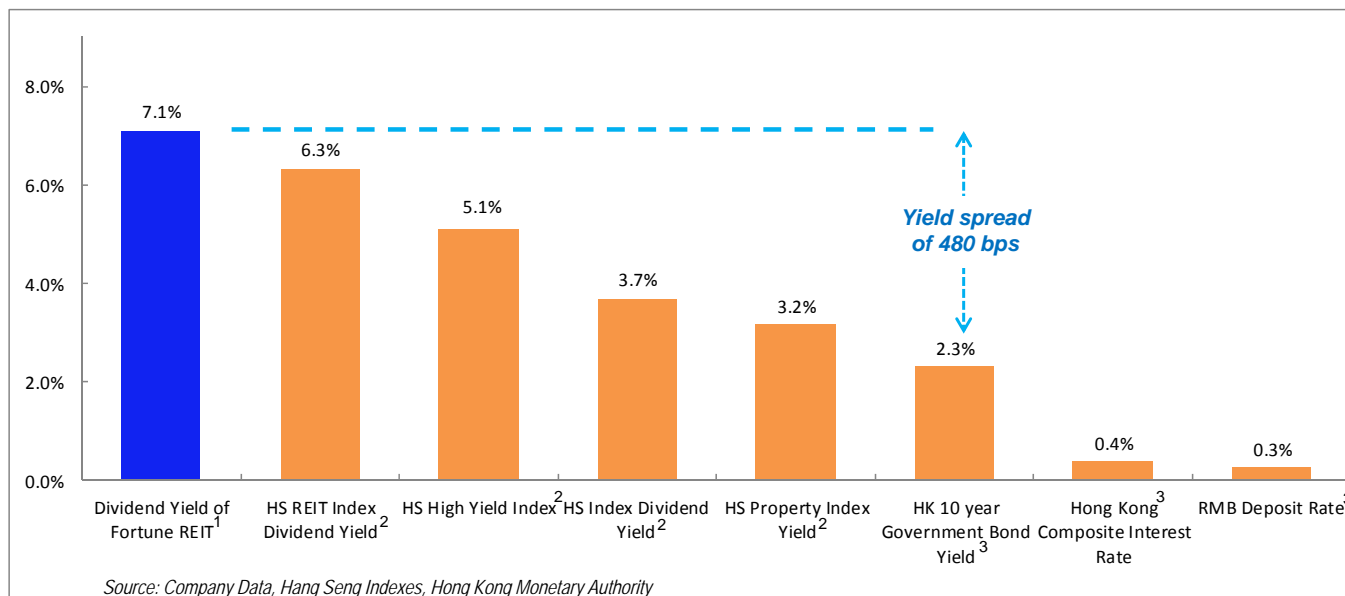
Total Revenue	HK\$403.9 M	+ 34.0% YoY
NPI	HK\$289.2 M	+ 32.7% YoY
Distributable Income	HK\$193.9 M	+ 26.5% YoY
DPU	HK\$0.1038	+ 15.3% YoY
Distribution Yield ¹	7.1%	
NAV Per Unit ²	HK\$10.24	+ 16.1% YoY
Portfolio Valuation ³	HK\$29,338 M	
Gearing ²	32.9%	
Rental Reversion ⁴	26.5%	
Occupancy ²	99.3%	
Passing Rent ²	HK\$33.9 psf	

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$5.94 as at 31 Mar 2014.
2. As at 31 Mar 2014.
3. As at 31 Dec 2013.
4. For all renewal leases from 1 Jan 2014 to 31 Mar 2014.



Offers 7.1% annualised yield on Hong Kong retail asset



Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$5.94 as at 31 Mar 2014.
2. As at Mar 2014.
3. As at Feb 2014.



Financial Performance 1Q14

1Q14 Revenue +34.0% YoY

DPU +6.8% QoQ

	1Q14 Revenue +34.0% YoY			DPU +6.8% QoQ		
	1Q14 (HK\$'000)	1Q13 (HK\$'000)	Variance (%)	1Q14 (HK\$'000)	4Q13 (HK\$'000)	Variance (%)
Total revenue	403,850	301,355	34.0%	403,850	392,559	2.9%
NPI	289,176	217,936	32.7%	289,176	275,160	5.1%
Income available for distribution	193,892	153,292	26.5%	193,892	182,082	6.5%
DPU (HK cents)	10.38	9.00	15.3%	10.38	9.72	6.8%

