

Financial Results For The Period Ended 31 Dec 2014

21 Jan 2015



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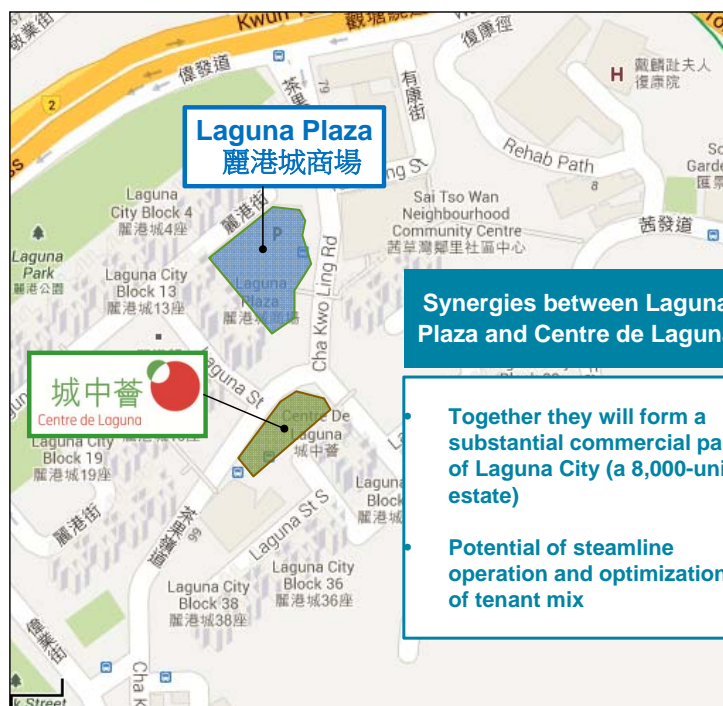
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Acquisition of Laguna Plaza Completed in Jan 2015

7.8% discount to valuation

4.7% Passing Initial Yield



Gross Rentable Area : 163,203 sf (excluding parking lots)

No. of parking lots : 150

Independent Valuation¹ : HK\$2,080m (by JLL)

Purchase Price : HK\$1,918.5m (before adjustment)

Committed Occupancy¹ : 96.7%

Passing rent¹ : HK\$45.7 psf

Notes:

1. As at 30 October 2014.
2. Excluding management fee but including carpark income



Acquisition of Laguna Plaza Completed in Jan 2015

Purchase Price

- HK\$1,918.5 million

Yield Accretive Acquisition

- DPU accretion of 3.3%¹

Financing & Gearing

- 100% by Debt (by existing and new facilities)

- Post-gearing increases to ~33.1%

Note:

1. Assuming Laguna Plaza had been acquired on 1 Jan 2013, the proforma DPU of the enlarged portfolio would have increased by 3.3% to 37.26 HK cents from the actual DPU of 36.00 HK cents of the existing portfolio for the 12 months ended 31 Dec 2013.





Results Highlights

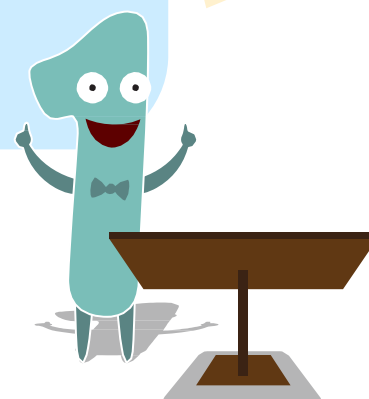
Financial Results & Capital Management

Portfolio Performance

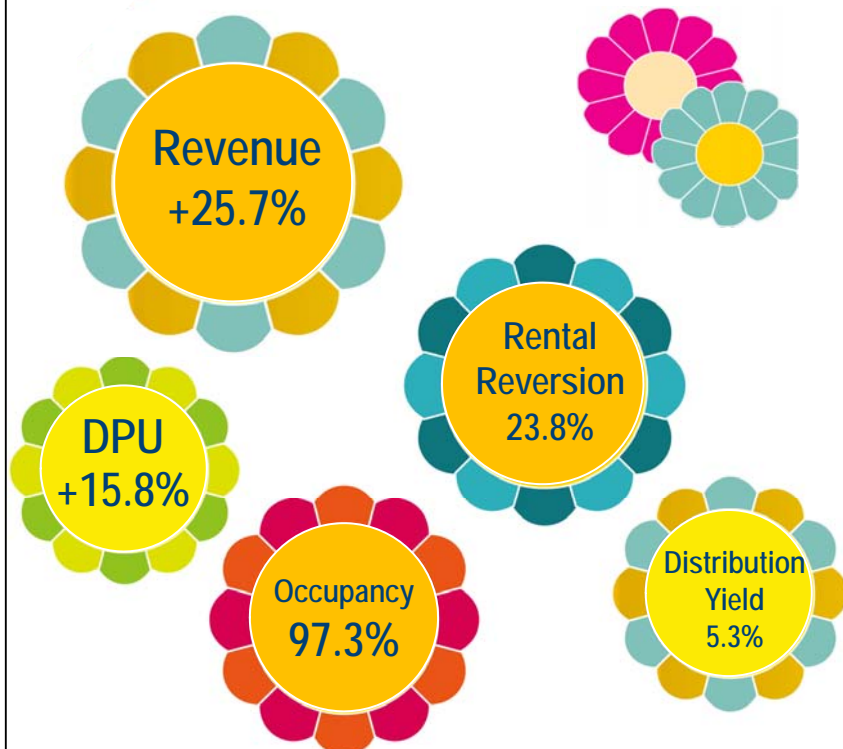
Asset Enhancement Initiatives

Track Record and Prospect

Well Done!!



Results Highlights



For the 12 months ended 31 Dec 2014

| | | |
|----------------------------------|--------------|-------------|
| Total Revenue | HK\$1,655.8M | + 25.7% YoY |
| NPI | HK\$1,161.2M | + 25.1% YoY |
| Distributable Income | HK\$ 780.8M | + 21.5% YoY |
| DPU | HK\$0.4168 | + 15.8% YoY |
| Distribution Yield ¹ | 5.3% | |
| NAV Per Unit ² | HK\$11.93 | + 16.3% YoY |
| Portfolio Valuation ² | HK\$32,720M | |
| Gearing ² | 29.4% | |
| Rental Reversion ³ | 23.8% | |
| Occupancy ² | 97.3% | |
| Passing Rent ² | HK\$36.4 psf | |

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$7.80 as at 31 Dec 2014.
2. As at 31 Dec 2014.
3. For all renewal leases from 1 Jan 2014 to 31 Dec 2014.



