



Financial Results For The Period Ended 30 June 2015

27 July 2015



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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)

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 37.20 HK cents from the actual DPU of 36.00 HK cents of the existing portfolio for the 12 months ended 31 Dec 2013.



Period ended 30 Jun 2015 | 3



Disposal of Nob Hill Square Completed in Apr 2015



Disposal Amount

HK\$648 million

Enhanced Financial Flexibility

Gearing reduced to 30.6%

Fortune REIT's first-ever disposal

2.9%
property yield

48%
above book

HK\$219M
disposal gain

2.8 times
purchase price



Period ended 30 Jun 2015 | 4



Extracting Value from Proactive Portfolio Management

Acquisition of Laguna Plaza		Disposal of Nob Hill Square
January 2015	Completion	April 2015
163,203 sf	Gross Rentable Area	91,779 sf
HK\$1,918.5 million	Consideration	HK\$648 million
4.7%	Net Property yield	2.9%
8% discount	Comparison with Valuation	48% premium

DPU-accrative

Yield-accrative acquisition at discount to valuation. To drive further growth from portfolio

Proactive capital management. Greater financial flexibility to seize opportunities as they arise.

NAV-accrative

Divestment at premium to book to maximize return and unlock value for unitholders



Results Highlights

Financial Results & Capital Management

Portfolio Performance

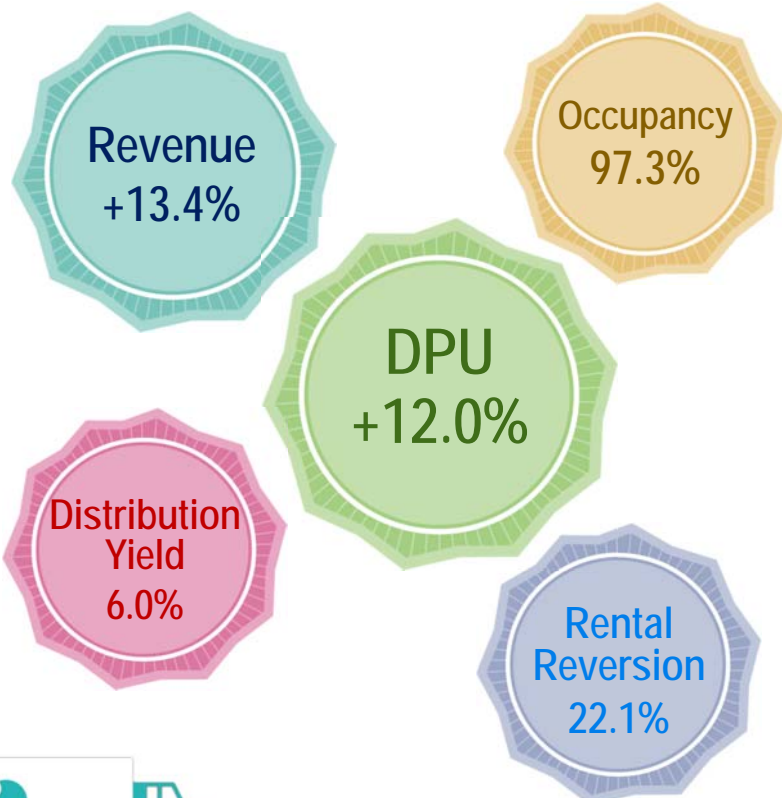
Asset Enhancement Initiatives

Track Record and Prospect





Results Highlights



For the 6 months ended 30 Jun 2015

Total Revenue	HK\$ 922.6M	+ 13.4% YoY
NPI	HK\$ 654.4M	+ 12.6% YoY
Distributable Income	HK\$ 440.3M	+ 12.8% YoY
DPU	HK\$0.2338	+ 12.0% YoY
Distribution Yield ¹	6.0%	
NAV Per Unit ²	HK\$12.49	+ 13.4% YoY
Gearing ²	30.6%	
Rental Reversion ³	22.1%	
Occupancy ²	97.3%	
Passing Rent ²	HK\$38.4 psf	

Notes:

1. Based on the average closing unit price in Singapore and Hong Kong of HK\$7.795 as at 30 Jun 2015.
2. As at 30 Jun 2015.
3. For all renewal leases from 1 Jan 2015 to 30 Jun 2015.