8% from original portfolio; 24.7% from Kingswood

Contributing factors

Higher occupancy rates

Strong rental growth across entire portfolio

Excellent returns from completed AEs

Yield accretive acquisition of Fortune Kingswood completed in Oct 2013



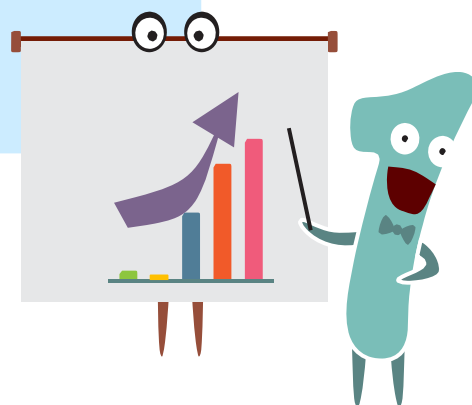
Results Highlights

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Balance Sheet

As at 31 Mar 14	(HK\$'000)
Current Assets	768,934
Non Current Assets	29,429,037
Total Assets	30,197,971
Current Liabilities	2,914,606
Non Current Liabilities	8,171,216
Total Liabilities	11,085,822
Net Assets	19,112,149

Gearing Ratio	32.9%
Portfolio Valuation	HK\$29,338M
NAV Per Unit ¹	HK\$10.24

Note:

1. The total number of deemed units used for the computation of net asset value per Unit is 1,866.3 million Units.



Debt Profile	As at 31 Mar 14	As at 31 Dec 13	As at 31 Mar 13
Total Debt	HK\$9,923M	HK\$9,923M	HK\$4,768 M
Gearing Ratio / Aggregate Leverage	32.9%	32.7%	23.1%
Interest Cover ¹	5.05X	4.75X	5.99X
Effective Interest Cost ²	2.22%	2.59%	2.76%

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

Gearing remains healthy at 32.9%.

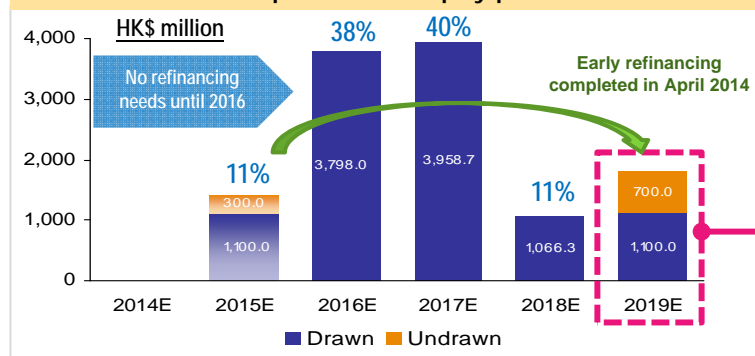
Effective interest cost reduced to 2.22%.

Hedged 55% of total debt exposure.

Financial position strengthened through early refinancing done in April 2014:

- Margin reduced from H+200 to H+140 bps
- Enlarged revolver to HK\$700M
- No refinancing needs until 2016

Well-spread debt expiry profile



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Results Highlights

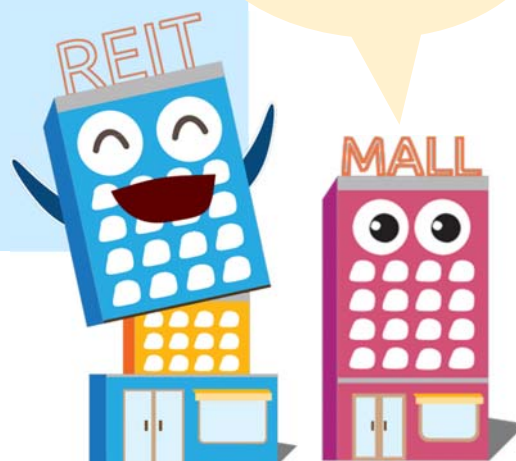
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Current portfolio of 17 properties at HK\$29.3B





Solid Asset Performance

	GRA (s.f.)	Occupancy (31 Mar 14)	Occupancy (31 Dec 13)	Occupancy (31 Mar 13)
1. Fortune City One	414,469	99.3%	99.2%	96.1%
2. Fortune Kingswood	665,244	98.3%	99.0%	NA
3. Ma On Shan Plaza	310,084	100.0%	98.5%	99.8%
4. Metro Town	180,822	99.5%	100.0%	100.0%
5. Fortune Metropolis	332,168	97.9%	97.8%	98.3%
6. Belvedere Square	276,862	99.9%	94.5%	100.0%
7. Waldorf Avenue	80,842	100.0%	100.0%	100.0%
8. Caribbean Square	63,018	100.0%	100.0%	100.0%
9. Provident Square	180,238	100.0%	100.0%	99.1%
10. Jubilee Square	170,616	100.0%	100.0%	93.8%
11. Smartland	123,544	99.8%	99.3%	99.4%
12. Tsing Yi Square	78,836	100.0%	100.0%	100.0%
13. Nob Hill Square	91,779	100.0%	99.1%	100.0%
14. Hampton Loft	74,734	100.0%	100.0%	100.0%
15. Centre de Laguna	43,000	100.0%	100.0%	100.0%
16. Lido Avenue	9,836	100.0%	100.0%	100.0%
17. Rhine Avenue	14,604	100.0%	100.0%	100.0%
Portfolio Total	3,110,696	99.3%	98.7%	98.6%