Results Highlights

FY2014 Revenue +25.7%.
Highest growth since 2006.



Fortune Kingswood accounted for 18.4% NPI growth.



Delivered 32.2% total return¹.



Rental reversion +23.8%.
New record high & accelerating for 5 consecutive years.



Completed Laguna acquisition².
The 4th yield-accretive property acquired in 3 years.

Notes:

1. Total return based on the unit price appreciation in 2014 plus FY2014 DPU.
2. Completed on 9 January 2015.



Financial Performance FY14

FY14 Revenue +25.7% YoY

| | FY14 (HK\$'000) | FY13 (HK\$'000) | Variance (%) | 4Q 14 (HK\$'000) | 4Q 13 (HK\$'000) | Variance (%) |
|-----------------------------------|--------------------|--------------------|-----------------|---------------------|---------------------|-----------------|
| Total revenue | 1,655,774 | 1,317,463 | 25.7% | 425,686 | 392,559 | 8.4% |
| NPI | 1,161,224 | 928,331 | 25.1% | 293,513 | 275,160 | 6.7% |
| Income available for distribution | 780,770 | 642,389 | 21.5% | 197,207 | 182,082 | 8.3% |
| DPU (HK cents) | 41.68 | 36.00 | 15.8% | 10.50 | 9.72 | 8.0% |

6.7% from original portfolio; 18.4% from Kingswood

Contributing factors

Solid occupancy rates

Record-breaking rental reversion across entire portfolio

Satisfactory returns from completed AEs

Yield accretive acquisition of Fortune Kingswood



Portfolio Valuation

| | Dec 14 ¹ (HK\$ million) | Dec 13 ¹ (HK\$ million) | Change (Dec 14 vs Dec 13) |
|-------------------------------|---------------------------------------|---------------------------------------|------------------------------|
| 1 Fortune City One | 7,124 | 6,253 | +13.9% |
| 2 Fortune Kingswood | 6,652 | 6,028 | +10.4% |
| 3 Ma On Shan Plaza | 4,896 | 4,342 | +12.8% |
| 4 Metro Town | 3,026 | 2,726 | +11.0% |
| 5 Fortune Metropolis | 2,311 | 2,059 | +12.2% |
| 6 Belvedere Square | 1,914 | 1,693 | +13.1% |
| 7 Waldorf Avenue | 1,582 | 1,435 | +10.2% |
| 8 Caribbean Square | 943 | 875 | +7.8% |
| 9 Provident Square | 922 | 856 | +7.7% |
| 10 Jubilee Square | 863 | 768 | +12.4% |
| 11 Smartland | 658 | 599 | +9.9% |
| 12 Tsing Yi Square | 574 | 524 | +9.5% |
| 13 Nob Hill Square | 438 | 406 | +7.9% |
| 14 Hampton Loft | 258 | 250 | +3.2% |
| 15 Centre de Laguna | 264 | 245 | +7.8% |
| 16 Lido Avenue | 182 | 169 | +7.7% |
| 17 Rhine Avenue | 113 | 110 | +2.7% |
| Fortune REIT Portfolio | 32,720 | 29,338 | +11.5% |

Portfolio at HK\$32,720M
up 11.5% from Dec 2013

Cap rates remain unchanged.
Portfolio weighted average
retail cap rate @4.7%

Valuation increase driven by
improved asset performance

Note:
1. Valued by Jones Lang LaSalle



Distribution Details

FinanceAsia



**ASIA'S
BEST
COMPANIES
2014**

Fortune REIT

Hong Kong

Best managed company (ranked 1st)
Best corporate governance (ranked 1st)
Best investor relations (ranked 1st)
Best corporate social responsibility (ranked 1st)
Most committed to a strong dividend policy (ranked 1st)
Best Mid-cap (ranked 1st)

Jonathan Hirst
Publisher

Jame DiBiasio
Editorial Director

2014 Final Distribution

| | |
|----------------------|------------------|
| DPU | 20.80 HK cents |
| Ex-distribution Date | 3 February 2015 |
| Payment Date | 27 February 2015 |

Fortune REIT ranked 1st
as the Most Committed to a Strong Dividend Policy in Hong Kong



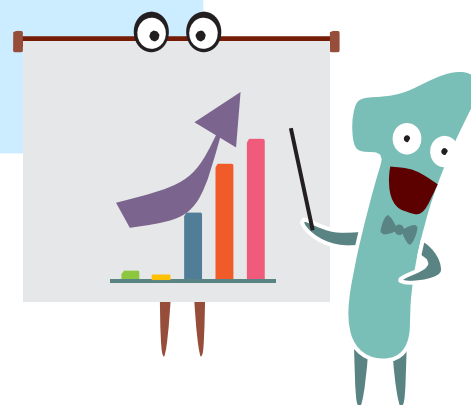
Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect



Balance Sheet

| As at 31 Dec 2014 | (HK\$'000) |
|--------------------------|-------------------|
| Current Assets | 749,260 |
| Non Current Assets | 32,848,231 |
| Total Assets | 33,597,491 |
| Current Liabilities | 1,928,992 |
| Non Current Liabilities | 9,292,962 |
| Total Liabilities | 11,221,954 |
| Net Assets | 22,375,537 |

| | |
|----------------------------------|-------------|
| Gearing Ratio | 29.4% |
| Portfolio Valuation | HK\$32,720M |
| NAV Per Unit ¹ | HK\$11.93 |

Note:

1. The total number of deemed units used for the computation of net asset value per Unit is 1,876.0 million Units.



| Debt Profile | As at 31 Dec 14 | As at 31 Dec 13 |
|--------------------------------------|-----------------|-----------------|
| Total Debt | HK\$9,893M | HK\$9,923M |
| Gearing Ratio / Aggregate Leverage | 29.4% | 32.7% |
| Interest Cover ¹ | 4.76X | 4.75X |
| Effective Interest Cost ² | 2.17% | 2.59% |

As at 31 Dec 14

Effective interest cost was stable at 2.17%.