Period ended 30 Jun 2015 | 7



Financial Performance 1H15

1H15 Revenue +13.4% YoY

DPU +12.0% YoY

	1H15 (HK\$'000)	1H14 (HK\$'000)	Variance (%)	2Q15 (HK\$'000)	1Q15 (HK\$'000)	Variance (%)
Total revenue	922,592	813,455	13.4%	463,770	458,822	1.1%
NPI	654,363	581,049	12.6%	329,347	325,016	1.3%
Income available for distribution	440,258	390,454	12.8%	221,517	218,741	1.3%
DPU (HK cents)	23.38	20.88	12.0%	11.75	11.63	1.0%

Contributing factors

Strong occupancy & rental reversion

Yield accretive acquisition of Laguna Plaza in Jan 2015

2Q performance improved despite disposal of Nob Hill Square on 2 Apr 2015



Period ended 30 Jun 2015 | 8



Portfolio Valuation

	Jun 15 ¹ (HK\$ million)	Dec 14 ² (HK\$ million)	Change (Jun 15 vs Dec 14)
1 Fortune City One	7,348	7,124	+3.1%
2 Fortune Kingswood	6,783	6,652	+2.0%
3 Ma On Shan Plaza	5,057	4,896	+3.3%
4 Metro Town	3,131	3,026	+3.5%
5 Fortune Metropolis	2,369	2,311	+2.5%
6 Laguna Plaza	2,100	Acquired on 9 Jan 2015	
7 Belvedere Square	1,978	1,914	+3.3%
8 Waldorf Avenue	1,594	1,582	+0.8%
9 Caribbean Square	963	943	+2.1%
10 Provident Square	945	922	+2.5%
11 Jubilee Square	867	863	+0.5%
12 Smartland	676	658	+2.7%
13 Tsing Yi Square	591	574	+3.0%
14 Centre de Laguna	270	264	+2.3%
15 Hampton Loft	265	258	+2.7%
16 Lido Avenue	186	182	+2.2%
17 Rhine Avenue	115	113	+1.8%
Nob Hill Square	Disposed on 2 Apr 15	438	N/A
Fortune REIT Portfolio	35,238	32,720	+7.7%

Portfolio at HK\$35,238M
up 7.7% from Dec 2014

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

Valuation increase driven by
improved asset performance
and the addition of
Laguna Plaza

Note:

1. Valued by Savills
2. Valued by Jones Lang LaSalle

Period ended 30 Jun 2015 | 9



Distribution Details



Fortune REIT
Hong Kong

Best Managed Public Companies (ranked 1st)
Best Investor Relations (ranked 1st)
Best Corporate Governance (ranked 1st)
Most Committed to Paying Good Dividends (ranked 1st)

Jonathan Hirst

Jonathan Hirst
Publisher

Jane DiBiasio

Jane DiBiasio
Editorial Director

2015 Interim Distribution

DPU	23.38 HK cents
Ex-distribution Date	11 Aug 2015
Payment Date	28 Aug 2015

Fortune REIT ranked 1st
as the Most Committed to Paying Good Dividends in Hong Kong

Period ended 30 Jun 2015 | 10





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Balance Sheet

As at 30 Jun 2015	(HK\$'000)
Current Assets	907,416
Non Current Assets	35,247,073
Total Assets	36,154,489
Current Liabilities	5,022,648
Non Current Liabilities	7,614,437
Total Liabilities	12,637,085
Net Assets	23,517,404

Gearing Ratio

30.6%

Portfolio Valuation

HK\$35,238M

NAV Per Unit¹

HK\$12.49

Notes:

- The total number of deemed units used for the computation of net asset value per Unit is 1,879.4 million Units.





Capital Management

Debt Profile	As at 30 Jun 15	As at 31 Dec 14	As at 30 Jun 14
Total Debt	HK\$11,080M	HK\$9,893M	HK\$9,923M
Gearing Ratio / Aggregate Leverage	30.6%	29.4%	31.1%
Interest Cover ¹	4.82X	4.76X	4.71X
Effective Interest Cost ²	2.04%	2.17%	2.20%

Total debt reduced to HK\$11,080M.