Reversion stands strong
AEIs to drive further growth

Portfolio Occupancy

99.3%

One of the highest levels in past 10 years

Average Rental Reversion

26.5%

Supported by strong reversion at
flagship properties

Average Passing Rent

HK\$33.9 psf

Original portfolio up 7.0% YoY
Benefited from good reversion and AEIs

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Portfolio Expiry Profile

Expiry Profile by GRA (As at 31 Mar 14)	(% of occupied GRA)		
	20-4Q 2014	2015	2016 & Beyond
1. Fortune City One	21.7%	36.2%	42.1%
2. Fortune Kingswood	31.8%	31.4%	36.8%
3. Ma On Shan Plaza	34.4%	23.2%	42.4%
4. Metro Town	15.8%	21.3%	62.9%
5. Fortune Metropolis	66.1%	18.6%	15.3%
6. Belvedere Square	44.9%	41.0%	14.1%
7. Waldorf Avenue	22.0%	9.2%	68.8%
8. Caribbean Square	38.6%	50.0%	11.4%
9. Provident Square	61.2%	31.3%	7.5%
10. Jubilee Square	32.0%	37.6%	30.4%
11. Smartland	36.0%	35.2%	28.8%
12. Tsing Yi Square	31.2%	49.0%	19.8%
13. Nob Hill Square	37.2%	42.8%	20.0%
14. Hampton Loft	0.0%	0.0%	100.0%
15. Centre de Laguna	36.0%	40.3%	23.7%
16. Lido Avenue	30.5%	25.2%	44.3%
17. Rhine Avenue	96.0%	0.0%	4.0%
Portfolio Total	36.1%	30.5%	33.4%

Sustainable growth by capturing
opportunity for AEIs / Tenant Repositioning

Fortune Kingswood:

>18.2% of total GRA already
renewed with above-
average rental reversion.

Fortune Metropolis:

66% of total GRA is expiring
in 2014, opportunity for
rental growth.

Belvedere Square:

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



Provident Square:

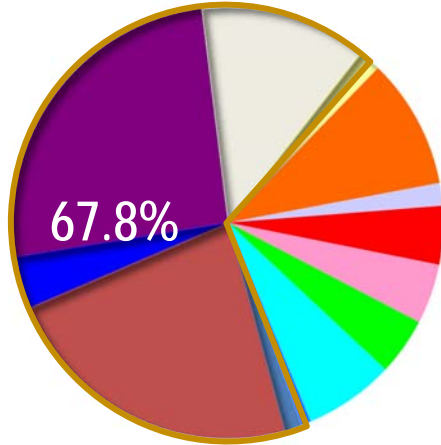
Repositioning opportunities
from anchor tenant space
expiring in 2014.

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

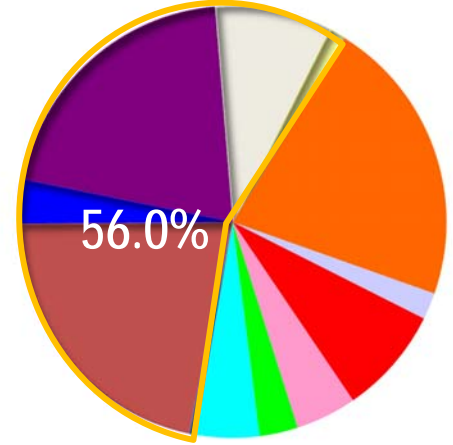
By Gross Rentable Area



Tenant's Trade Mix (as at 31 Mar 14)

1.3%	Community Services	0.5%
22.8%	Food & Beverages	21.6%
3.9%	Homewares	3.3%
25.6%	Services & Education	20.5%
12.5%	Supermarkets	8.8%
1.7%	Wet Markets	1.3%
9.8%	Banking & Real Estate	21.6%
1.7%	Electronics & IT	2.0%
4.4%	Fashion & Shoes	8.1%
4.5%	Gifts, Toys & Jewellery	4.6%
4.3%	Entertainment & Sports	2.9%
6.8%	Others	4.8%
0.7%	Vacant	0.0%

By Gross Rental Income



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Cartoon featuring events to engage shoppers and community



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Results Highlights
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AEIs at Ma On Shan Plaza



CAPEX	Commencement	Completion
HK\$15M	3Q 2013	December 2013

Achieved return on investment 60%

Reconfigured 59,000sf of anchor tenants space and created more prime shops for retail and F&B.