Hedged 55% of total debt exposure.

Financial position strengthened through early refinancing done in April 2014:

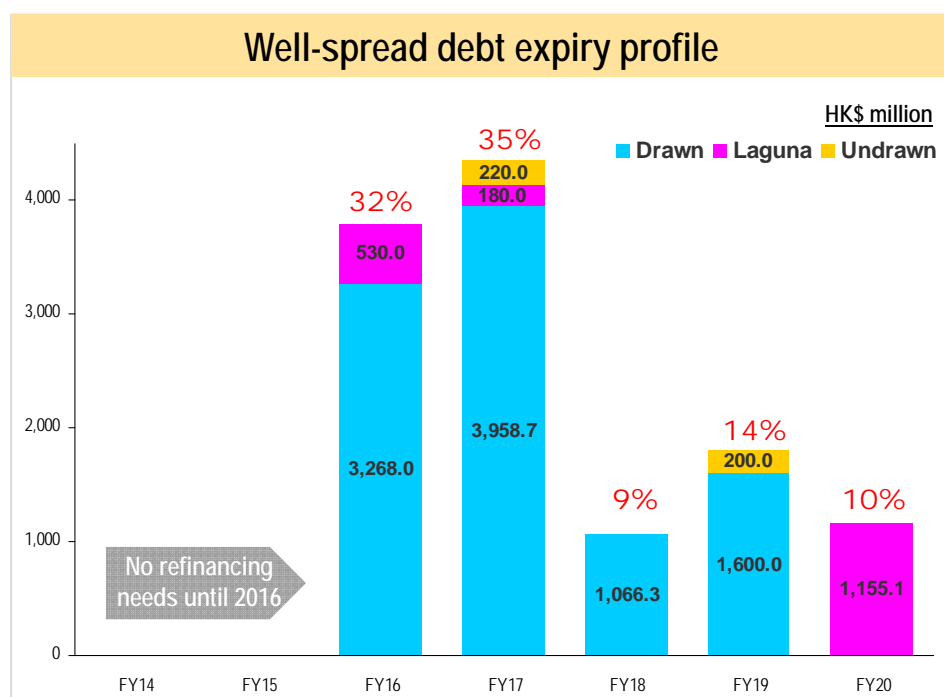
- Margin reduced from H+200 bps to H+140 bps
- Enlarged revolver to HK\$700M

Notes:

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



Drawdown of new facilities on 9 Jan 2015 for Laguna's financing



Following the completion of Laguna's acquisition on 9 Jan 2015:

- 1) Total debt increased to HK\$11,758.1M.
- 2) Gearing remains healthy at 33.1%.
- 3) Total debt hedged becomes 46%.



Results Highlights

Financial Results & Capital Management

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Current portfolio of 18 properties at HK\$34.6B



Solid Asset Performance

| | GRA (s.f.) | Occupancy (31 Dec 14) | Occupancy (31 Dec 13) |
|----------------------------------|------------------|-----------------------|-----------------------|
| 1. Fortune City One | 414,469 | 99.5% | 99.2% |
| 2. Fortune Kingswood | 665,244 | 100.0% | 99.0% |
| 3. Ma On Shan Plaza | 310,084 | 100.0% | 98.5% |
| 4. Metro Town | 180,822 | 100.0% | 100.0% |
| 5. Fortune Metropolis | 332,168 | 98.2% | 97.8% |
| 6. Belvedere Square ¹ | 276,862 | 79.5% | 94.5% |
| 7. Waldorf Avenue | 80,842 | 100.0% | 100.0% |
| 8. Caribbean Square | 63,018 | 100.0% | 100.0% |
| 9. Provident Square | 180,238 | 90.3% | 99.9% |
| 10. Jubilee Square | 170,616 | 100.0% | 100.0% |
| 11. Smartland | 123,544 | 99.9% | 99.3% |
| 12. Tsing Yi Square | 78,836 | 100.0% | 100.0% |
| 13. Nob Hill Square | 91,779 | 99.7% | 100.0% |
| 14. Hampton Loft | 74,734 | 100.0% | 100.0% |
| 15. Centre de Laguna | 43,000 | 99.4% | 100.0% |
| 16. Lido Avenue | 9,836 | 100.0% | 100.0% |
| 17. Rhine Avenue | 14,604 | 100.0% | 100.0% |
| Portfolio Total | 3,110,696 | 97.3% | 98.7% |



Reversion stands strong
AEIs to drive further growth

Portfolio Occupancy

97.3%

Despite frictional vacancy from Belvedere's AEIs commencing in Sep 2014

Average Rental Reversion

23.8%

Supported by strong reversion at flagship properties

Average Passing Rent

HK\$36.4 psf

up 8.7% YoY
Benefited from good reversion and AEIs

Note:

1. Belvedere Square is undergoing phase 1 of AEIs, involving a GRA of approximately 50,000 s.f. Committed occupancy was 91.4% as at 31 Dec 2014.



Portfolio Expiry Profile

Expiry Profile by GRA

(% of occupied GRA)

| (As at 31 Dec 14) | 2015 | 2016 | 2017 & Beyond |
|------------------------|--------------|--------------|---------------|
| 1. Fortune City One | 36.3% | 45.0% | 18.7% |
| 2. Fortune Kingswood | 31.3% | 20.6% | 48.1% |
| 3. Ma On Shan Plaza | 23.5% | 40.2% | 36.3% |
| 4. Metro Town | 22.0% | 65.5% | 12.5% |
| 5. Fortune Metropolis | 57.5% | 16.4% | 26.1% |
| 6. Belvedere Square | 41.2% | 30.8% | 28.0% |
| 7. Waldorf Avenue | 9.2% | 15.5% | 75.3% |
| 8. Caribbean Square | 56.3% | 19.1% | 24.6% |
| 9. Provident Square | 76.4% | 9.8% | 13.8% |
| 10. Jubilee Square | 43.0% | 35.9% | 21.1% |
| 11. Smartland | 35.2% | 22.4% | 42.4% |
| 12. Tsing Yi Square | 49.0% | 32.5% | 18.5% |
| 13. Nob Hill Square | 43.9% | 28.0% | 28.1% |
| 14. Hampton Loft | 0.0% | 74.8% | 25.2% |
| 15. Centre de Laguna | 40.6% | 23.3% | 36.1% |
| 16. Lido Avenue | 29.9% | 57.3% | 12.8% |
| 17. Rhine Avenue | 0.0% | 4.0% | 96.0% |
| Portfolio Total | 37.4% | 31.0% | 31.6% |