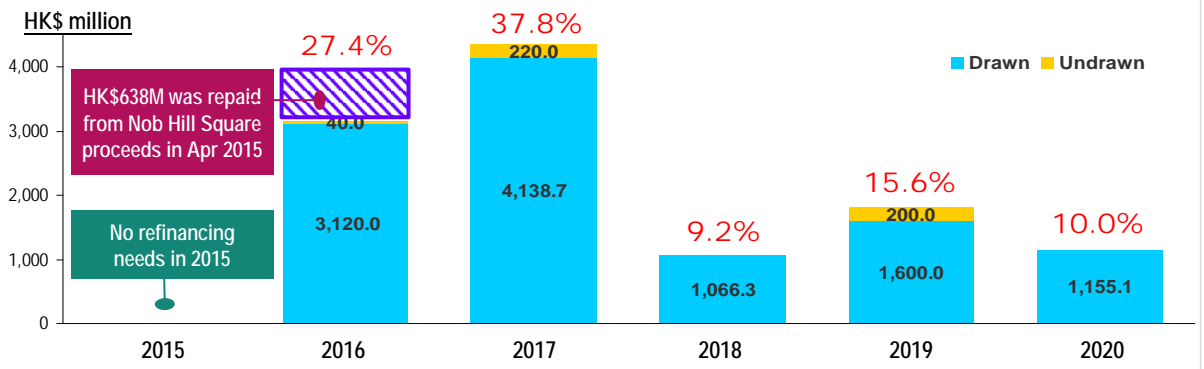
Gearing at 30.6%

Further debt headroom of HK\$2.4B

Notes:

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

Well-spread debt expiry profile



Period ended 30 Jun 2015 | 13



Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect



Solid Asset Performance

	GRA (s.f.)	Occupancy (30 Jun 15)	Occupancy (31 Dec 14)
1. Fortune City One	414,469	99.6%	99.5%
2. Fortune Kingswood	665,244	99.9%	100.0%
3. Ma On Shan Plaza	310,084	99.3%	100.0%
4. Metro Town	180,822	99.9%	100.0%
5. Fortune Metropolis	332,168	98.1%	98.2%
6. Laguna Plaza	163,203	97.2%	Acquired on 9 Jan 15
7. Belvedere Square ¹	276,862	81.5%	79.5%
8. Waldorf Avenue	80,842	100.0%	100.0%
9. Caribbean Square	63,018	100.0%	100.0%
10. Provident Square	180,238	90.5%	90.3%
11. Jubilee Square	170,616	99.3%	100.0%
12. Smartland	123,544	99.8%	99.9%
13. Tsing Yi Square	78,836	100.0%	100.0%
14. Centre de Laguna	43,000	99.4%	100.0%
15. Hampton Loft	74,734	100.0%	99.4%
16. Lido Avenue	9,836	100.0%	100.0%
17. Rhine Avenue	14,604	100.0%	100.0%
Portfolio Total	3,182,120	97.3%	97.3%

AEIs in progress

Reversion stands strong AEIs to drive further growth

Portfolio Occupancy

97.3%

Despite frictional vacancy from AEIs

Average Rental Reversion

22.1%

Supported by solid reversion
across the entire portfolio

Average Passing Rent

HK\$38.4 psf

Original portfolio² up 9.5% YoY
Benefited from good reversion and AEIs

Notes:

1. Belvedere Square is undergoing AEIs. Project to be completed in phases by end of 2015.
2. Exclude Laguna Plaza and Nob Hill Square.



Portfolio Expiry Profile

Expiry Profile by GRA (As at 30 Jun 15)	(% of occupied GRA)		
	2H2015	2016	2017 & Beyond
1. Fortune City One	21.8%	44.8%	33.4%
2. Fortune Kingswood	18.4%	21.2%	60.4%
3. Ma On Shan Plaza	11.1%	40.3%	48.6%
4. Metro Town	9.7%	66.2%	24.1%
5. Fortune Metropolis	27.3%	38.9%	33.8%
6. Laguna Plaza	9.1%	30.1%	60.8%
7. Belvedere Square	16.0%	28.1%	55.9%
8. Waldorf Avenue	6.3%	16.1%	77.6%
9. Caribbean Square	2.5%	19.1%	78.4%
10. Provident Square	56.6%	11.4%	32.0%
11. Jubilee Square	25.1%	36.4%	38.5%
12. Smartland	25.7%	22.4%	51.9%
13. Tsing Yi Square	43.5%	33.5%	23.0%
14. Centre de Laguna	39.4%	23.3%	37.3%
15. Hampton Loft	0.0%	74.8%	25.2%
16. Lido Avenue	21.1%	57.3%	21.6%
17. Rhine Avenue	0.0%	4.0%	96.0%
Portfolio Total	20.3%	33.5%	46.2%