Tenant Repositioning Initiatives - Smartland



Passing Rent +11% YoY

G/F successfully repositioned to bring in new retailers of ladies fashion & electronic product .



Overall Outlook enhanced with a refreshing external façade.



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Tenant Repositioning Initiatives - Waldorf



Passing Rent +15% YoY

Fashion & shoes, electronics, gifts & jewelry contributing 50% of total rental



F&B relocated to the secondary corridor and drew stronger footfall into the area

Introduce higher paying retailers to main corridor to drive further growth



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AEIs at Belvedere Square Phase 3 (BS3)



CAPEX	Target Commencement	Target Completion
HK\$80M	2H 2014	End of 2015

Target Return on investment 15%

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



Fortune Kingswood – Tenant Repositioning



Fortune Kingswood already delivered strong growth from an above-average reversion for renewals and strong demand from new tenants.



Brought in new tenants in F&B, Homewares, Personal Care



Fortune REIT's next large scale AEIs

- Feasibility study will be carried out in 2014
- Works expected to be commenced in 2015



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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	<i>Target 15%</i>
Ma On Shan Plaza - 59,000sf (previously a supermarket)	4Q 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.



• 7.1% 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

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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.



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\$29.3 billion**



Market Capitalization & NAV (as at 31 Mar 2014)

- Market capitalization of Fortune REIT at **HK\$11.1 billion**
- NAV at **HK\$10.24** per unit