2015 will benefit from the full-year effect of the strong rental reversion recorded in 2014



Fortune Kingswood



Fortune City One

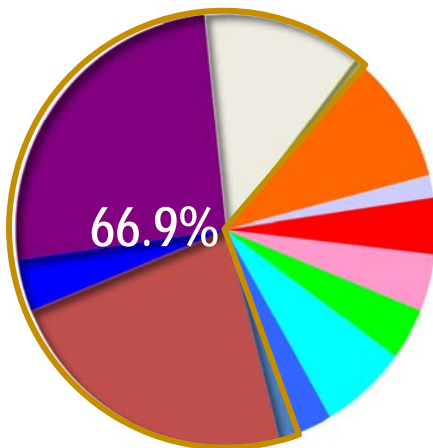
Period ended 31 Dec 2014 | 17



Portfolio Trade mix

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

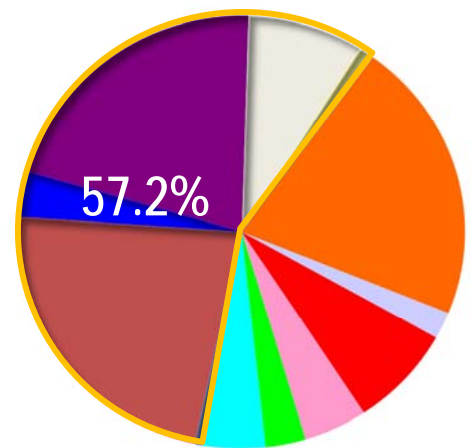
By Gross Rentable Area



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

| | | |
|-------|-------------------------|-------|
| 1.5% | Community Services | 0.6% |
| 22.9% | Food & Beverages | 22.7% |
| 3.9% | Homewares | 3.4% |
| 25.6% | Services & Education | 21.0% |
| 12.1% | Supermarkets | 8.4% |
| 0.9% | Wet Markets | 1.1% |
| 9.6% | Banking & Real Estate | 21.2% |
| 1.7% | Electronics & IT | 2.0% |
| 4.2% | Fashion & Shoes | 7.6% |
| 4.3% | Gifts, Toys & Jewellery | 4.6% |
| 3.9% | Entertainment & Sports | 2.9% |
| 6.7% | Others | 4.5% |
| 2.7% | Vacant | 0.0% |

By Gross Rental Income



Period ended 31 Dec 2014 | 18



Promoting Fortune Malls

Cartoon featuring and artist events to engage shoppers and community



Period ended 31 Dec 2014 | 19



Strong interest from new tenants

Active leasing strategies & tenant mix enhancement to drive rental growth



Ma On Shan Plaza: Supermarket



Metro Town: Snack Shop



Waldorf Avenue: F&B



Waldorf Avenue: Shoes Shop



Fortune City One: F&B

Period ended 31 Dec 2014 | 20



Results Highlights
 Financial Results & Capital Management
 Portfolio Performance
Asset Enhancement Initiatives
 Track Record and Prospect



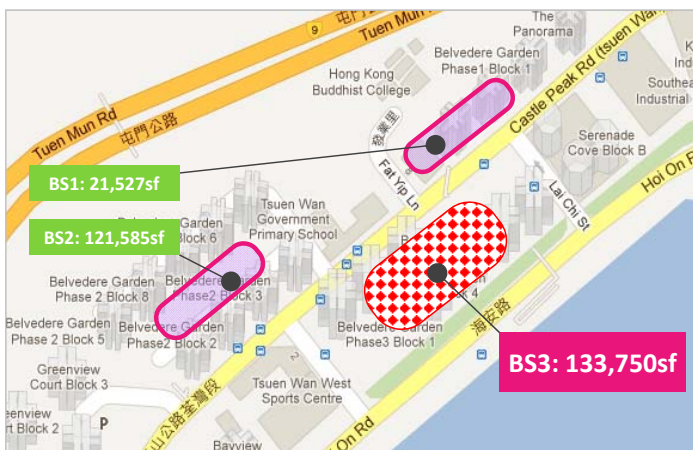
AEIs at Belvedere Square Phase 3 (BS3)



| CAPEX | Commencement | Target Completion |
|---------|--------------|-------------------|
| HK\$80M | 3Q 2014 | End of 2015 |

Target ROI 15%

AEIs commenced in Sep 2014. To be completed in phases throughout 2015.



AEIs Stage 1 ~ 50,000 sf, mostly the wet market area, is closed down until end of 2014.