2015 reversions keeping up



Fortune Kingswood



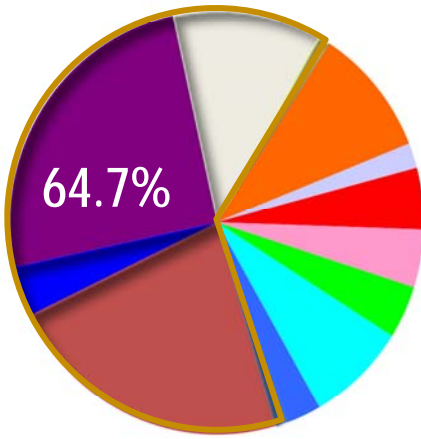
Fortune City One



Portfolio Trade Mix

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

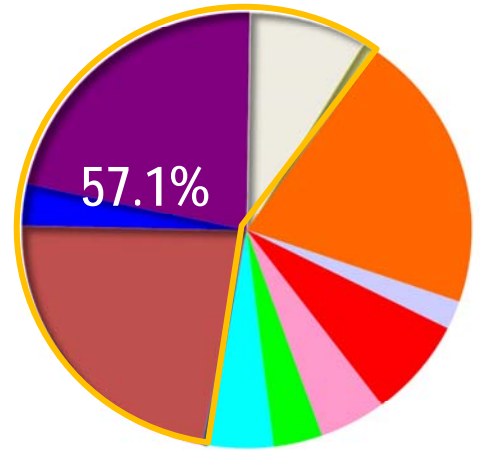
By Gross Rentable Area



Tenant's Trade Mix (as at 30 Jun 15)

1.0%	Community Services	0.4%
22.4%	Food & Beverages	22.4%
3.8%	Homewares	3.1%
24.9%	Services & Education	21.7%
11.6%	Supermarkets	8.4%
1.0%	Wet Markets	1.1%
9.8%	Banking & Real Estate	20.5%
1.9%	Electronics & IT	2.1%
4.7%	Fashion & Shoes	7.3%
4.4%	Gifts, Toys & Jewellery	4.8%
4.0%	Entertainment & Sports	3.5%
7.8%	Others	4.7%
2.7%	Vacant	0.0%

By Gross Rental Income



Promoting Fortune Malls

Engage shoppers with different kinds of innovative festival events





Strong interest from new tenants

Active leasing strategies & tenant mix enhancement to drive rental growth



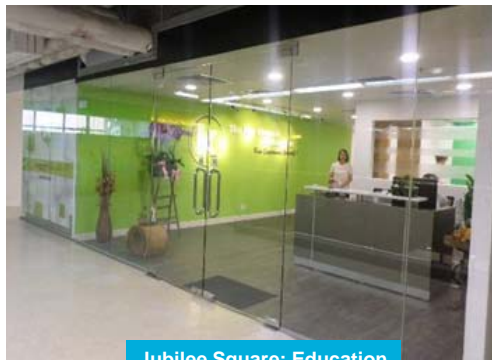
Provident Square: F&B



Provident Square: Fashion



Ma On Shan Plaza: F&B



Jubilee Square: Education



Metro Town: Fashion



Period ended 30 Jun 2015 | 19



Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect





AEIs at Belvedere Square Phase 3 (BS3)



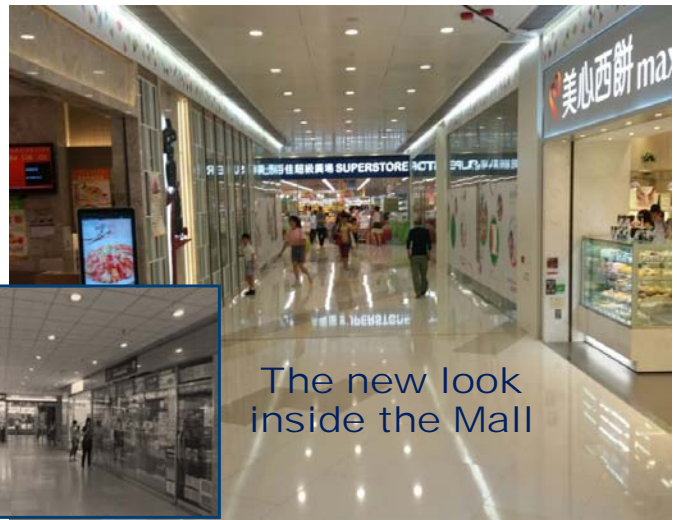
CAPEX	Commencement	Target Completion
HK\$80M	3Q 2014	End of 2015