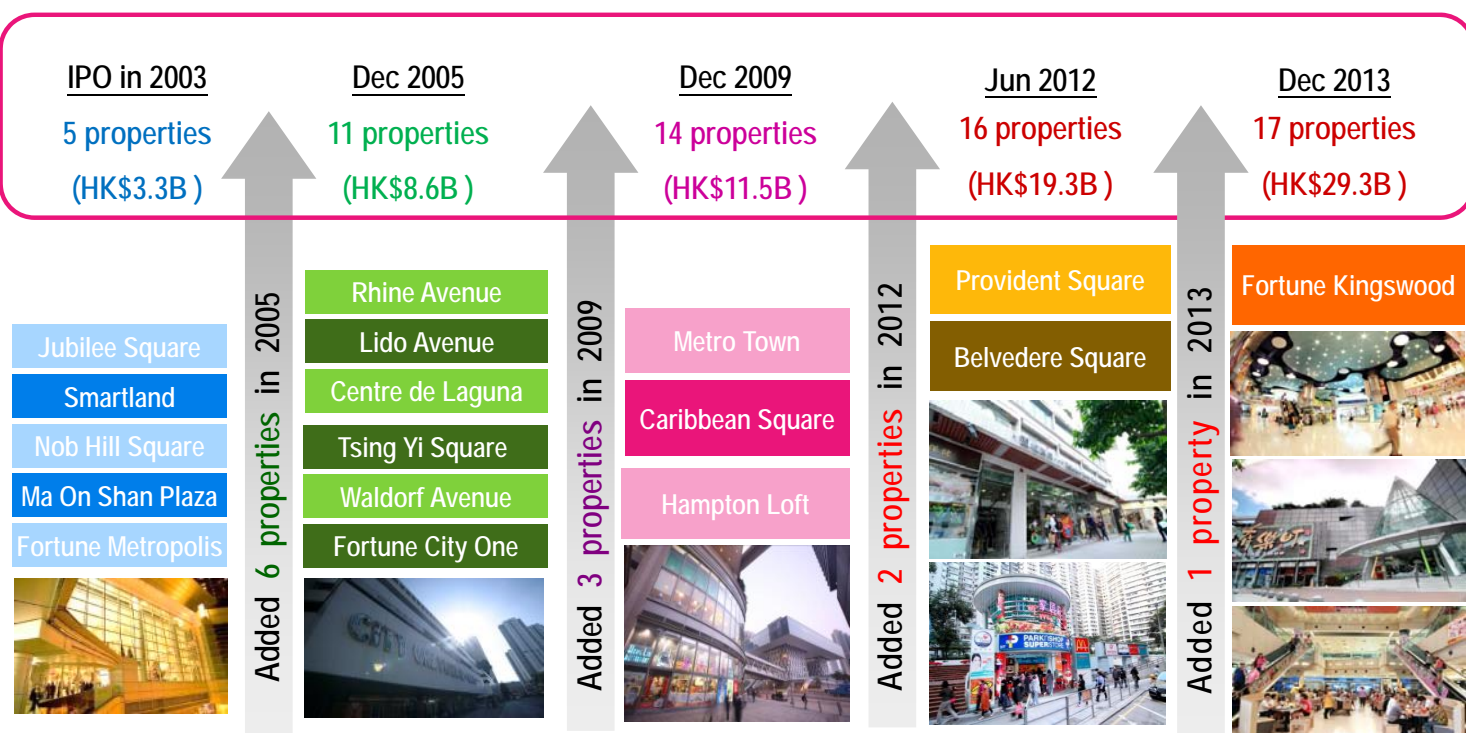
Distribution Policy

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

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Proven Acquisition Growth

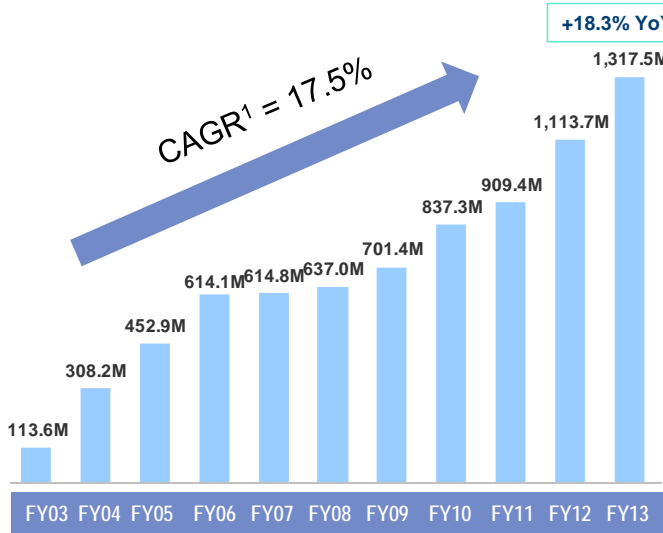


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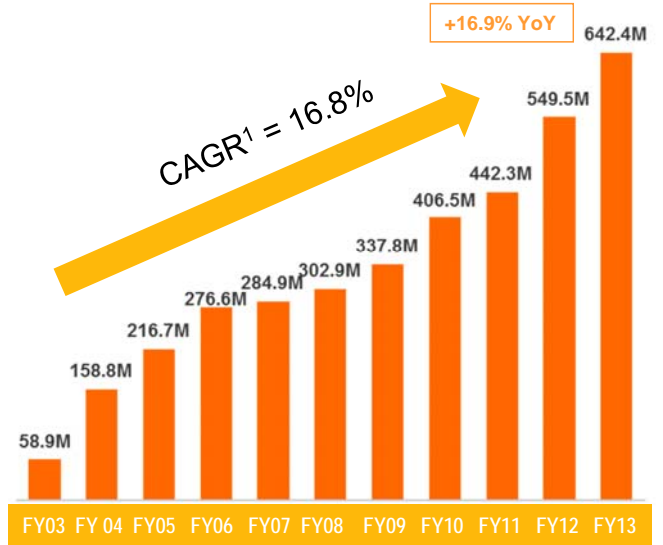


10 consecutive years of sustained growth

Total Revenue (HK\$)



Distributable Income (HK\$)



Note: 1. 2004 - 2013 compound annual growth rate (CAGR).



AEIs at Fortune City One



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

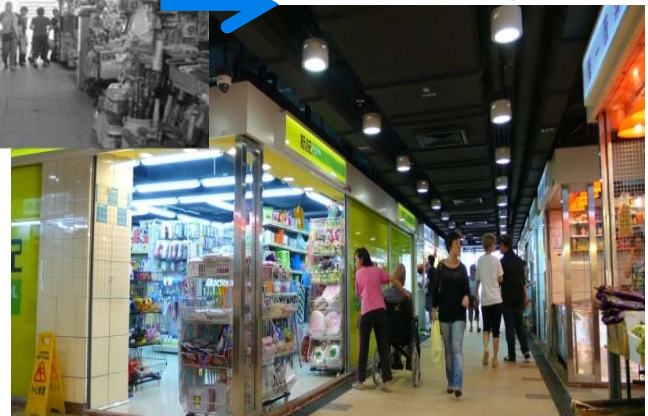
Achieved Return on Investment >25%



A refreshing outlook



Better layout with more offerings





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	Completion
HK\$15M	2Q 2012	2Q 2013

Achieved ROI > 25%

FY13 net property income of Jubilee Square increased by 57.4% y-o-y. 3/F now positioned as a household and F&B centre while 6/F & 7/F are focused on enhanced service and education trade.