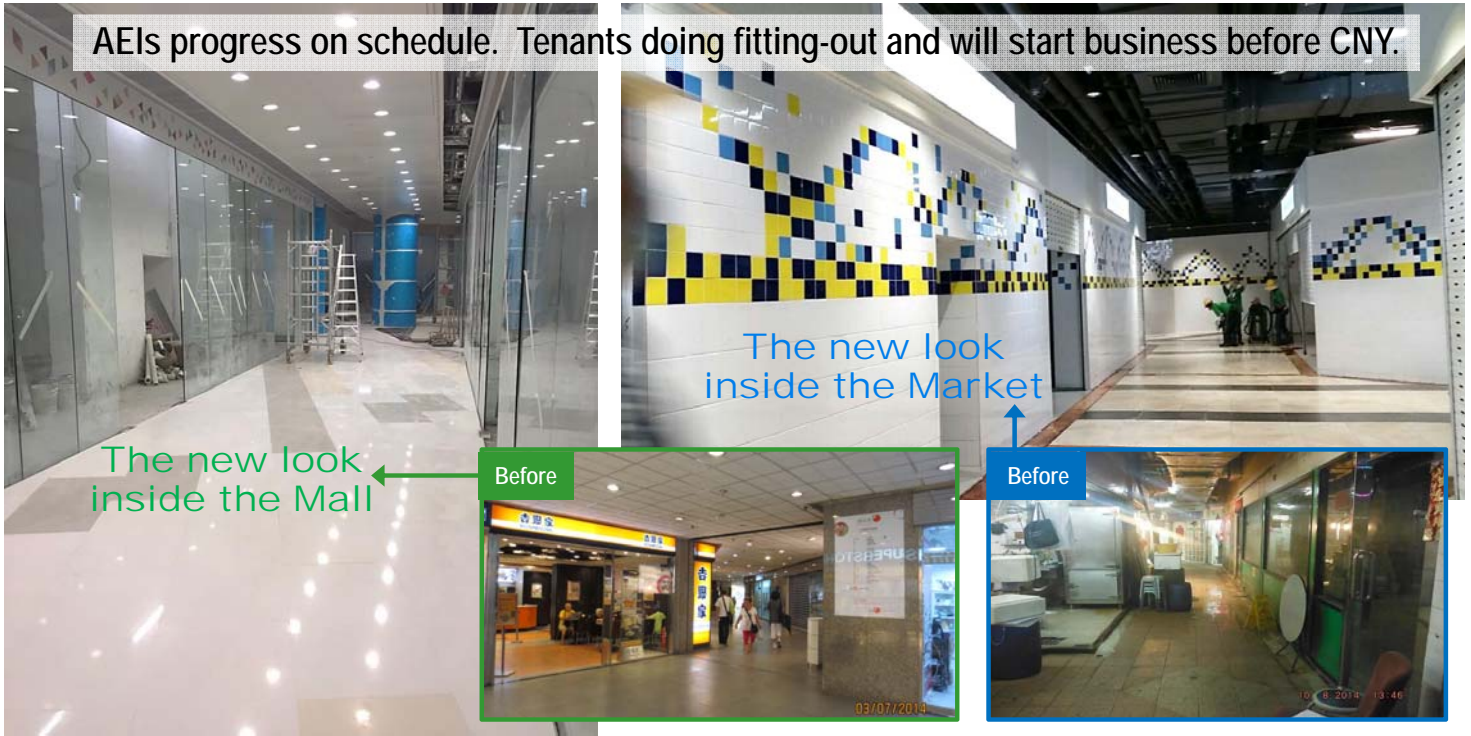


AEIs to focus on BS3, currently accounted for ~ 60% of rental



AEIs at Belvedere Square Phase 3 (BS3)

85% of stage 1 AEIs space pre-leased. Stage 2 of AEIs will resume in March 2015.



Fortune Kingswood – Tenant Repositioning



Strong rental growth riding on keen leasing interest from both new tenants and renewals

Rental reversion 30+%
Passing rent up 10+%



Fortune REIT's next large scale AEIs

Feasibility study
Being carried out





Results Highlights

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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.



• 5.3% DPU yield

1. Attractive Valuation

2. Resilient Portfolio

• Sustainable growth across economic cycles

• Positive rental reversion supported by full employment and tight supply of retail space

3. Stable 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

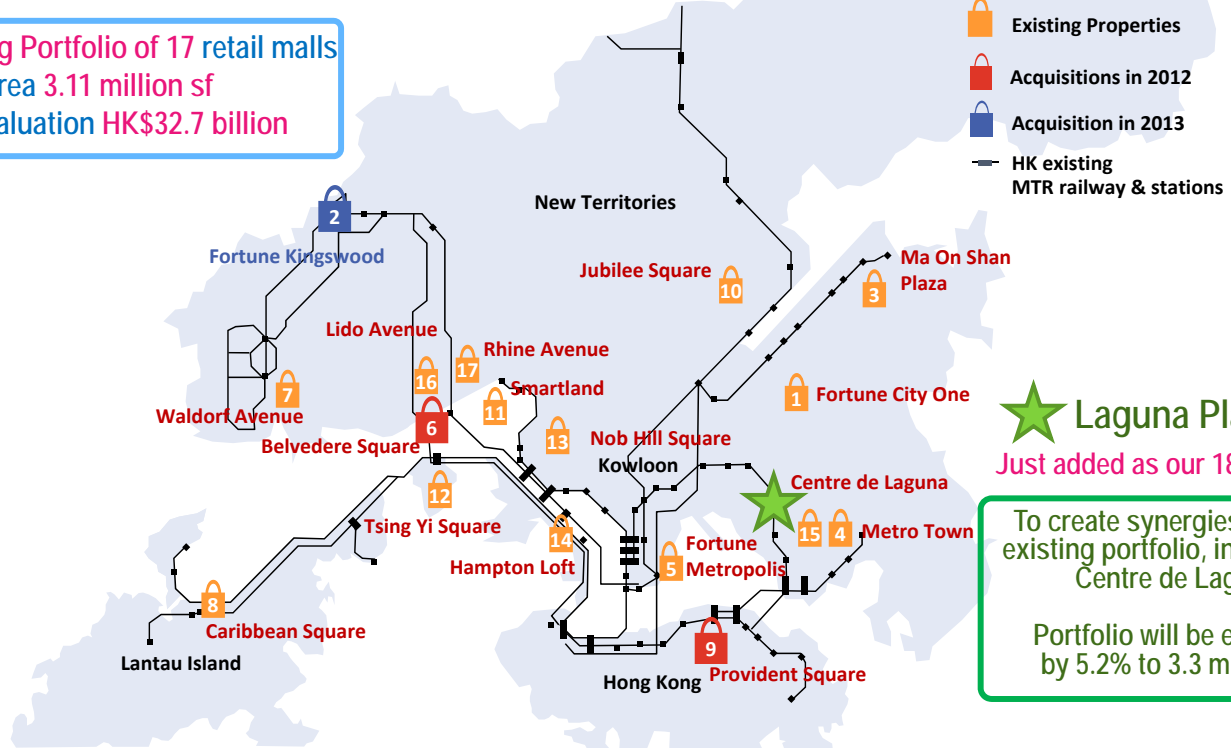
Three Growth Strategies

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



Acquired 4 yield-accretive properties in 3 years.