Target ROI 15%

1st renovated zone of 50,000sf re-opened for business in Jan 2015



The new wet market entrance



The new look inside the Mall



Before



AEIs at Belvedere Square Phase 3 (BS3)

Received strong leasing interests. New tenants to enhance retail offerings.
Remaining works to be completed in phases by end of 2015



AEON Living Plaza



City Life



Wet market stalls



Bakery



Computer accessories



New Chinese Restaurant



PNS





Fortune Kingswood – Next AEs Target



Keen leasing interest from both
new tenants and renewals

Fortune REIT's next
large scale AEs

Strengthened F&B Offerings



Beauty



Fashion



Period ended 30 Jun 2015 | 23



Results Highlights

Financial Results & Capital Management

Portfolio Performance

Asset Enhancement Initiatives

Track Record and Prospect



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	Target 15%
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.



Why Invest in Fortune REIT

• 6.0% 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





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.



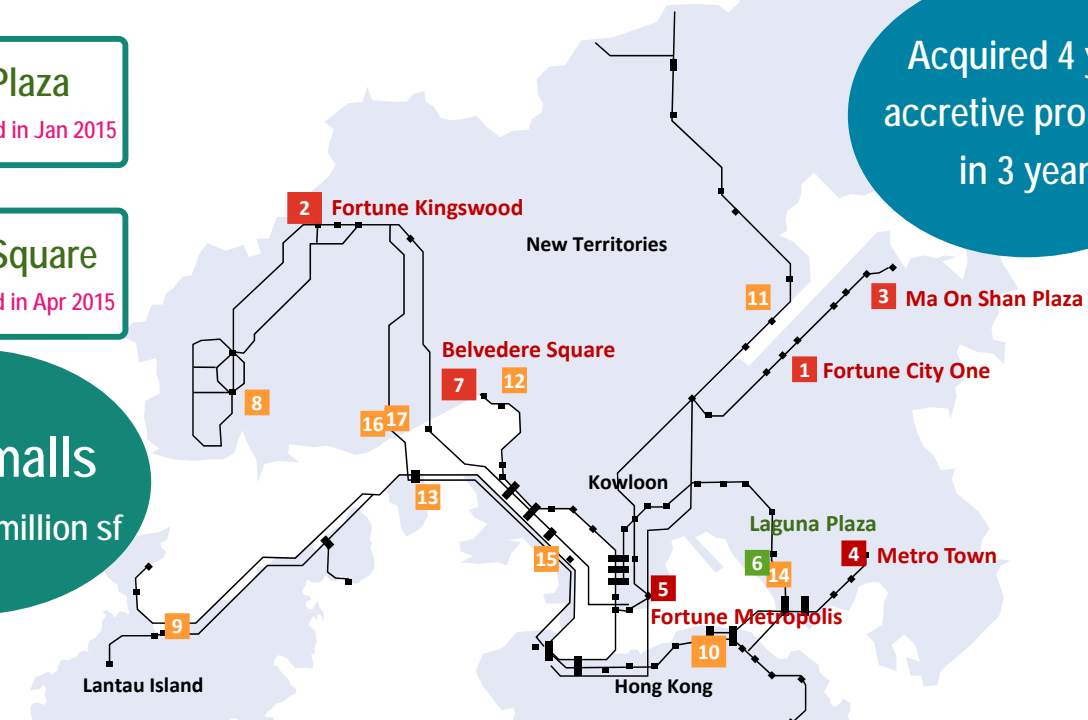
Fortune REIT's Portfolio

★ **Laguna Plaza**
Acquisition completed in Jan 2015

★ **Nob Hill Square**
Disposal completed in Apr 2015

17 retail malls
Total Area 3.2 million sf

Acquired 4 yield-accretive properties in 3 years.