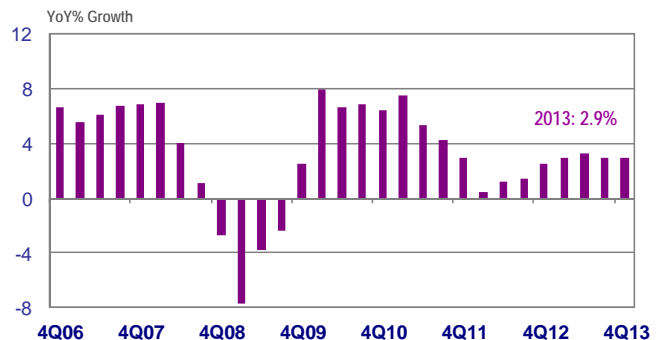


Hong Kong Economy

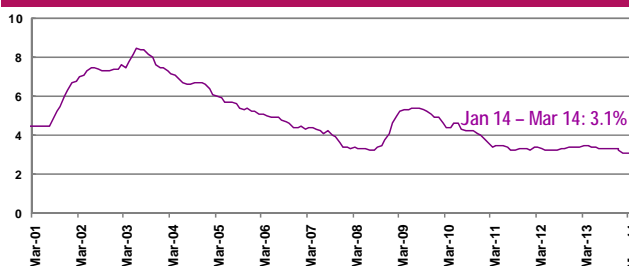
Economy grew steadily in 2013

- ✓ HK GDP grew steadily in 2013. GDP growth at 2.9% for 2013 as a whole, up from 1.5% in 2012
- ✓ Domestic sector saw further steady growth. Labour market remained in full employment
- ✓ GDP growth forecast for 2014 : 3.0% to 4.0%