Existing Portfolio of 17 retail malls
Total Area 3.11 million sf
Total Valuation HK\$32.7 billion



★ **Laguna Plaza**
Just added as our 18th property

To create synergies with our existing portfolio, in particular Centre de Laguna
Portfolio will be enlarged by 5.2% to 3.3 million sf



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*

- 18 private housing estate retail properties in Hong Kong
- Comprised of 3.27million square feet of retail space and 2,756 carpark spaces.
- Portfolio valuation at HK\$34.6 billion

Market Capitalization & NAV (as at 31 Dec 2014)

- Market capitalization of Fortune REIT at HK\$14.6 billion
- NAV at HK\$11.93 per unit

Distribution Policy

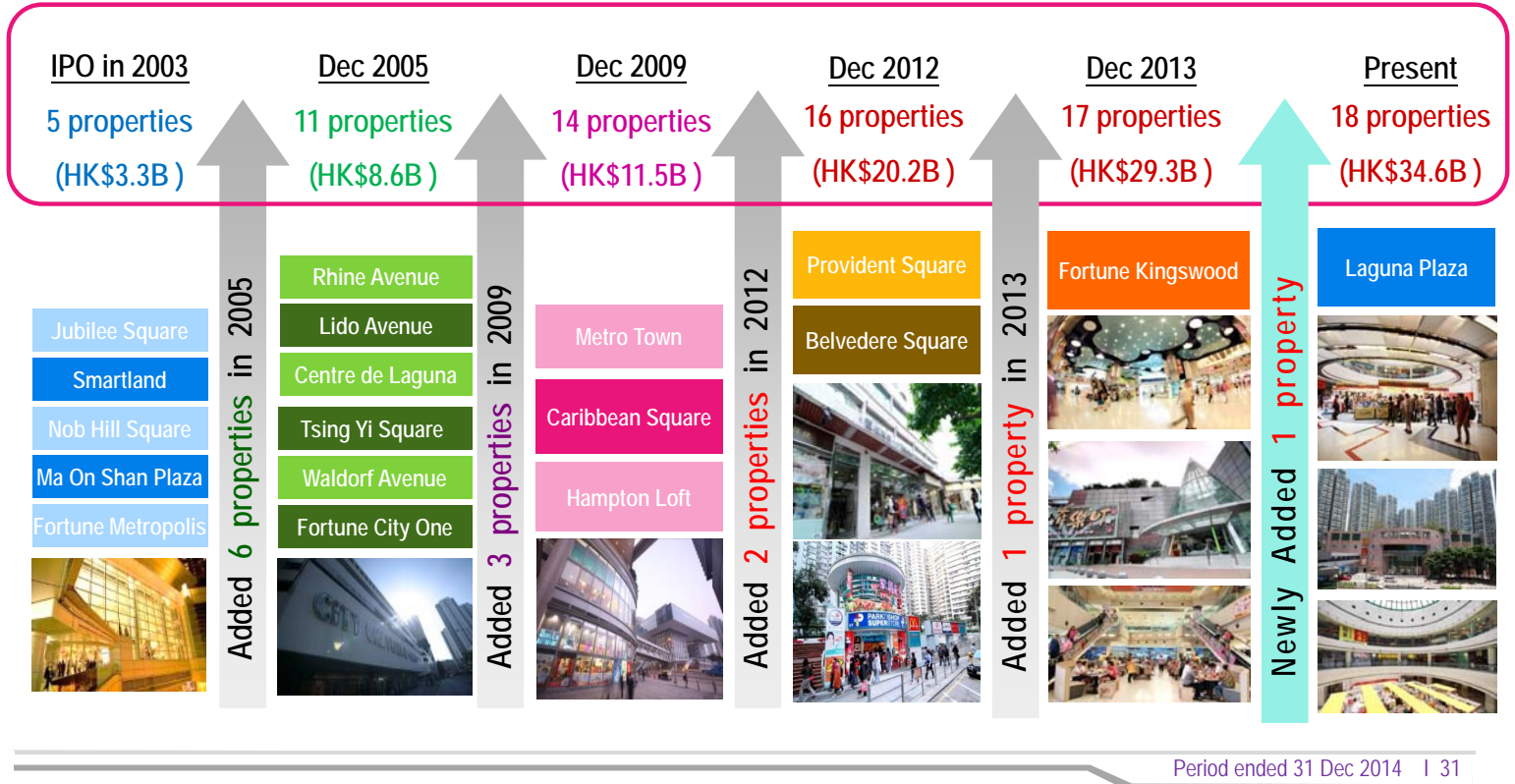
- Distribute 100% of its tax exempt income
- Distribute on a semi-annual basis

* Included Laguna Plaza, which was acquired on 9 January 2015.