- 8 Waldorf Avenue
- 12 Smartland
- 15 Hampton Loft
- 9 Caribbean Square
- 13 Tsing Yi Square
- 16 Lido Avenue
- 10 Provident Square
- 14 Centre de Laguna
- 17 Rhine Avenue
- 11 Jubilee Square





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

- 17 private housing estate retail properties in Hong Kong
- Comprised of 3.18million square feet of retail space and 2,713 carpark spaces
- Portfolio Valuation at HK\$35.2 billion



Market Capitalization & NAV (as at 30 Jun 2015)

- Market capitalization of Fortune REIT at HK\$14.7 billion
- NAV at HK\$12.49 per unit



Distribution Policy

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



Proven Acquisition Growth

Portfolio expanded for more than 10 times in 11 years

IPO in 2003	2005	2009	2012	2013	2015
5 malls	+6 malls	+3 malls	+2 malls	+1 mall	+1 mall
HK\$3.3B	AUM increasing to				HK\$35.2B

Jubilee Square	Rhine Avenue	Metro Town	Provident Square	Fortune Kingswood	Laguna Plaza
Smartland	Lido Avenue	Caribbean Square	Belvedere Square		
Nob Hill Square ¹	Centre de Laguna	Hampton Loft			
Ma On Shan Plaza	Tsing Yi Square				
Fortune Metropolis	Waldorf Avenue				
	Fortune City One				

Note:
1. Nob Hill Square was disposed on 2 Apr 2015.



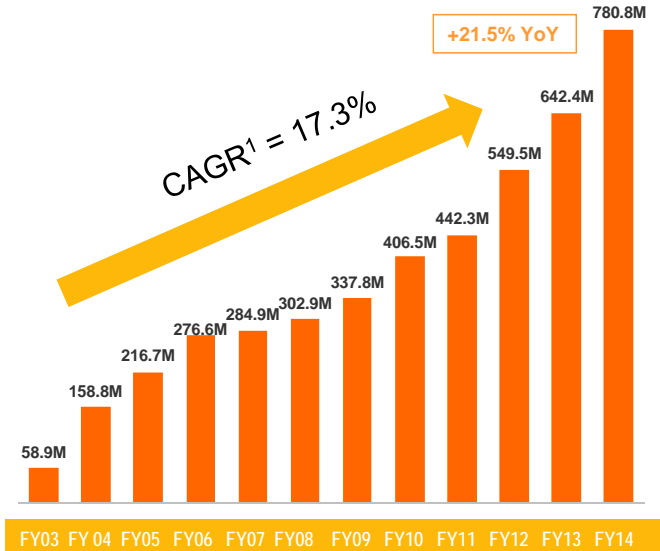
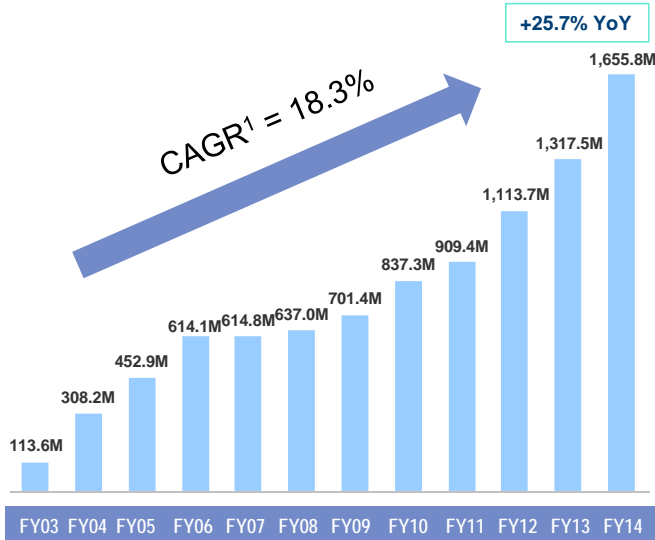


Years of Sustainable Growth

11 consecutive years of sustained growth

Total Revenue (HK\$)

Distributable Income (HK\$)



Note:
1. 2004 – 2014 compound annual growth rate (CAGR).



AEIs at Fortune City One



CAPEX	Commencement	Completion
HK\$150M	2Q 2010	October 2013

Achieved ROI >20%





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.