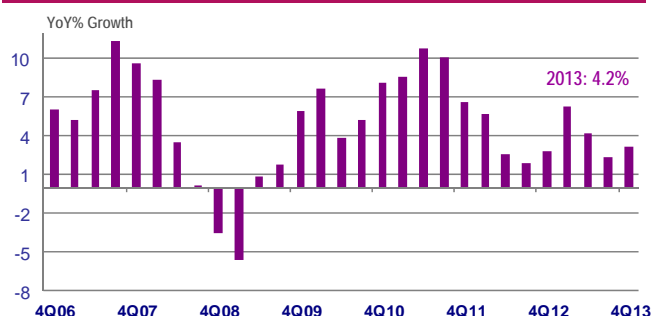
GDP 2013: Economy grew steadily



Unemployment: Labour market stayed tight in Mar 14



Private consumption: Backed by favourable job and income condition

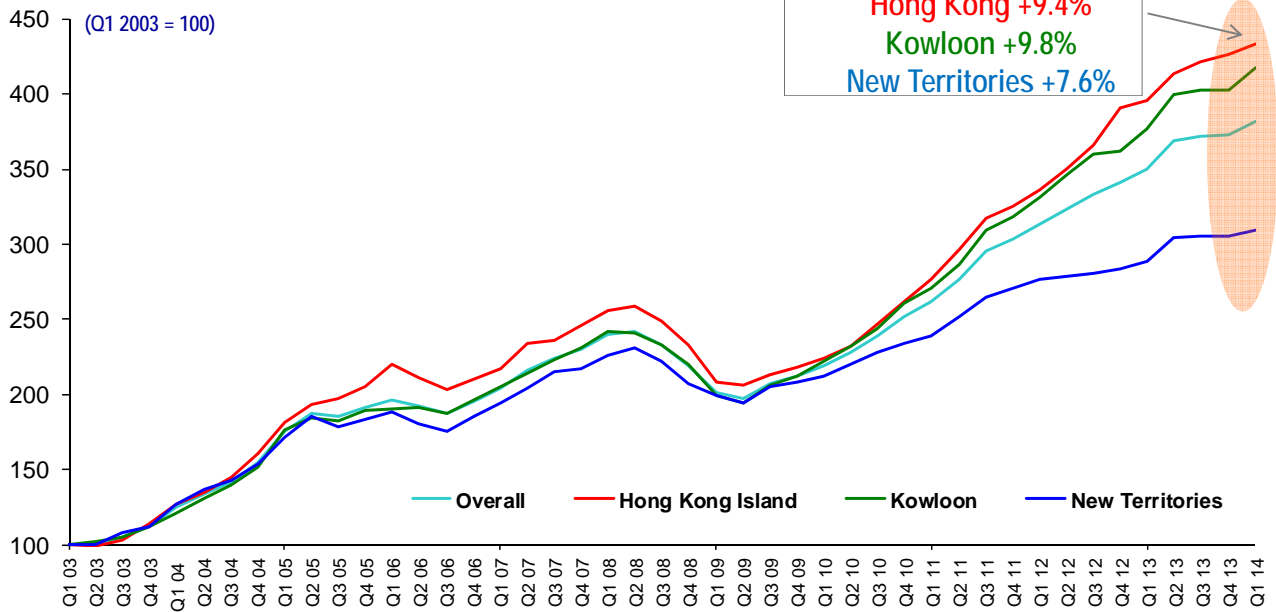


Source: Census & Statistics Department, HK



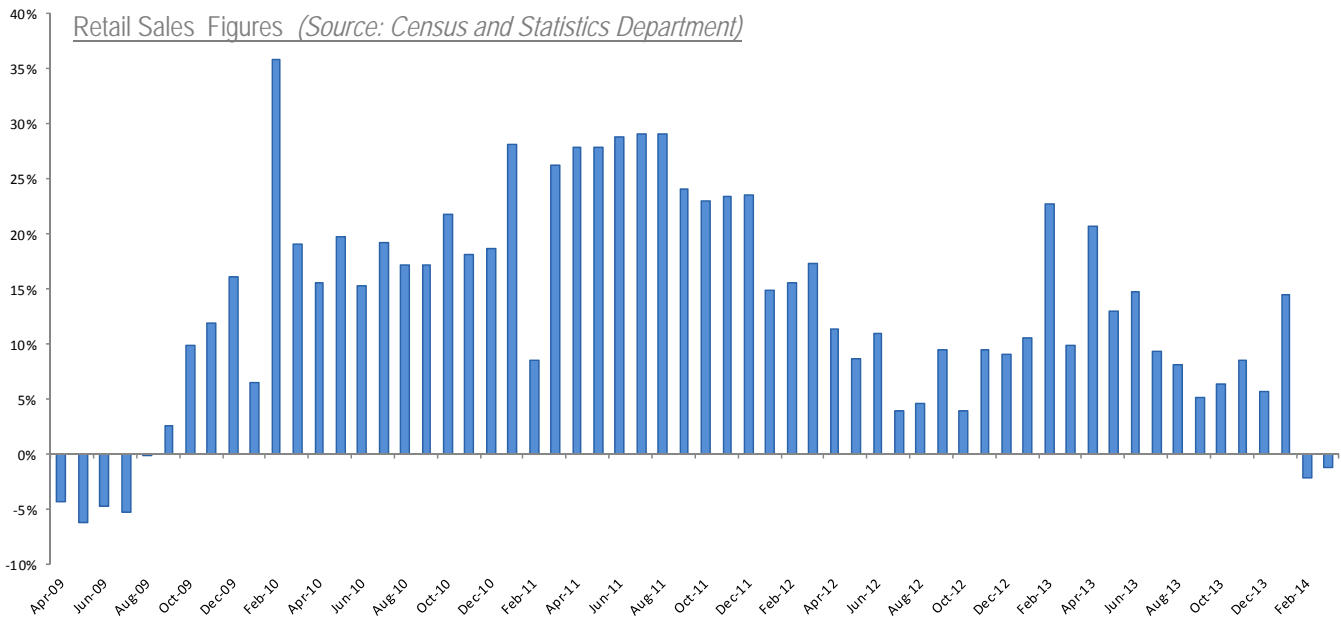
Rising for 19th consecutive quarters since 2Q09

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



Value of total retail sales for first quarter 2014 increased by 4.2% YoY

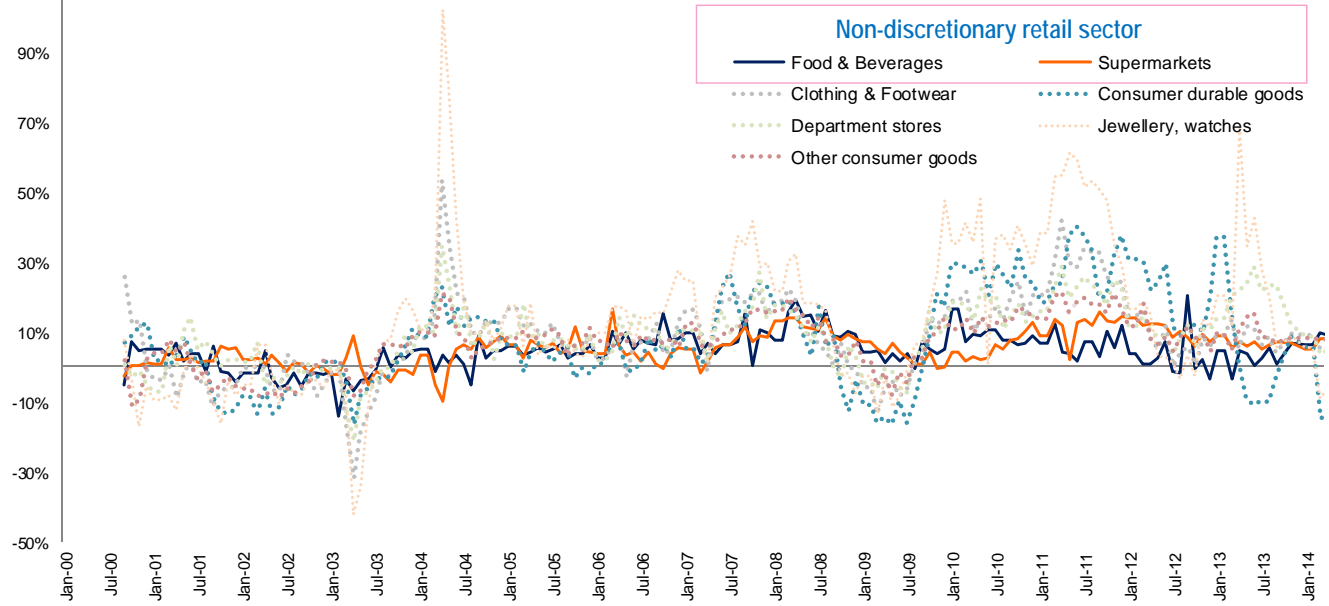
Retail Sales Figures (Source: Census and Statistics Department)