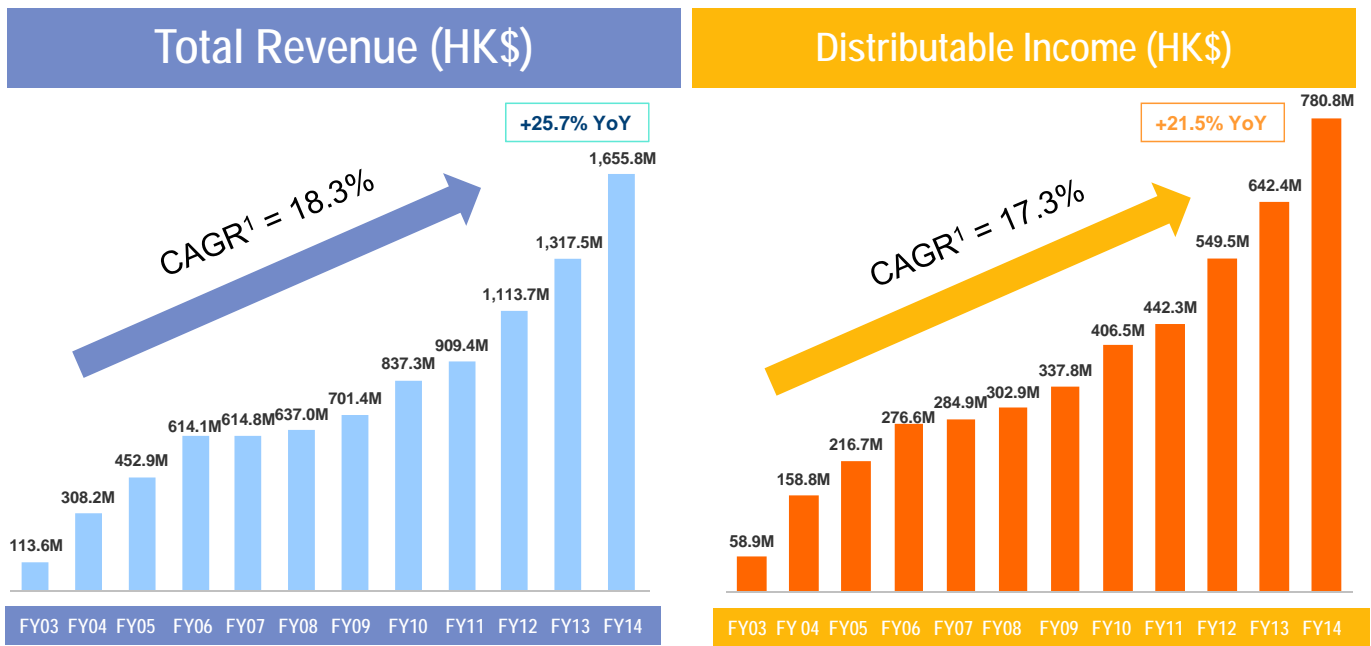
Proven Acquisition Growth

Portfolio expanded for more than 10 times in 11 years



Years of Sustainable Growth

11 consecutive years of sustained growth





AEIs at Fortune City One



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

Achieved ROI >25%



A refreshing outlook



Better layout with more offerings



AEIs at Fortune City One



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

Achieved ROI > 25%





AEIs at Ma On Shan Plaza



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

Achieved ROI 60%

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



AEIs at Jubilee Square



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

Achieved ROI > 25%

3/F now positioned as a household and F&B centre while 6/F & 7/F are focused on enhanced service and education trade.



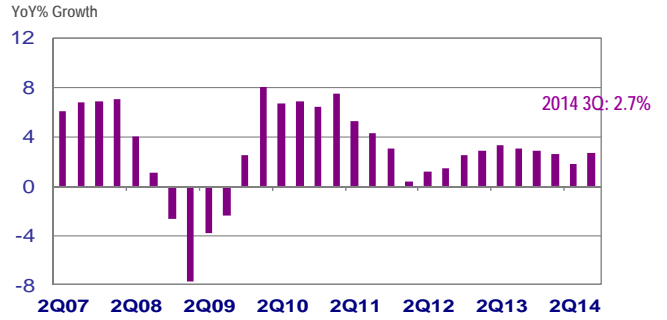
New resting area for shoppers



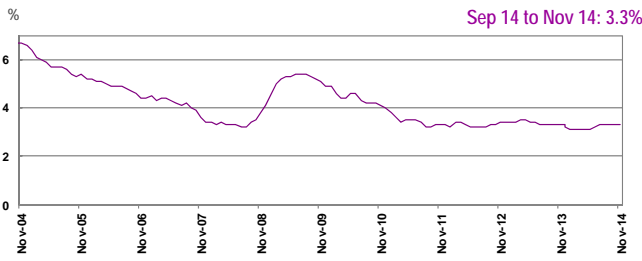
Economy recorded stable growth

- ✓ HK GDP regained momentum in 3Q14. GDP growth at 2.7% yoy, up from 1.8% in the second quarter.
- ✓ Improvement underpinned by a relative improvement in both services exports and domestic demand. Private consumption expenditure grew by 3.2% yoy.
- ✓ GDP growth for 2014 full year was forecast at 2.2%

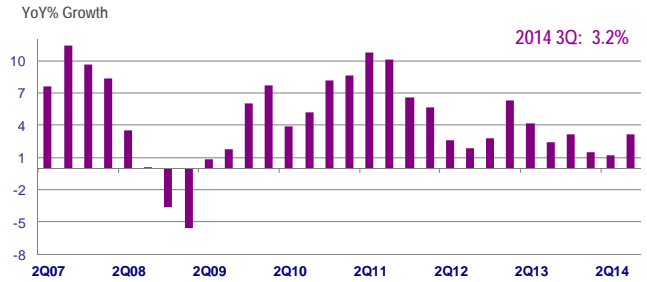
GDP 3Q14: Economy regained some momentum