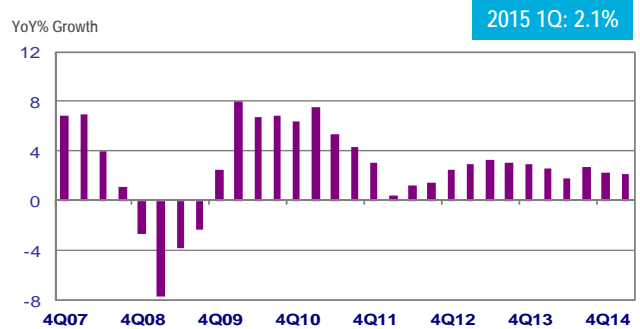


Hong Kong Economy

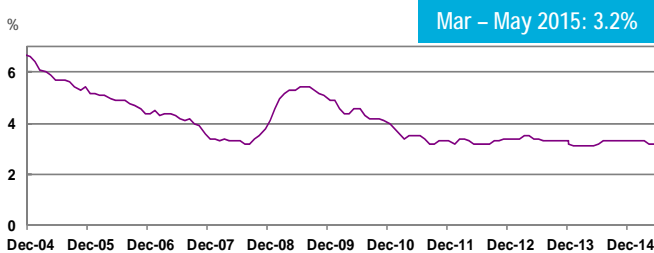
Economy recorded stable growth

- ✓ HK GDP remained moderate in 1Q15, with GDP expanded by 2.1%, slightly slower than the 2.4% growth in 4Q14
- ✓ Domestic demand remained the key source of economic growth: private consumption supported by stable labour market and income conditions
- ✓ GDP growth for 2015 full year was forecast at 1-3%