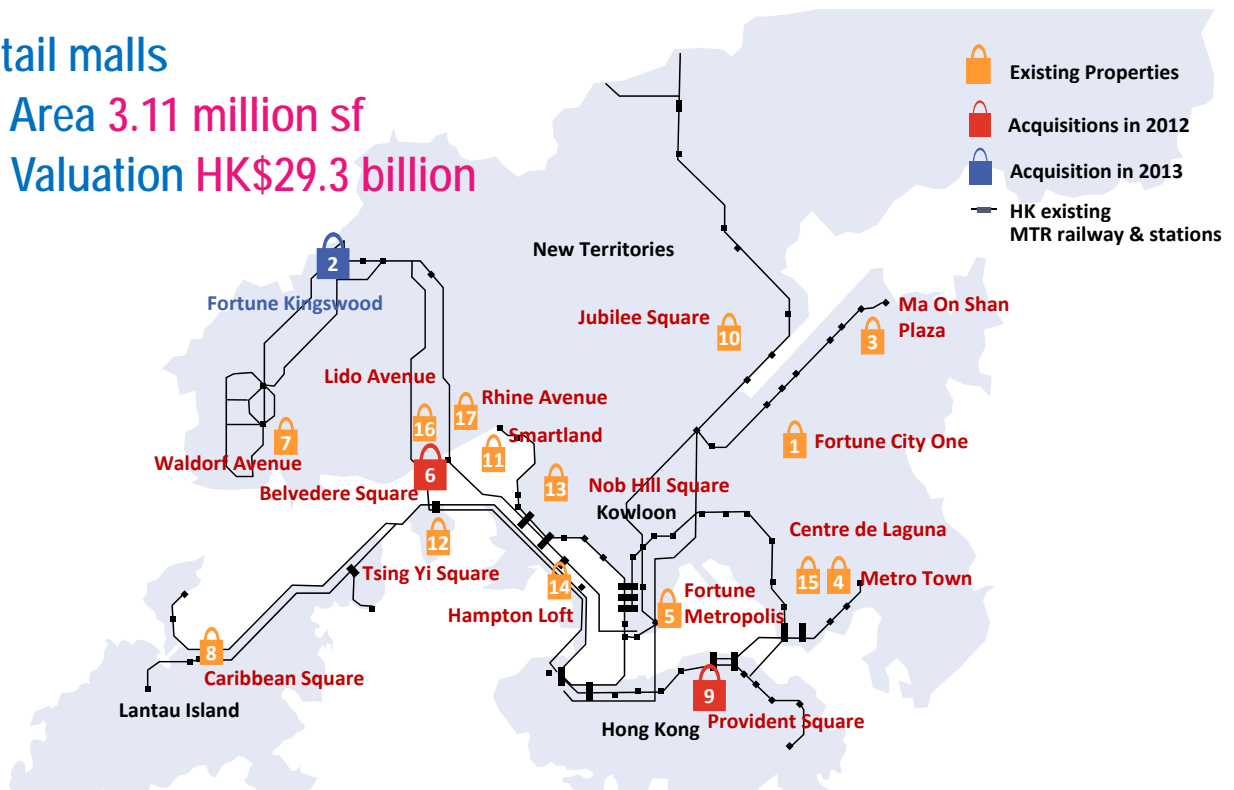
Non-discretionary spending sectors continues to show resilience

Retail Sales Figures (Source: Census and Statistics Department)



Fortune REIT's Portfolio

17 retail malls
Total Area 3.11 million sf
Total Valuation HK\$29.3 billion





A New Brand for Next Phase of Growth



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.



Commemorated 10th Anniversary of Listing

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





Wide Recognition in Excellence

2014 Asia's Best Companies Poll by FinanceAsia

- No. 1 Best Managed Company in Hong Kong
- No. 1 Best Mid-cap in Hong Kong
- No. 1 Most Committed to a Strong Dividend Policy in Hong Kong
- No. 1 Best Corporate Governance in Hong Kong
- No. 1 Best Corporate Social Responsibility in Hong Kong
- No. 1 Best Investor Relations in Hong Kong
- No. 1 Best CEO in Hong Kong – Mr Anthony Ang



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