Unemployment: Labour market held stable in Nov 14



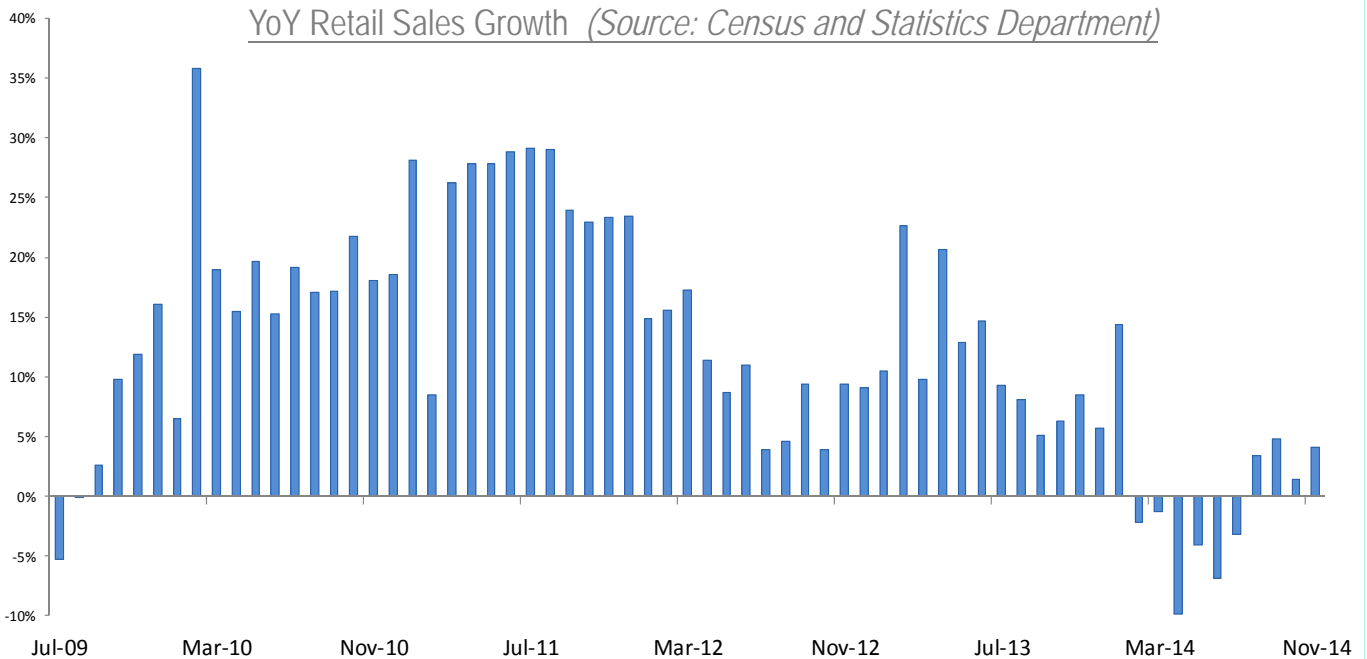
Private consumption: Strengthened after operating in low gear in the two preceding quarters.



Source: Census & Statistics Department, HK



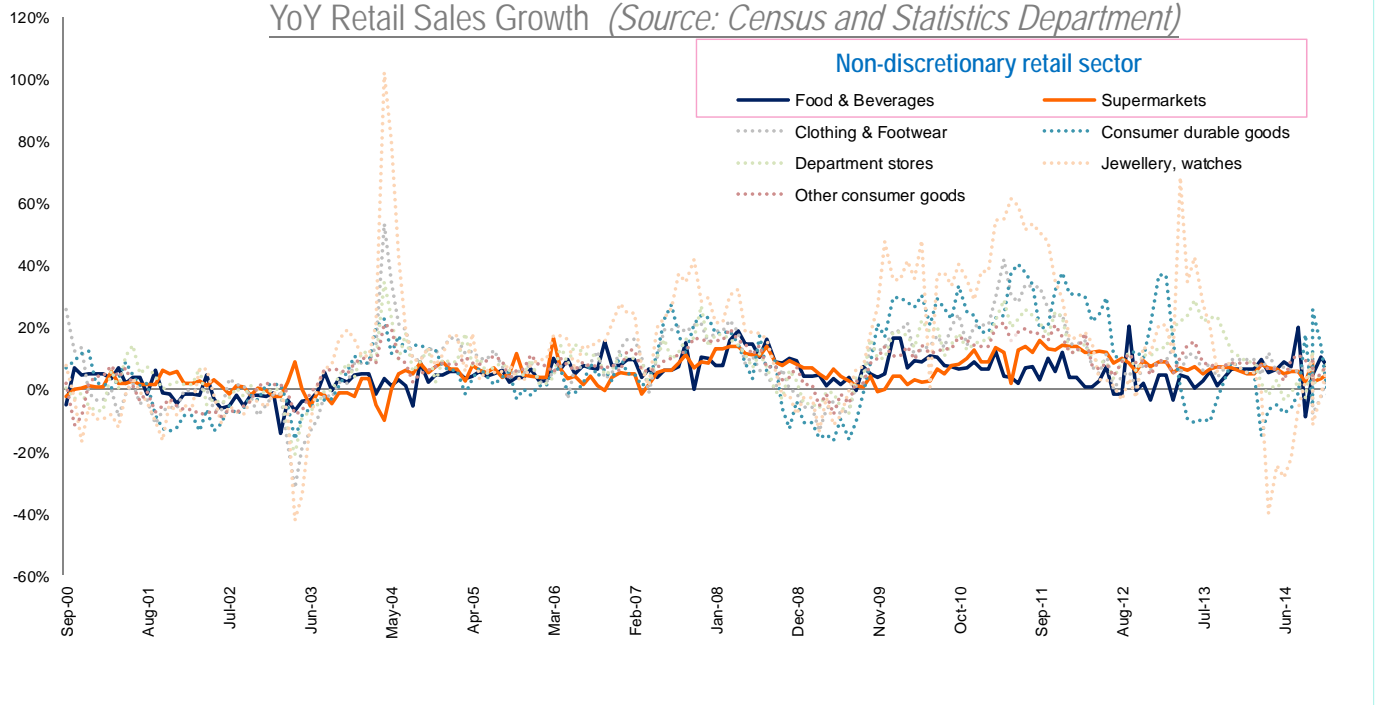
Value of total retail sales for first 11 months of 2014 increased by 0.2 % YoY





Non-discretionary spending sectors continues to show resilience

YoY Retail Sales Growth (Source: Census and Statistics Department)



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 18 malls under management.

All 18 malls will be given colourful new identities which share the same logo, but with different hues to reinforce the new Fortune Malls image.





2013 Annual Report Awards



2014 International ARC Awards

- Gold Award – Cover Photo/Design
- Silver Award – Printing and Production
- Bronze Award – Non-English Annual Report

Annual Reports



2014 Galaxy Awards

- Silver Award – Annual Report- Overall Presentation

ASIAMONEY

BEST
MANAGED
COMPANIES

2014

2014 Best Managed Company
Awards in Hong Kong – AsiaMoney



10th Corporate Governance Asia
Recognition Awards

7 Champions
at 2014 Asia's
Best Companies
Poll by
FinanceAsia

FinanceAsia

ASIA'S
BEST
COMPANIES
2014

Fortune REIT
Hong Kong

Best M&A (ranked 1st)
Best managed company (ranked 1st)
Best corporate governance (ranked 1st)
Best investor relations (ranked 1st)
Best corporate social responsibility (ranked 1st)
Most committed to a strong dividend policy (ranked 1st)

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