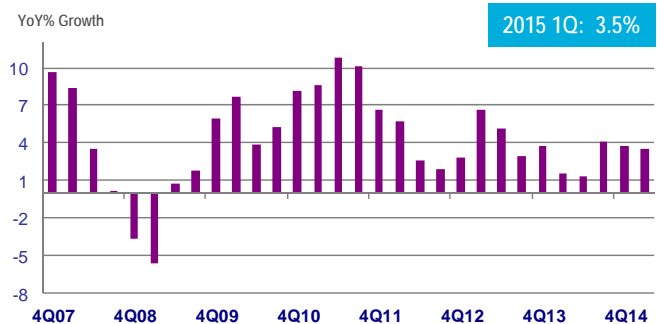
GDP: HK Economy grew modestly in 1Q15



Unemployment: Labour market stay resilient



Private consumption: Domestic sector remained stable

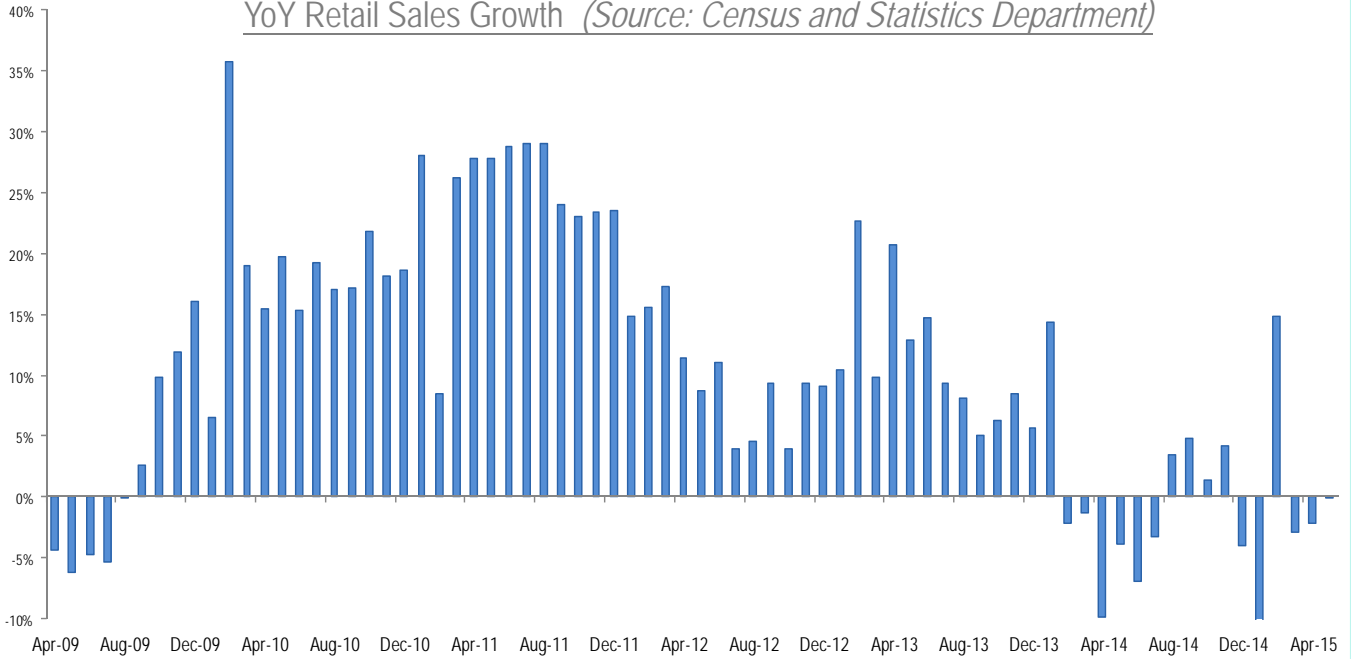




Hong Kong Retail Sales

Value of total retail sales for first five months of 2015 decreased by 1.8% YoY

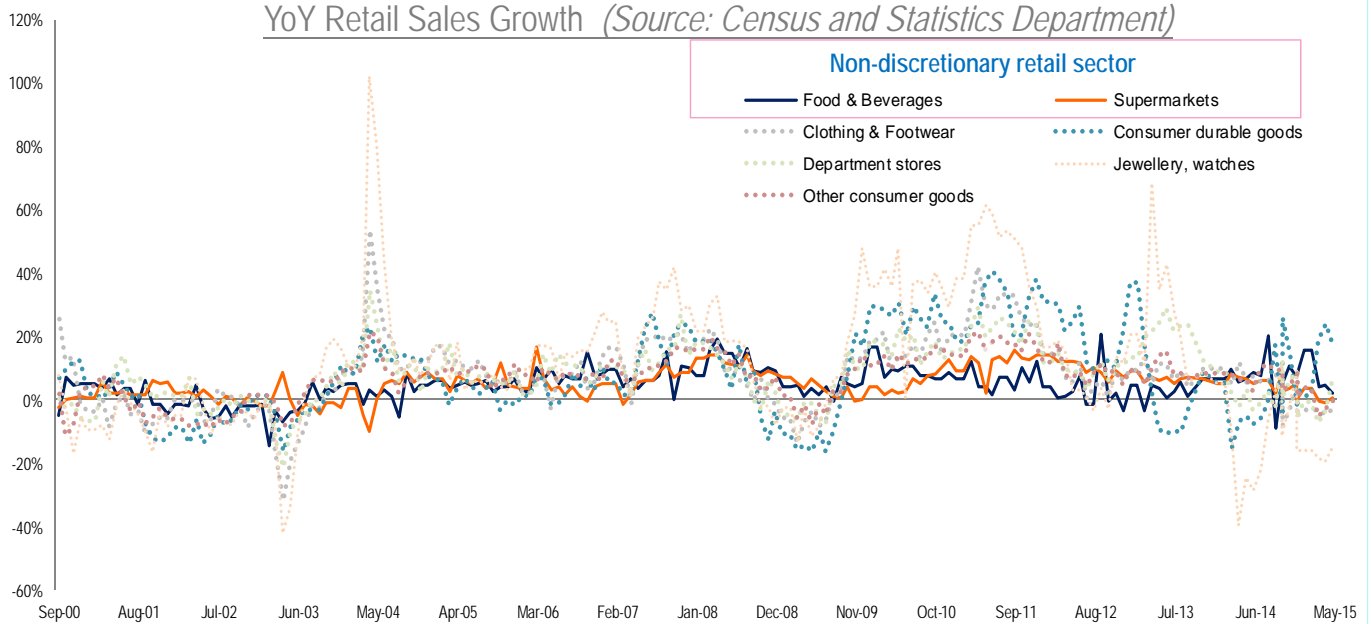
YoY Retail Sales Growth (Source: Census and Statistics Department)



Hong Kong Retail Sales

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 17 malls under management.

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



Wide Recognition in Excellence

2015 Asia's Best Companies Poll by FinanceAsia

FinanceAsia



ASIA'S
BEST
COMPANIES
2015

- No. 1 Best Managed Public Company
- No. 1 Most Committed to Paying Good Dividends
- No. 1 Best Corporate Governance
- No. 1 Best Investor Relations
- No. 1 Best CEO



HKIRA Awards

- Best IR Company - Mid Cap
- Best IR by Chairman/CEO - Mid Cap (Ms. Justina Chiu)
- Best IR Presentation
- Collaterals - Mid Cap



Indoor Air Quality Certificate – 6 Fortune Malls



5 Years Plus Caring Company Logo



Contact Us



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